



CITY OF

DES MOINES



HOUSING ACTION PLAN

Adopted on June 8, 2023 by Resolution 1458

Acknowledgments

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Des Moines City Council

Matt Mahoney, Mayor
Traci Buxton, Deputy Mayor
Harry Steinmetz, Position 1
JC Harris, Position 2
Gene Achziger, Position 3
Jeremy Nutting, Position 4
Vick Pennington, Position 6

Stakeholder Participants

Bree Nicoletto, African Community Housing and Development Office
Miguel Maestas, El Centro De La Raza
Antonio Lewis, Highline Public Schools
Nick Merriam, Housing Connector
Andrew Calkins, King County Housing Authority
Seth Lundgaard, SeaMar Community Health Centers
Claire Vanessa Goodwin, South King County Housing and Homelessness Partners
Dorsol Plants, South King County Housing and Homelessness Partners

Project Team

City of Des Moines

Denise Lathrop, AICP, Community Development Director

Laura Techico, AICP, Planning and Development Services Manager

Jason Woycke, AICP, Senior Planner

Eric Lane, Land Use Planner II

Joseph Messana-Croly, Land Use Planner I

AHBL, Inc.

Wayne E. Carlson, FAICP, LEED AP, Principal Land Use Planner

Nicole Stickney, AICP, Senior Project Manager

Elizabeth Espinoza, Land Use Planner

Ali Masterson, Land Use Planner

Carmen Smith, Land Use Planner

ECONorthwest

Robert Parker, AICP, Project Director

Oscar Saucedo-Andrade, Project Manager



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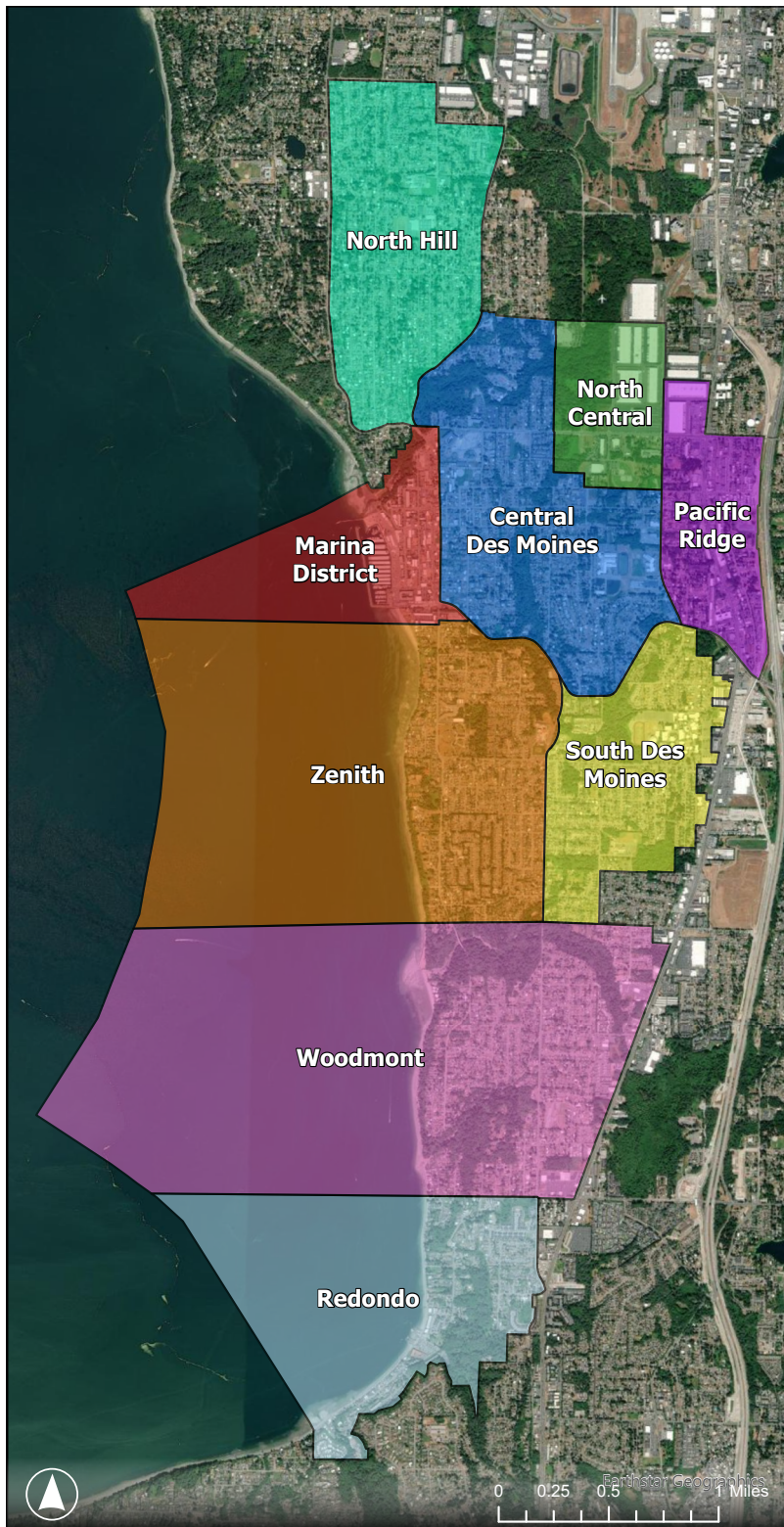
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Part 1: Introduction

1.1 Introduction

The City of Des Moines, Washington was incorporated on June 17, 1959. Since the time of incorporation, the City has grown in population, both as a result of people moving into the city as new construction occurs and also due to annexations from portions of unincorporated King County. This has resulted in geographic growth and increased population within added territory). Des Moines is situated along Puget Sound midway between Seattle and Tacoma. Geographically, the City is long and narrow (6.3 miles long and 2.1 miles wide) and covers 4,340 acres (6.8 square miles). For Planning purposes, the City is divided into nine neighborhoods, each having a unique mix of population, housing stock, commercial opportunities, and amenities (Figure 1).

The City of Des Moines, together with the broader region and Washington State on the whole, has experienced a rapid and dramatic change with respect to housing affordability and availability.

