

8. Housing Plan

The Housing element of the Comprehensive Plan is intended to guide public and private investments to ensure an adequate housing supply that meets existing and forecasted housing demand in Polk County. This plan was prepared with the input of a Housing Task Force composed of representatives of housing agencies, nonprofit housing providers, housing developers, and other interested citizens. The mission of the Task Force (and the framework for the housing plan) was to:

- Consider countywide adopted housing plans and recommendations;
- Analyze and project housing supply and needs by housing size and type, by tenure, cost and area;
- Recommend housing goals and programs;
- Determine and propose actions, policies or changes in housing plans and programs;
- Identify housing production and rehabilitation targets by type and cost, including housing for special populations such as the elderly, homeless, handicapped, minority populations and large families;
- Recommend possible strategies for emergency housing, conservation, rehabilitation and new housing construction necessary to implement a housing plan.

Summary of Housing Issues

Issues Identified in the 1990 Comprehensive Plan

Many of the housing issues identified in the 1990 Comprehensive Plan are still pertinent, while others have emerged more recently. The plan included a special census survey of seven unincorporated areas surrounding Des Moines. In general, the survey found the lowest housing values (slightly lower than the City of Des Moines), the greatest incidence of overcrowding, and the highest percentage of homes lacking complete plumbing in these areas. Most homes were served by private septic systems in combination with rural public water. The survey pointed to problems with housing in these older villages that have persisted and worsened to this day.

Current Housing Issues

The Housing Task Force identified both strengths and weaknesses or challenges in the housing sector.

Strengths:

- Strong market. The housing market remains strong throughout the County and the region, although some

Affordable Housing is defined as housing at a cost that does not exceed 30% of a household's gross income.

Median Family Income (MFI) is a standard measure of affordability determined by the U.S. Department of Housing and Urban Development and used by most housing providers to determine eligibility for housing programs. For 2004, the MFI for a family of four in Polk County was \$65,300.

Families with incomes below a certain percentage of MFI are classified in the lower income brackets and are eligible for affordable housing programs. The 2005 classification* is:

- Low Income: below 80% of MFI, or \$33,450 - \$53,500
- Very Low Income: below 50% of MFI, or \$20,050 - \$33,449
- Extremely Low Income: below 30% of MFI, or \$20,049

* based on a family of four

In Polk County, the 2000 census showed that 39% of all households fell into these lower income categories. In the City of Des Moines, 50.1% of households were lower income.

Sources: PCHTF, 2005
Affordable Housing Report,
Human Services Planning
Alliance, Housing/Rent
Information (www.hspla.org)



Poor-quality housing, Norwoodville, and residential/industrial conflicts in Marquisville



The median housing price in Polk County is \$134,000. To be able to afford housing at this price, a family would need to earn more than \$42,900 annually (\$20.63 per hour for a single wage-earner).

The median fair market rent in Polk County is \$657 per month. To afford this, families must earn \$26,270 a year, or \$12.63 per hour.

(Compare these income levels to the low income categories in the previous sidebar.)

Sources: PCHTF, 2005 Affordable Housing Report

softening in the rental apartment market has been evident in the past few years. (According to a recent market survey, the apartment vacancy rate in Greater Des Moines is 9.5 percent¹, a slight decline from 2004).

- Sound and diverse housing stock. Housing stock is generally in sound condition, and a broad selection of housing types is available at all income levels.
- Supports economic development. There is a broad understanding among housing providers and economic development agencies that housing is an economic development tool – ‘rooftops’ create opportunities for jobs
- Land supply. Land has been readily available for most types of housing, with a particular focus on single-family detached suburban housing. (This was viewed as both a strength and a weakness.)

Challenges:

- Affordability gap. Housing costs are escalating while the pool of affordable housing shrinks. The increasing ‘affordability gap’ between median family income and median housing price means that fewer families can afford quality housing (see sidebar).
- Geographical mismatch. Higher-quality housing has tended to be constructed in Des Moines’ western suburbs, extending west into Dallas, Madison and Warren Counties.
- Land costs and market demand. The continued market demand for larger, more expensive housing drives land prices higher and lessens the motivation to develop more affordable housing.
- Concentration of poor-quality housing. Contributing to the regional imbalance in housing supply, lower-cost and substandard housing is largely concentrated in Des Moines, as well as in the unincorporated areas just north of the city.
 - Within Des Moines, this poor-quality housing is disproportionately concentrated in low-income neighborhoods, especially the designated Enterprise Community neighborhoods. On the positive side, much progress has been made in housing rehabilitation in these neighborhoods, such as the Riverbend neighborhood.
 - Within Polk County, substandard housing is concentrated in areas of Saylor, Delaware and Webster townships along the I-80 corridor, including the old villages of Marquisville and Norwoodville. Many of

¹ CB Richard Ellis/Hubbell Commercial Real Estate and Apartment Market Survey, 2005.

these areas are characterized by an uneasy mixture of residential and industrial uses, and by industrial zoning that hinders residential improvements.