Figure 1: Neighborhood Map

Source: City of Des Moines

The Washington State Department of Commerce awarded the City a “Housing Action Plan and Implementation Grant” in 2022 to develop a Housing Action Plan (HAP) which is defined in RCW 36.70A.600(2). This Housing Action Plan identifies actions and strategies to encourage construction of additional affordable and market rate housing of a variety of housing types that is affordable to households at different income-levels. A critical component of this work is the Housing Needs Assessment (HNA) that provides the data and analysis required to understand Des Moines’ housing needs. The Housing Needs Assessment looks at many factors related to housing in Des Moines, such as population and household characteristics, income and employment, and housing costs and affordability in order to provide a clear picture of the state of housing in the city. The Housing Needs Assessment serves as a foundation for the HAP.

The King County Countywide Planning Policies (CPPs) create a shared and consistent framework for growth management planning for all jurisdictions in King County — which includes Des Moines. VISION 2050 is the region’s plan for growth and is a product of a regional planning process led by the Puget Sound Regional Council and association of four counties (King, Kitsap, Pierce, and Snohomish), cities, towns, ports, tribes, and state agencies. The Housing Action Plan, like other planning documents of the city, must align with these broader policy documents.

1.2. What is a Housing Action Plan?

The Housing Action Plan is an implementation guide and is intended to provide clear actions that the City can implement to promote:

- More diversity in the types of housing available in Des Moines
- More affordable housing for residents of all income levels in Des Moines
- Greater access to housing for residents of all income levels in Des Moines

Informed by the Housing Needs Assessment, the Housing Action Plan provides guidance to the City on specific actions and initiatives to undertake in order to meet Des Moines' housing need.

A Housing Action Plan (HAP) is a strategic road map for Des Moines to follow toward furthering its housing goals. The HAP will provide clear actions that the City can implement with the purpose of promoting greater diversity in the types of housing available and more affordable housing to residents of all incomes in Des Moines.

The Des Moines Housing Action Plan identifies the current and future housing needs for the city's residents and discusses how those needs are or are not being met. The HAP includes potential solutions to address the challenges associated with expanding affordable housing options within the city. Further, changing economic factors and shifting demographics contribute to a dynamic situation. The HAP goals and strategies were developed to show the City's determination to promote more housing choices where they are needed. Through the development and implementation of a Housing Action Plan, the City of Des Moines can better understand its residents' housing needs and how to implement or support effective policies and programs to provide for those needs.

This HAP was written and developed to comply with state guidance, including the adoption of the grant-funded HAP document consisting of the Housing Needs Assessment, housing policy review, and strategic policy recommendations.

1.3. How was the HAP created?

The City received a grant from the Department of Commerce which provided funds for the city to assemble a plan to accomplish its goal of creating more affordable housing opportunities amid a growing problem driven by disparity between incomes and housing costs. The City hired a team of consultants – AHBL and ECONorthwest – to assist in the development of this HAP. In order to create a HAP that can be most beneficial to the city, AHBL has reached out to community members and stakeholders to get a better understanding of the community's vision and housing needs. Additionally, ECONorthwest prepared a Housing Needs Assessment for the city.

1.4. Where did the Plan Recommendations come from?

The plan recommendations stem from various components of this project including feedback from the public and other stakeholders, a detailed review of the existing zoning code/development standards, understanding the Housing Needs Assessment completed, and research of how surrounding communities are addressing similar issues. The plan recommendations were developed based on the following actions:

- Housing Needs Assessment
- Community Engagement Events
- Online Survey
- Stakeholder Group Engagement Interviews

These four sources of input were used to arrive at the preliminary recommendations offered in this plan. The key findings from each of these sources are described in Part 2: Summary.

1.5. What objectives are driving the HAP?

The Housing Action Plan is an implementation guide and is intended to provide clear actions that the City can implement to promote:

- Greater access to housing for residents of all income levels
- More diversity in types of housing available
- More affordable housing for residents of all income levels

Informed by the Housing Needs Assessment, the Housing Action Plan provides guidance to the City on specific actions and initiatives to undertake in order to meet Des Moines' housing need.

1.6. What is the Planning Horizon for the HAP?

This HAP has been created to plan for housing and population growth through 2044. The leaders, staff, developers, and residents in the city of Des Moines will have this document to reference as the Housing Element is prepared for the City's 2024-2044 Comprehensive Plan. This document includes factors relating to existing forecast needs that should be considered. This HAP provides an actionable collection of implementation strategies to meet the local housing needs.

1.7. What is the Geographic Study Area for the plan?

The Housing Action Plan is written for the entire city of Des Moines, and all parts of the city were studied and considered. The city is generally organized into nine neighborhoods and members from each neighborhood were consulted in the study. Public engagement events were held within city limits, keeping the geographic study area focused on residents.

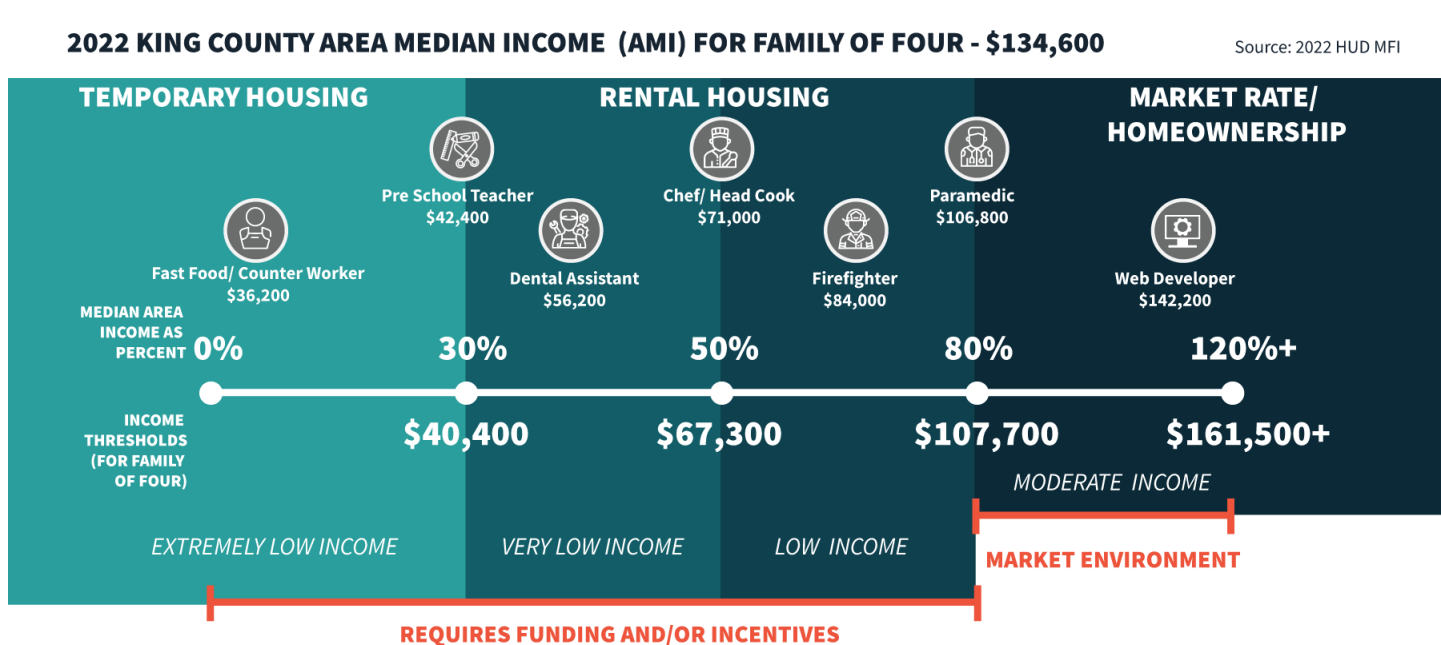
1.8. How does Income relate to Housing in Des Moines?