- Spatial mismatches. In many locations within Des Moines and the first-ring cities and townships, large lots are occupied by very small houses, with little utility for families and little appeal to today's homebuyers. However, further subdivision of the lot or expansion of the dwelling are both difficult and costly.
- Municipal policies. Many suburban cities have little interest in providing affordable housing, and have no policies or incentives that would encourage its construction. Cities tend to compete for the region's higher-end housing, using tax abatements and tax increment financing to attract development.
- Neighborhood opposition. Many urban neighborhoods can and do benefit from infill development, and additional housing can support desired neighborhood-scale retail and other services. However, many residents oppose any increase in housing density, addition of rental or special needs housing, or introduction of new housing types, such as townhomes or accessory apartments.
- Senior housing needs. There is a growing need for life-cycle housing, especially for seniors within their home communities. While senior housing is being developed by several nonprofits in Des Moines and the first-ring suburbs, many outlying communities provide no housing for independent seniors.

Housing Goals

The following goals are directly related to the issues outlined above and provide a framework for the recommended policies and actions that follow this section.

Affordable housing

- To achieve an equitable and balanced distribution of affordable housing across Polk County and the Des Moines metropolitan region.
- To reduce regulatory barriers that hinder construction of affordable housing, while maintaining high standards for housing quality and character.
- To address and mitigate extreme differences in land value across the County and region, which have tended to concentrate affordable housing within the City of Des Moines.
- To promote high-quality housing design, to ensure that new housing complements and is an asset to the surrounding neighborhood.

Housing rehabilitation

- To encourage and facilitate continued investment in rehabilitation of existing housing stock.
- To 'level the playing field' to make rehab a viable alternative for the homeowner, as compared to moving elsewhere.
- To encourage (through technical and design assistance) the renovation and updating of postwar housing stock (1950s and 60s housing) to enable it to better meet the needs of contemporary homeowners.
- To continue to improve the housing stock and infrastructure within Polk County's unincorporated villages.

Life-cycle housing

- To provide a full range of housing choices for different ages and stages of life, within Polk County.
- To improve the image and appeal of rental housing as a viable choice for seniors and others for whom homeownership may be inappropriate.
- To provide more housing options for seniors who wish to remain in their communities.

Infill housing

- To improve the process of land assembly for housing redevelopment.
- To use existing urban lots more efficiently. This may include selective increases in housing density, where compatible with neighborhood goals.
- To address the specific housing needs of new immigrants and other ethnic groups.

Land use and growth management

- To ensure an adequate supply of developable land in Polk County to meet the region's projected population.
- To encourage new development that uses existing or planned infrastructure.

Housing Policies

Recommended policies fall into two categories:

- o Housing and development types that Polk County will encourage, including combinations of housing and other uses;
- o Tools that the County will use or support in order to achieve its housing goals; working with other levels of government and private and nonprofit sectors

Housing and Development Types:

Policy 1 – Encourage Senior Cooperatives

Polk County will encourage creation of limited equity senior housing co-ops as a way to increase options for “aging in place” in many Polk County communities.

Senior co-ops have gained considerable popularity in the Upper Midwest, particularly in Minnesota. (Cooperatives in Iowa are generally located in smaller rural communities such as Greenfield and Hull). Co-ops offer many advantages to seniors who wish to preserve the home equity they have built up while living in a low-maintenance, supportive community.

A housing cooperative is a not-for-profit corporation with the special purpose of providing housing and related services for resident shareholders. Buying into a co-op is not the same as buying a condominium. Buyers sign an agreement that entitles them to occupy a unit as long as they pay a monthly charge. Co-ops are generally financed with ‘master mortgage’ financing. The co-op carries the financing, and the members’ monthly charges pay the operating cost, taxes and debt service.²

Co-ops are generally classified as “limited equity” or “market-rate.” As the name implies, limited equity co-ops control the rate at which the value of cooperative shares may rise. The purpose of limited equity is to ensure that cooperative shares remain affordable over time. The limited equity type appears to offer more opportunities for lower-income seniors.

A market-rate cooperative allows the price of cooperative shares to fluctuate with the market. When a member’s share is bought or sold, its sale price is set by the market, offering the members the potential for increased equity.

² “Co-ops catch on with Minnesota Seniors.” Article by Neal Gendler, *Star Tribune*, August 19, 2004.