Housing affordability refers to the degree to which a household or individual can afford to pay for housing without experiencing financial hardship or sacrificing other essential needs.

According to the US Department of Housing and Urban Development (HUD), affordable housing refers to a residence that a household or family can acquire - either through buying, renting, or other methods - that requires payment of no more than 30% of the household's income. Typically, households paying more than 30 percent of their income for housing is considered "cost burdened", while households paying more than 50 percent for housing are "severely cost burdened."

The figure below shows the income brackets typically used to evaluate income qualifications for various housing programs, based on the Seattle-Bellevue Metro area median income (AMI). AMI is defined annually by HUD market studies and can increase or decrease from previous years based on market conditions. The figure provides AMI ranges and the housing types that typically serve the households in the AMI range.

Figure 2. Income Brackets and Housing



Part 2: Summary

2.1. Summary of Housing Needs

The City of Des Moines residents fall into different income brackets and the housing needs for each group vary. In order for city to provide affordable housing options to its residents, the City must first understand its current housing inventory, its residents' incomes, and housing demand.

2.1.1. Current Housing Inventory

According to US Census data under the program known as American Community Survey (ACS), Des Moines had 12,950 housing units in 2020. The majority (56%) of the housing stock in Des Moines is comprised of single unit detached homes, followed by multifamily (5+units). Compared to Washington as a whole, Des Moines' housing stock features more units which are not single family residential; Des Moines has a diverse housing stock of attached housing and multifamily both with 2-4 units and more than 5 units—which corresponds to a comparatively large share of persons renting their homes.

ACS data reveal that a majority of Des Moines housing units are owner-occupied (59%), while 41% are renter occupied. According to HUD building permit data, between 1980 and 2021 a total of 8,308 housing units were built in Des Moines with about 66% of the units being multifamily and 34% of the units being single family housing structures.

The median price for a Des Moines home in 2012 was \$175,000 while in 2022 the median price for a home was \$630,000. Due to this increase, Des Moines has experienced the largest housing cost increase compared to its neighboring cities like SeaTac, Kent, Tacoma, Burien, Federal Way, and Seattle. Likewise, we find that household incomes have not kept pace with the rising rental costs in Des Moines.

Des Moines is poised to lose about a quarter of its income-restricted housing stock in the next 10 years. Additionally, an inventory of emergency shelter, transitional housing, and permanent supportive housing revealed that Des Moines does not have any of these continuum of care services which are essential in reducing the risk of people becoming homeless.

Des Moines is poised to lose a quarter of its income-restricted housing stock in the next 10 years.



Des Moines does not currently have an emergency shelter, transitional housing, or permanent supportive housing in city limits

2.1.2. Income Characteristics

As shown in Figure 3, the median household income in Des Moines increased by \$10,691 between 2010 and 2020, which is an increase of 18%. During the same time period, the median household income in King County increased by \$31,000 (46%).

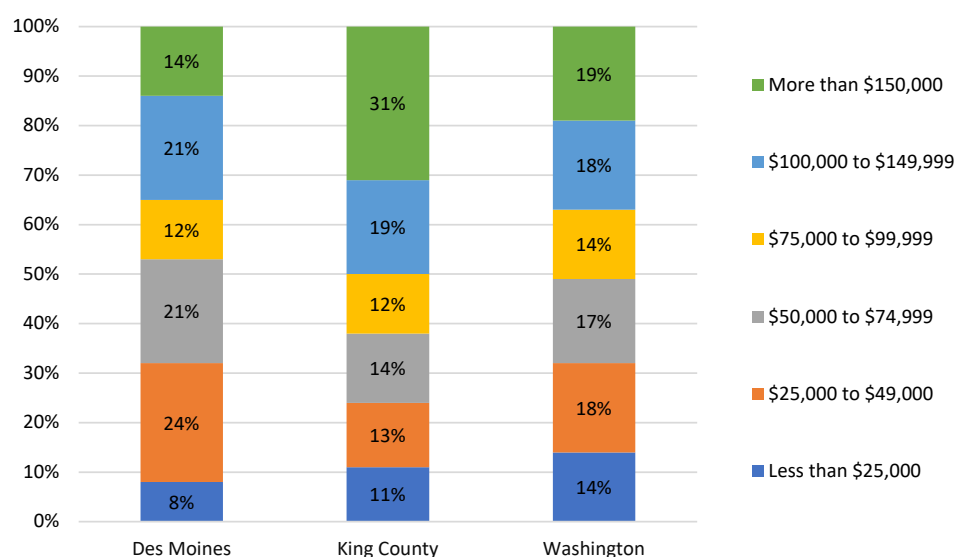
Figure 3. Des Moines and King County Household Median Income, 2010-2020

Jurisdiction	Household Median Income		Change (2010-2020)	
	2010	2020	Amount (\$)	Percent
Des Moines	\$68,065	\$70,268	\$10,691	18%
King County	1,931,249	2,287,050	\$31,093	46%

Source: American Community Survey (ACS) 2010 and 2020, 5-year estimates, and ECONorthwest calculations

Next, Figure 4 compares the annual household income distribution in Des Moines with the distribution among King County residents and Washington households, as determined in the year 2020. In Des Moines, about 32 percent of residents make less than \$50,000 which is a larger share when compared to in King County. The lower annual incomes (\$25,000 - \$49,999) along with middle incomes (\$50,000-\$74,999) were higher than both King County and Washington. Additionally, Des Moines also has a higher percentage of households who make \$100,000 to \$149,999, but a lower percentage of residents who make more than \$150,000. This is consistent with the conclusion that on the whole, Des Moines households have a lower annual income than those in King County.