Policy 2 – Foster Mixed-Income and Mixed-Use Developments

Integration of affordable housing into a larger mixed-income community is recognized as one of the most effective ways of removing the stigma often associated with subsidized housing 'projects.' Polk County will work with its housing partners and municipalities to foster the development of mixed-income and mixed-use developments.

Mixed-use projects can foster inclusion and diversity by incorporating housing for people of all income levels, in a pedestrian-oriented environment that provides easy access to services and amenities. Mixed-use projects are beginning to attract interest in the Des Moines region, but barriers to their acceptance still exist, including standard zoning requirements and unfamiliarity among lenders.

Achieving greater acceptance of mixed-use development can be achieved through funding of demonstration projects, reducing regulatory barriers, and continuing educational efforts. Ensuring a proportionate share of affordable housing in these developments will depend in part upon other municipal initiatives such as set-aside requirements or incentives.

Policy 3 – Continue to Support Rental and Owner-Occupied Assisted Housing

This category spans a broad range of housing types, including single-family houses, duplexes, townhomes and multi-family units for purchase or rental. Not-for-profit housing providers have concentrated their efforts in these areas. The majority of this housing will be developed through rehabilitation of existing housing or new infill development, comprising small-scale developments in existing neighborhoods. Methods for providing this housing at a level that lower-income buyers can afford include subsidies of monthly payments or interest rates, forgivable liens or second mortgages, tax abatements, appraisal gap subsidies, operating subsidies, and tax credits (for rental housing).

Polk County will continue to support not-for-profit housing providers in developing assisted housing, and to seek to extend these programs to unincorporated areas. One policy change to consider would be the encouragement of "density by design" – selective introduction of higher-density housing, if designed in a manner that is compatible with existing residential neighborhoods. (See Appendix for examples.)

Policy 4 – Continue to Support Infill Development in Existing Neighborhoods

Infill development has been defined as “Development or redevelopment of land that has been bypassed, remained vacant, and/or is underused as a result of the continuing urban development process. Generally, the areas and/or sites are not particularly of prime quality, however they are usually served by or are readily accessible to infrastructure (services and facilities) provided by ... local government.”³

As mentioned under the previous policy, most assisted housing, as well as mixed-income housing and new housing types such as senior co-ops, will be developed as infill. Most not-for-profit housing providers focus their efforts on infill development, primarily in Des Moines and some of the close-in suburban communities.

Infill is a critical piece of this comprehensive plan, because development that uses existing infrastructure more efficiently can reduce the need to extend this infrastructure into rural areas. However, the desire for infill must be balanced against the goal of a more balanced and equitable distribution of affordable housing across the region.

Significant barriers to infill development exist, including regulatory barriers, neighborhood opposition to new housing types or assisted housing, and the difficulty of land assembly. (These are discussed later in this chapter.) Polk County will continue to work with not-for-profit housing providers in development of infill housing that is designed to be compatible with its neighborhood surroundings (see discussion in Appendix).

Policy 5 – Support Transitional and Emergency Shelter Housing

Transitional housing is defined as housing, combined with supportive services, which facilitates the movement of homeless or near-homeless families and individuals to permanent housing within two years.⁴ Transitional housing is provided by many faith-based and other non-profit organizations within the region. It includes family apartments or houses, family dormitories and single dormitories. Polk County will

³ City of Topeka, Kansas, in American Planning Association, *A Glossary of Zoning, Development and Planning Terms*. PAS Report 491/492, 1999.

⁴ Human Services Planning Alliance. “Affordable Housing Within Polk County,” n.d.

continue to support these organizations, largely through the Polk County Housing Trust Fund.

Emergency shelter housing facilities provide overnight sleeping accommodations as temporary shelter for those who are homeless, or for a specific population of homeless persons. Shelters generally serve homeless individuals or families, and are funded through a variety of federal and state sources. Shelters in the Des Moines area are primarily operated by religious institutions or through voucher programs. Polk County will continue to provide support to these organizations.

Tools and Techniques for Creating and Maintaining Affordable Housing

Policy 6 – Consider the Use of Set-Asides and Zoning Incentives

An affordable housing set-aside is a requirements by local government that a certain percentage of any housing units created using municipal subsidies or assistance are affordable (generally using the 80% of MFI threshold). The specifics of set-asides vary: some communities may require affordable units to be built within same development site; others allow units to be build on another site; and some allow in-lieu payment to a housing trust fund or land trust. For example, the Minnesota cities of Saint Paul and Duluth both require that 20% of any housing units constructed with city assistance be affordable.