Figure 4. Annual Household Income Distribution Comparison, 2020



Source: American Community Survey (ACS) 2020 5-year estimates

2.1.3. Population Characteristics

According to the Washington Office of Finance Management (OFM), Des Moines has experienced stable population growth since 2010. The population was estimated at 33,100 in 2021. Des Moines is one of the smaller cities in King County, making up 1.4% of the total county population in 2021.

Since 2010, Des Moines has grown approximately 12% or by 3,427 persons—growing at a slower rate than King County. Des Moines has experienced an Average Annual Growth Rate (AAGR) of 1.00% compared to 1.55% in the county.

Figure 5. Des Moines and King County Population Growth, 2012-2022

Jurisdiction	Population		Change (2012-2022)		
	2010	2020	Number	Percent	AAGR
Des Moines	29,673	33,100	3,427	12%	1.00%
King County	1,931,249	2,287,050	355,801	18%	1.55%

Source: Washington Office of Finance Management (OFM) and ECONorthwest Calculations

Household incomes in Des Moines have substantially changed since 2010. From 2010 to 2020, there was a steep increase in households making more than \$100,000, signaling a shift toward wealthier residents. To supplement this point, there was a 49% decrease in households making less than \$25,000 and a 24% decrease in households making \$75,000 to \$99,999. The increase in income was largely seen in households making over \$100,000 per year. This is primarily due to wealthier households moving to Des Moines; and it is generally understood many of these higher income households work in other communities. Since 2010, Des Moines has lost households with low- and middle-incomes (generally those who make less than \$74,999), while gaining households with higher incomes—especially those making more than \$100,000.

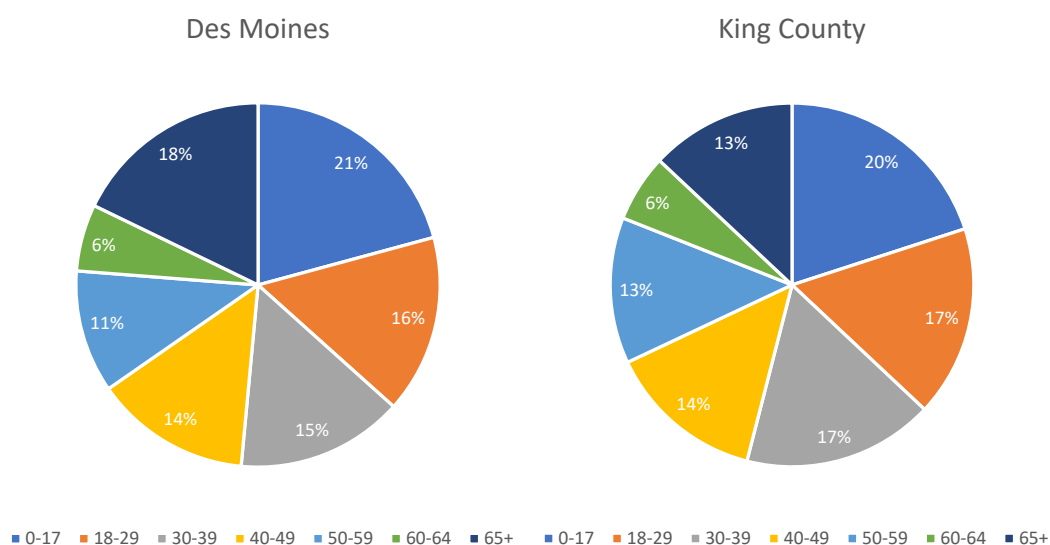
Age Distribution

The age characteristics among a community can be used to assess current housing needs and may indicate future trends for housing. Because different age cohorts may have different housing needs, demand for particular housing types correlates to the age of residents. For example, young adult households may choose to occupy apartments, condominiums, and small single-family homes because of affordability, location, and household size/presence of children. In contrast, middle-aged adults may prefer larger homes in which to raise families, while seniors may prefer smaller units that have lower costs, less maintenance, and are more proximate to services.

Figure 7 shows the age distribution of Des Moines residents in 2020. The distribution of Des Moines's population by age is similar to that of Washington and shows greater differences when compared to King County. Children (ages 0-17) comprised the largest cohort of residents in Des Moines followed by older adults (65 and older), and young adults aged 18-29. Since 2010, Des Moines saw the fastest growth among the group of adults 65 years and older had (increasing 18%) followed by young adults aged 18 to 29 which increased by 17%. During the same period, the number of adults aged 50-59 decreased by 27%.

When reviewing the age distribution of Des Moines from 2020, it is important to consider that the largest cohort of residents fall in the 0-17 age range. This indicates that the city should consider including housing and amenities geared towards growing families.

Figure 6. Des Moines and King County Age Distribution, 2020



Source: American Community Survey (ACS) 2020 5-year estimates

Race and Ethnicity

Figure 7 shows that approximately half of Des Moines' population identify as white. The second largest race category in Des Moines is Asian (12%) followed by Black or African American (9%), persons reporting having two or more races (7%), and Native Hawaiian or Pacific Islander (3%). In addition, approximately 19% of Des Moines' population identify as Hispanic or Latino. Compared to King County and Washington, Des Moines is more racially and ethnically diverse.

Figure 7. Race and Ethnicity Distribution Comparison, 2020

Race/Ethnicity	Des Moines	King County	Washington
White	50%	58%	67%
Black or African American	9%	6%	4%
American Indian or Alaska Native	0%	0%	1%
Asian	12%	18%	9%
Native Hawaiian or Pacific Islander	3%	1%	1%
Some other race	0%	0%	0%
Two or more races	7%	6%	5%
Hispanic or Latino	19%	10%	13%

Source: American Community Survey (ACS) 2020 5-year estimates

2.1.4. Housing Cost Trends

Housing cost has a direct relationship with housing accessibility for all economic segments of the community. In general, if housing supply exceeds housing demand, housing costs will decrease but if housing demand exceeds housing supply, housing costs will increase. Figure 8 shows that since 2012, the median sale price of a home has increased in all comparison cities, with the most significant increase in Des Moines (257%), while SeaTac experienced the second highest increase of 252%.