A set-aside can be incorporated into a zoning ordinance, typically by tying it to an increase in density or a reduction or waiver of permit, development or infrastructure fees. For example, the City of Suffolk, Virginia, offers a density bonus of 20% in exchange for a set-aside of 12.5% of the dwelling units, which are then rented or sold by the city's Housing and Redevelopment Authority.

One obstacle to the use of set-asides is that many developers in the region are satisfied with the housing product they are currently developing and have little interest in density increases or additional housing types. Additionally, many municipalities have little interest in diversifying their housing stock.

Polk County will consider the use of set-asides in housing developments that receive County subsidies or County infrastructure, and will encourage municipalities to use this tool. When the County zoning ordinance is revised, Polk County will consider the use of density bonuses and other incentives for affordable housing.

Policy 7 – Utilize Residential Tax Increment Financing (TIF) Districts

Tax increment financing is one of the most widely-used tools available to municipalities to stimulate redevelopment. In Iowa, an “Urban Renewal TIF” may be used for residential development if the municipality can guarantee that the development will include assistance for low- and moderate-income family housing. A percentage of the tax increment generated by a residential TIF is required to be set aside for this purpose, based on the percentage of low-to-moderate income households within the region (39% in 2005). Within Polk County, one residential TIF has been developed in Polk City and another is underway in Grimes.

While Polk County itself does not have the legislative authority to initiate residential TIF districts, it is required to comment on those proposed by municipalities. Every TIF within Polk County affects the County’s tax base, and shifts the cost of county services to other property taxpayers.

Polk County will work with municipalities to ensure that residential TIF assistance for affordable housing is used within those communities consistent with the Comprehensive Plan. The County will also assist in development of TIF-funded affordable housing through the Polk County Housing Trust Fund, which has the expertise needed to initiate affordable housing projects and can frequently leverage other resources.

Policy 8 - Reduce Regulatory Barriers

Housing costs are increased by many requirements that are hidden within municipal development regulations. Examples include

- Lot frontage minimums, which frequently prohibit the 50-foot lot found in many traditional urban neighborhoods;
- Parking requirements that mandate surface parking spaces in addition to spaces within a garage, or that require two parking spaces for small apartments or senior housing;
- Minimum floor area requirements;
- Street design and stormwater management standards that consume excessive land area.

Polk County will work to reduce regulatory barriers when revising its zoning ordinance and other development regulations, and will encourage municipalities to do the same.

Policy 9 - Focused Redevelopment

Polk County will consider new housing and housing redevelopment initiatives and related infrastructure improvements in Delaware and Saylor townships, working in partnership with nonprofit housing providers and the PCHTF.

The County's Housing Services department has provided assistance to the Saylorville, Marquisville and Norwoodville areas with housing rehabilitation, but a more focused approach that includes both infill, new development and aggressive code enforcement is needed to improve the image and long-term prospects for these neighborhoods.

Organizations such as the Neighborhood Finance Corporation, the Community Housing Development Corporation and HOME, Inc. have worked largely within cities, but could be used effectively in conjunction with a revitalization plan for targeted County neighborhoods.

In addition, street and utility improvements in these areas would contribute to their livability and attractiveness, and would make private development more feasible. The County is currently replacing water lines in these areas, but additional improvements to streets, sewers and parks should also be considered.

Policy 10 – Redevelopment of Tax-Delinquent Lots

One of the barriers to effective infill development has been the difficulty of acquiring and redeveloping tax-delinquent lots. Recent state legislation streamlines the process. It enables a city or county to remove such lots from the tax sale roster, avoiding the formerly lengthy and complicated process for 'redeeming' such lots after sale. Cities or the County can then assign the titles to a nonprofit, which can eventually redevelop the lots. The City of Des Moines is already working with the County Assessor to identify these parcels.

Polk County will continue to assist the City of Des Moines in identifying tax-delinquent lots, arranging their sale, and working with nonprofits to redevelop or land-bank them.

Policy 11 – Evaluate the Use of Community Land Trusts

Community land trusts (CLTs) offer a means of maintaining permanently affordable high-quality housing. Nonprofit housing providers in Polk County should explore creation of one or more land trusts as a supplement to their existing programs.

Similar to a housing cooperative, the CLT reduces the costs of entry into the housing market by separating ownership of the house from ownership of the land on which the house sits. The CLT holds the deed to the land, although the homebuyer owns the house. When the house is sold, the homeowner can keep a percentage of the increase in value – typically 25-30%. Land trusts can be centralized on a single site or dispersed among separate lots within a neighborhood or city.