Figure 8. Median Home Sale Price Comparison, 2012-2022

Jurisdiction	Median Sales Price		Change (2012-2022)	
	2012	2022	Value	Percent
Des Moines	\$175,000	\$630,000	\$455,000	257%
Auburn	\$219,950	\$650,000	\$430,050	196%
Burien	\$202,000	\$665,000	\$463,000	229%
Federal Way	\$182,500	\$580,000	\$397,500	218%
Kent	\$210,000	\$701,000	\$491,000	234%
SeaTac	\$157,490	\$554,000	\$396,510	252%
Seattle	\$375,000	\$890,000	\$515,000	137%
Tacoma	\$154,975	\$479,000	\$324,025	209%

Source: Redfin and ECONorthwest Calculations

Additionally, after analyzing data from the ACS, we observe that household incomes have not kept pace with the rising increase of rental costs in Des Moines. Between 2010 and 2020, the median income in Des Moines increased 18% while the median rent increased 56%.

According to ACS data, between 2019 and 2020 Des Moines renters experienced rising housing costs leading to a higher rate of cost burden (households that pay 30% or more of their income for housing), while King County and Washington renters have experienced declining cost burden. Cost burden increased in Des Moines from 31% in 2010 to 38% in 2020.

Figure 9 shows that incomes have not kept pace with the rising increase of rental costs in Des Moines. Between 2010 and 2020, the median income in Des Moines increased 18% while the median rent increased 56%. In comparison King County's median income increased 46% while the median rent increased 70%.



Figure 9. Des Moines and King County Median Rent and Median Income, 2010-2020

<i>Jurisdiction</i>			<i>Change (2010-2020)</i>	
			<i>Value</i>	<i>Percent</i>
Des Moines				
Median Monthly Rent	\$890	\$1,390	\$500	56%
Median Annual Income	\$59,577	\$70,268	\$10,691	18%
King County				
Median Monthly Rent	\$999	\$1,695	\$696	70%
Median Annual Income	\$68,065	\$99,158	\$31,093	46%

Source: American Community Survey (ACS) 2010 and 2020 5-year estimates

Note: Nominal dollars (i.e., not adjusted for inflation).

Given the rapid increase in sales prices and rents in combination with the shortfall of income increases, cost burden likely increased significantly between 2020 and 2022. When housing costs increase substantially, residents across all income segments begin to have challenges with affording housing and keeping a shelter over their heads. These differences should be considered when looking at what the future housing offered in Des Moines looks like.

Between 2010 and 2020 households...

Making less than \$25k decreased by:	Making \$75k-\$99k decreased by:	Making more than \$100k increased by:
49%	24%	161%

Jobs/Housing Ratio

0.75 ← Ideal Range → 1.5

Des Moines 0.43

In 2019, Des Moines had 5,247 jobs and 12,114 housing units resulting in a jobs/housing ratio of 0.43. This ratio indicates that Des Moines serves primarily as a residential community with most of its residents working elsewhere in the Puget Sound.

2.1.5. Employment

Figure 10 compares Des Moines's job composition by industry for 2010 and 2019. Des Moines continues to rely on service producing industries for the majority of its employment (87%) compared to goods producing industries (13%). Since 2010, Des Moines experienced massive growth in the goods producing sector, while losing jobs in the service producing sector.

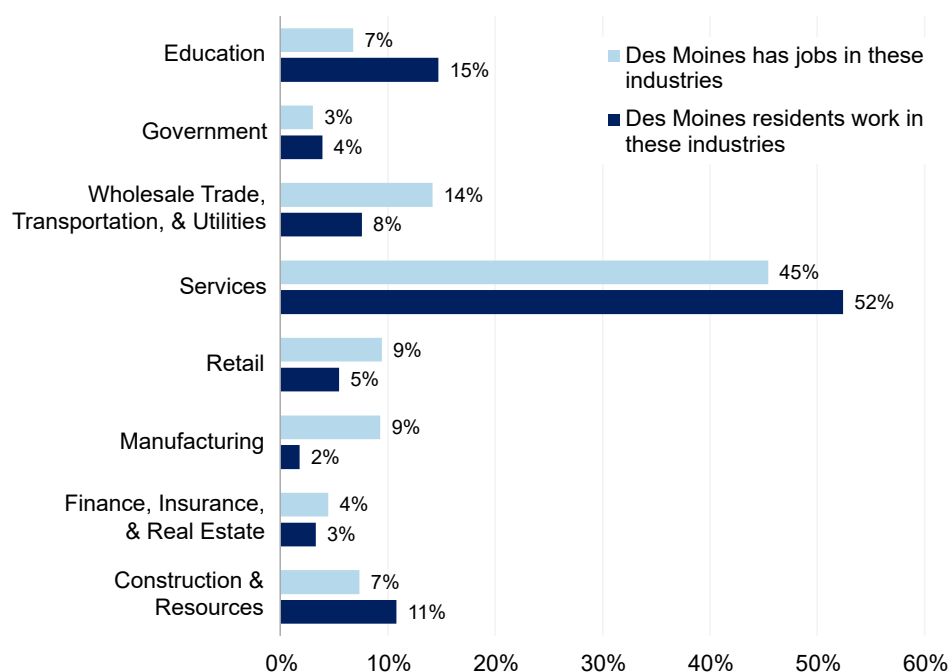
Figure 10. Des Moines Employment by Industry, 2010-2019

Industry	2010		2019		Percent Change
	Number	Percent	Number	Percent	2010-2019
Good Producing Sector	283	6%	661	13%	134%
Construction and Resources	267	6%	567	11%	112%
Manufacturing	16	0%	94	2%	488%
Service Producing Sector	4,184	94%	4,586	87%	10%
Finance, Insurance, & Real Estate	189	4%	173	3%	-8%
Retail	434	10%	287	5%	-34%
Services	2,372	53%	2,750	52%	16%
Wholesale Trade, Transportation, & Utilities	178	4%	398	8%	124%
Government	193	4%	206	4%	7%
Education	818	18%	772	15%	-6%
Total Employment	4,467	100%	5,247	100%	17%

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (2019), ECONorthwest

More than half of Des Moines residents work in the Services industry, mainly in Accommodation and Food Services as well as Educational Services. The third most popular industry is Construction and Resources with most residents in this group work in construction.

Gaps exist between where residents work and the jobs that Des Moines offers. In 2019, there were more jobs in the Manufacturing, Retail, and Finance, Insurance, and Real Estate industries in Des Moines than residents working in those fields. This indicates that there is a mismatch between labor and jobs.

Figure 11. Des Moines Employment by Industry

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (2019). Note: Net new jobs (2019-2044).

According to the King County Countywide Planning Policies, Des Moines is a High-Capacity Transit Community that is expected to grow by 2,380 jobs between 2019 and 2044. Compared to other High-Capacity Transit Communities, Des Moines has the fourth largest growth target in jobs.

Figure 12. Job Target Comparison, 2019-2044

<i>Jurisdiction</i>	<i>Job Target (2019-2044)</i>
Des Moines	2,380
Normandy Park	35
SeaTac	14,810
Kent	32,000
Burien	4,770
Auburn	19,520
Federal Way	20,460
King County	490,103

Source: 2021 King County Countywide Planning Policies

The growth in jobs looking at the future of Des Moines, indicates that more housing will be needed for those individuals. Currently, the discrepancy between jobs available in the city and the jobs of its residents may be attributed to the lack of affordable housing within the income bands. The ability for new workers to find affordable housing nearby their work is crucial to the successful growth of the city.

2.1.6. Future Housing Needs and Methodology

According to King County Countywide Planning Policies (CPPs), Des Moines is a High-Capacity Transit Community that will need an additional 3,800 housing units by 2044. King County CPPs requires all jurisdictions within the county to plan for housing affordable for all income segments of the population.

Based on Des Moines' current household income distribution, 2,629 housing units or 70% of Des Moines housing growth target are needed for households who make 80% or less of the area median income.

Based on the 2021 King County's residential land supply and capacity analysis, shown in Figure 13, Des Moines has substantial land supply and capacity to accommodate the planned future housing growth. The majority of Des Moines housing capacity lies in its high- and medium high-density zones that have the capacity for about 7,622 housing units in both zones. Most of these housing units will be constructed on redeveloped land within Des Moines—which can pose development challenges for getting these units constructed due to market forces of high land values and high construction costs.

Figure 13. Residential Land Supply and Capacity in Des Moines, 2022

<i>Density Level</i>	<i>Net Available Acres</i>	<i>Assumed Density (low/ high – units/acre)</i>	<i>Net Capacity (units)</i>
Very Low Density	21.75	1.2 / 3.8	46
Low Density	77.86	4.4 / 8.8	220
Medium Low Density	3.98	12.4	41
Medium High Density	56.88	24.2 / 36.3	1,550
High Density	61.91	48.4 / 129.7	6,072
All Zones	222.37	—	7,930
Capacity in Pipeline			456
Total Capacity (units)			8,386
Remaining Target (2018-2035)			3,067
Surplus / Deficit Capacity (units)			5,319

Source: King County Urban Growth Capacity Report 2021

According to the King County Urban Growth Capacity Report, between 2006 to 2018, Des Moines has grown at 29% of the pace needed to achieve its growth target of 3,480 housing units. This indicates that Des Moines is under-performing in terms of producing housing units needed by 2035.

Under the Growth Management Act, King County in coordination with the cities in King County, adopts growth targets for ensuing 20-year planning period. Growth targets are policy statements about the amount of housing and employment growth each jurisdiction is planning to accommodate within its comprehensive plan. Growth targets are adopted for each jurisdiction and unincorporated urban King County in the Countywide Planning Policies.

Des Moines housing need by income level assumes that the current household income distribution in 2020 will remain constant through 2044. Under this assumption, 2,629 housing units or 70% of Des Moines housing growth target are needed for households who make 80% or less of the area median income.

Figure 14. Housing Need in Des Moines by 2024

<i>Household Income Distribution</i>	<i>Need per Des Moines Household Income Share Percent</i>	<i>Housing Units Needed</i>
0-30% AMI (Extremely Low-Income)	23%	878
30-50% AMI (Very Low-Income)	24%	896
50-80% AMI (Low-Income)	23%	866
80-120% AMI (Moderate Income)	18%	702
120%+ AMI (Above Moderate-Income)	12%	459
Total	100%	3,800

Source: 2021 King County Countywide Planning Policies

The overall understanding of the future housing needs in the city are focused on providing affordable housing that is attainable for the households who make 80% or less of the area median income but this is feasible given the land and capacity of the city to meet these needs. In the present the housing stock is predominately single unit detached homes, but multifamily developments have become more common in the past decade, making more units available that could potentially meet the needs of the community.

2.2. Summary of Public Engagement Key Findings

The City established a website, DesMoinesHAP.com, and updated the site throughout the public engagement process. The website featured documents such as an Infographic, PowerPoint slides from an open house, and flyers in multiple languages. It was used to provide project updates, provided a “link” to the survey, and additionally provided ways for people to “subscribe” to receive information on the project.

2.2.1. Survey Findings

As a part of the creation of the Housing Action Plan, AHBL conducted a community survey. The community was encouraged to participate in the survey with electronic distribution via email and Facebook posts, and a link from the City and project websites. After typing in the address or scanning a QR code, it was convenient for participants to respond to the survey on their phone, tablets, computer, or other devices. Most surveys were electronic, but surveys on paper were also completed at public engagement events.