CLTs are set up as non-profit organizations, and may work in partnership with cities. (For example, in Chaska, MN, 5% of all new housing units in a development must be donated to the CLT.) In Iowa, community land trusts exist in Ames (Story County CLT), Cedar Rapids (Metro Area Housing Program) and Iowa City (Greater Iowa City Housing Fellowship).

Polk County will work with its housing partners to determine the feasibility or desirability of creating community land trusts.

Policy 12 - Support for Transit and Transit-Oriented Development

Affordable housing is most successful when viewed as part of a continuum of services and resources that help workers find employment and assist families in their daily activities. Transit is a critical piece of this continuum, particularly for very low-income families that may lack dependable transportation. One of the key difficulties preventing low/moderate income families from moving to affordable housing that may be available in outer suburbs and rural areas is the lack of transit service.

The Metropolitan Transit Agency (MTA) is currently being reorganized as a regional authority with the ability to serve more of the metropolitan area than it does at present. The MTA has, through its Transit 2030 Committee, identified several potential rapid transit corridors for further study. The Land Use Plan (Chapter 3) also recommends three transit/access management corridors for this approach: IA Highway

141, IA Highway 163, and NW Second Street/Highway 415. Polk County will support the MTA in its efforts and will encourage transit-oriented development along the identified corridors.

Policy 13 - "Growing Green Communities" / Low Impact Development

The Growing Green Communities initiative supported by the Metro Waste Authority has made considerable progress working with Polk and Warren counties and a number of cities along the Iowa 5/65 corridor, introducing new concepts in conservation design. The program's goal is to reduce stormwater runoff and create more environmentally sustainable development. Conservation design techniques keep a significant percentage of each development site in open space and native vegetation, and use natural systems such as swales to manage runoff. Several pilot residential projects are underway in the region. While none of these include higher-density housing types or an explicitly 'affordable' component, this approach should be considered in future "conservation communities."

Polk County will continue to support the Growing Green Communities effort, and will promote the introduction of a broader variety of housing types and the inclusion of a percentage of affordable units in new development.

Linking Policy Recommendations to Issues and Goals

The following table illustrates the relationship between the issues outlined in this chapter, the goals developed during the planning process, and the recommendations above. Many proposed actions address several issues or goals, and one goal – to ensure an adequate supply of developable land – is addressed in the Land Use Plan.

Table 8-1: Relationship Between Housing Policies, Goals and Issues

Recommendations	Goals	Issues
Housing and Development Types		
Encourage creation of limited equity senior housing co-ops	Provide additional senior housing options Provide a full range of housing choices	Senior housing needs Geographical mismatch
Support mixed-income and mixed-use development	Achieve an equitable and balanced distribution of affordable housing across County and region Mitigate extreme differences in land value Promote high-quality housing design and compatibility	Affordability 'gap' Land costs and market demand
Support and extend programs for assisted housing (rental and owner-occupied) Support infill housing	Encourage continued investment in existing housing stock Make rehab a viable alternative for the homeowner Encourage updating of postwar housing stock	Concentration of poor-quality housing
Support transitional housing and emergency shelter housing	Provide a full range of housing choices Address the specific needs of specific populations needing housing	Affordability 'gap'
Tools and Techniques		
Consider and encourage set-asides and zoning incentives	Provide a full range of housing choices	Municipal policies
Assist in development of residential TIF-funded affordable housing	Achieve an equitable and balanced distribution of affordable housing across County and region Promote high-quality housing design and compatibility	Land costs and market demand Geographical mismatch
Reduce regulatory barriers to affordable housing	Reduce regulatory barriers while maintaining high standards Make rehab a viable alternative for the homeowner	Municipal policies Neighborhood opposition
Focus redevelopment efforts in Delaware, Saylor & Webster townships (historic village areas)	Improve housing stock within County's unincorporated villages Encourage updating of postwar housing stock	Spatial mismatch Concentration of poor-quality housing
Assist Des Moines in redevelopment of tax-delinquent lots	Use existing urban lots more efficiently Address the specific needs of specific populations needing housing	Spatial mismatch Concentration of poor-quality housing

Recommendations	Goals	Issues
Explore feasibility of creating community land trusts		Spatial mismatch Geographical mismatch Land costs and market demand
Support Metropolitan Transit Agency in promotion of improved transit and transit-oriented development	Encourage new development that uses existing/planned infrastructure Provide additional senior housing options	Senior housing needs Land costs and market demand
Support Growing Green Communities efforts; promote housing diversity	Promote high-quality housing design and compatibility Reduce regulatory barriers while maintaining high standards	Land costs and market demand Neighborhood opposition
[This goal is addressed in the Land Use Plan]	Ensure adequate supply of developable land	Land costs and market demand

Sources

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