The survey was open November 15, 2022, through January 31, 2023, and re-opened March 6, 2023, through March 23, 2023, to expand the reach to more vulnerable populations. There was a total of 213 responses in both English and Spanish. Ninety-three percent (93%) of the respondents to the survey were from individuals that currently live in Des Moines while 7% of respondents were of those that do not. It should also be considered that the survey is not “statistically valid” given that people that participated “opted-in” and it may not represent all segments of the community. The following is a brief summary of the survey respondent distribution:

<i>Where do respondents live?</i>	
24% - Central Des Moines	10% - Marina District
16% - Woodmont	7% - Pacific Ridge
14% - Zenith	5% - Redondo
12% - North Hill	2% - North Central
11% - South Des Moines	
<i>What types of housing do respondents currently live in?</i>	
75% - Detached single-family	1% - Multifamily with 2-4 DUs (duplex, triplex)
14% - Multifamily with 5+ DUs	<1% - Manufactured homes or shelter/transitional housing
5% - Other housing types	
3% - Townhomes	
2% - Senior living	
<i>How long have respondents lived in their current homes?</i>	
58% - More than 10 years	3% - Other
18% - Between 2-5 years	2% - Less than 6 months
13% - Between 5-10 years	1% - Have no permanent housing
7% - 6 months-2 years	
<i>How long did it take respondents to find their current home?</i>	
30% - 1-3 months	15% - 4-6 months
28% - Less than a month	8% - More than 1 year
16% - Do not know/recall	4% - 7-12 months

The top responses when asked about factors that contributed to individuals' most recent search for housing included:

- A home that I could afford (93 responses)
- A home in area I wanted to live (66 responses)
- A home in good physical condition/no health hazards (43 responses)
- A home that had enough bedrooms for my household (27 responses)

The top responses when asked what kind of housing types are needed in Des Moines included:

- Cottage housing (93 responses)
- Accessory dwelling units (ADUs) (69 responses)
- Detached single family homes (55 responses)
- Buildings with 2-4 dwelling units (51 responses)

Figure 15. Survey Respondents' Top Housing Types Included (clockwise): Cottages, ADUs, and Duplexes



The survey asked for respondents to “select the top three actions that you believe are most important to address in the Des Moines Housing Action Plan” and those were:

- More affordable housing options
- Preventing displacement (households forced to move from current residence due to circumstances outside of their control, such as rent increases)
- Creating more environmentally sustainable housing (designed to be more energy efficient, use less water etc.)

Generally, households had difficulties finding housing in their price range and were open to a variety of housing options. The ability to have privacy and sufficient space for the members of their household was important. The ability for the city to plan for additional affordable housing options while considering environmentally sustainable buildings and preventing displacement will meet the needs of its residents.

2.2.2. Stakeholder Interviews

City staff identified several primary and secondary stakeholder organizations during the early phases of the Housing Needs Assessment based on their involvement with housing in Des Moines or the greater King County area. The project consultants interviewed representatives from seven of the primary stakeholder organizations in order to gain a deeper and more nuanced understanding of the community’s current housing needs and where the action plan should concentrate its focus:

- South King County Housing and Homelessness Partners
- African Community Housing and Development Office
- King County Housing Authority
- Housing Connector
- SeaMar Community Health Centers
- Highline Public Schools
- El Centro De La Raza

Representatives of each primary stakeholder organization were asked twelve open-ended questions during thirty-minute interviews conducted over the phone and/or internet-based video conversations. The stakeholder were asked the following questions organized into three main categories:

Figure 16. Stakeholder Interview Questions**Background Information**

1. What organization do you represent and what is the impact it has on housing in Des Moines?
2. What do you believe are the biggest housing challenges that Des Moines faces?
3. What do you believe are the most important housing priorities to address in the Des Moines Housing Action Plan?

Barriers

4. What factors have you experienced or identified that tend to raise the cost of housing or housing development? (impact fees, zoning/policy regulations, permitting process, etc.)
5. Have you experienced or identified any parts of the permitting process in Des Moines that you feel to be barriers to housing development (including affordable housing)? If so, please explain.
6. Have you experienced or identified any land use or zoning regulations in Des Moines that you feel to be barriers to housing development (including affordable housing)? If so, please explain.
7. Do you feel that there are barriers to housing development (including affordable housing) that exist in Des Moines, but not in other cities in King County or the Puget Sound region? If so, please explain.

Actions

8. Do you work in or have you experienced jurisdictions that you feel have successfully implemented strategies to eliminate barriers to housing development (including affordable housing)? If so, please explain.
9. Are there incentives that you feel work best to facilitate housing development (including affordable housing)? Are any of these incentives not available in Des Moines?
10. In an effort to create more affordable housing in Des Moines, what incentives would you be supportive of?
11. What do you feel are the most important changes that would need to occur to Des Moines' permitting process and/or zoning and land use regulations to develop diverse housing options or to ensure affordable housing in Des Moines?
12. Is there anything else you would like to add?

Stakeholder Interview Results

The following recurring themes emerged from the stakeholder interviews:

- **Affordability** was unanimously identified as the biggest housing issue in Des Moines and emphasized as a high priority. There is not enough affordable housing in Des Moines to serve the current and growing population, which includes large numbers of immigrant and low-income families. Supplying more affordable housing and subsidizing existing housing for low-income households are specific actions that could address the need.
- **Displacement** of existing Des Moines residents was identified as a current issue and high risk by several stakeholders. Des Moines residents must move away when they are no longer able to afford to live in their current residence (due to a number of factors including rent increases), forcing them to leave Des Moines in search of alternate housing they can afford. Specific actions focused on retaining and protecting existing residents and housing is needed.
- **Investment** in affordable housing development, both among public and private organizations, was identified by multiple stakeholders as an important need. Restrictive residential zoning, off-street parking requirements, density/lot size restrictions, impact fees, NIMBYism, and the often slow and expensive permitting process all contribute to deterring residential development and investment. When asked to suggest specific actions to address the needs, interviewees focused on incentives, such as tax credits/exemptions to attract more investment in affordable housing in Des Moines.
- **Options** in housing types is desirable and identified by multiple stakeholders as an approach to meeting housing needs in Des Moines. Missing middle housing, such as triplexes and cottages, are often prohibited or limited by zoning and land use regulations. When asked to suggest specific actions to address the needs, interviewees focused on supporting more variety in housing types and said concepts like smart zoning are needed to provide more housing options to better meet the needs of all Des Moines residents at all income levels.
- **Barriers** to housing seekers (beyond lack of affordability) include rental screening problems, discrimination against those with a criminal history, issues with bad credit, difficulty overcoming a record of past evictions, and housing owner reluctance/low-income renters viewed as risk. All of these are understood to inhibit families from securing housing, when these situations occur. Specific actions are needed to reduce barriers to acquiring housing particularly for low-income renters.

Overall, the stakeholder interviews were very insightful to better grasp what housing needs the community has and understand the “story” or situations that don’t always emerge from data analysis. The results of these interviews the Housing Action Plan can expand on the potential solutions that could meet the housing needs of the city’s current and future residents.

2.2.3. Public Engagement Events

The City of Des Moines hosted several events to engage the public and gain input on the Housing Action Plan. The first event was an Open House at Highline College on November 15, 2022. The purpose of the open house, which occurred during a weekday evening, was to formally kick-off the public engagement process with the community and to discuss upcoming ways to engage with the city. During the meeting, AHBL and ECONorthwest staff provided a summary of a working draft of the Housing Needs Assessment, shared a link to the on-line survey, and provided the public opportunities to discuss preferences for the types of new affordable housing that could be constructed in the city. Over 20 people attended the open house.

Figure 17. November 15, 2022 Open House at Highline College



Figure 18. November 15, 2022 Open House at Highline College

A second open house was held a short time later, during the daytime on Saturday, December 3, 2022. It was purposely scheduled to accommodate people unable to attend meetings during the work week. Twelve people attended.

The City and consultant also reached out to the public by attending the Gingerbread House Decorating event at the Des Moines Public Library during the afternoon of December 14, 2022. The purpose of the event was to solicit input on the production of additional affordable housing units within the City of Des Moines, to share the results of the Housing Needs Assessment, and most importantly encourage residents to participate in the community survey.

Figure 19. December 14, 2022 Public Engagement at Des Moines Public Library

The fourth, and final, public engagement event occurred March 8, 2023, at the Des Moines Food Bank. For this event, AHBL and City staff set up a booth at the food bank and encouraged patrons to take part in voicing their opinion on housing needs in the area, addressing any questions individuals had, and filling out surveys in person. Spanish translation services were available by AHBL staff, and the event provided insight on the types of housing desired by its participants through interaction with the housing dot exercise pictured below.

Figure 20. March 8, 2023 Public Engagement at Des Moines Food Bank



2.2.4. Consistent Themes

After completing the various public engagement events, surveys, and interviews the consultant team compiled feedback to gain better insight of what residents and stakeholders desire in the future.

- **Enhance affordability** was unanimously identified as the biggest housing issue in Des Moines and emphasized as a priority to address. There is not enough affordable housing in Des Moines to serve the current and growing population, which includes large numbers of immigrant and low-income families. Specific actions focused on supplying more affordable housing and subsidizing existing housing for low-income households are needed.

- **Minimize displacement** of existing Des Moines residents was identified as a current issue and high risk by several stakeholders. Des Moines residents are being forced to move because they are no longer able to afford to live in their current residence, due to a number of factors including rent increases, forcing them to leave Des Moines in search of housing they can afford. Specific actions focused on retaining and protecting existing residents and housing are needed.
- **Increase supply** in affordable housing development, both public and private, was identified as a Des Moines housing need by multiple stakeholders. Restrictive residential zoning, off-street parking requirements, density/lot size restrictions, impact fees, NIMBYism, and the often slow and expensive permitting process all contribute to deterring residential development. Specific actions focused on incentives like tax credits/exemptions, are needed to attract more investment in affordable housing in Des Moines.
- **Expand options** in housing types is desirable and identified by multiple stakeholders as an approach to meeting housing needs in Des Moines. Missing middle housing, such as triplexes and cottages, are often prohibited or limited by zoning and land use regulations. Specific actions focused on supporting more diversity in housing types, like smart zoning, are needed to provide more housing options to better meet the needs of all Des Moines residents of all income levels.
- **Enhance access** and remove barriers to housing for housing seekers, beyond lack of affordability, including rental screening, criminal history discrimination, bad credit, past evictions, and housing owner reluctance/low-income renters viewed as risk, all contribute to inhibiting families from securing housing. Specific actions are needed to reduce barriers to acquiring housing particularly for low-income renters.

Part 3: Goals, Objectives, and Recommendations

3.1. Overview

This Housing Action Plan identifies short and long-term actions that will serve to develop the city in a way to encourage new housing and preserve existing housing for the variety of residents located in Des Moines. The goals outlined below were developed based on community input and findings identified from the Housing Needs Assessment.

3.2. Goals

Goal 1. Improve access to housing.

The Des Moines community emphasized the need for greater access to housing for vulnerable population groups such as low-income households, homeless individuals, and community members that don't meet all the requirements for acquiring shelter.

It is important for the city to maintain and increase partnerships with organizations that provide programmatic and financial support for residents that need help accessing these resources and housing. These types of organizations include non-profit housing providers, community organizations, faith-based organizations, and regional partners. The city should continue participating in regional efforts to addressing regional housing needs and advocate for South King County specific solutions when appropriate.

Goal 2. Mitigate displacement.

Des Moines households have experienced rising housing costs, while incomes have not increased at the same rate. This has created a housing affordability crisis for renters and homeowners where they are spending a greater share of their income on housing with less disposable income for other needs such as food, travel, and health care.

This makes preservation of existing affordable housing important while also providing some financial assistance to residents to help them stay in their homes and community. Several strategies to help renters and homeowners to stay in their homes include regulatory changes, partnerships with existing housing providers, and both direct and indirect financial assistance.

Goal 3. Increase the supply of housing.

The City of Des Moines needs to considerably increase the supply of housing for households across the income spectrum, but most importantly for households with low incomes. While the city does not control private sector investment, it does control public policy that guides the type of private investment that gets built. The city should use the powers it controls such as development regulations to promote the development of a wide array of housing types including exploring different incentives to create affordable housing.

Goal 4. Support the preservation and creation of affordable housing.

The city's role in providing affordable housing begins with finding ways to eliminate barriers for constructing this housing type that is needed in the community. There are several ways that the city can participate to promote more affordable housing development which include exploring new development incentives, amending the development code, and coordinating the acquisition and rehabilitation of existing affordable housing units.

3.3. Strategic Recommendations and Actions

Five priority strategic recommendations were identified to achieve the Housing Action Plan goals. Each recommendation includes a range of actions that the City can undertake during the short-term implementation horizon of the plan. These strategic recommendations arose as the best opportunities for responding to immediate needs while also establishing a system for the City to continue its work for the long-term as part of the Comprehensive Plan update in 2024.

The strategic recommendations correspond to the four Housing Action Plan goals. The following table cross-references the goals with the strategic recommendations.

<i>Strategy</i>	<i>Goal 1. Improve Access to Housing</i>	<i>Goal 2. Mitigate Displacement</i>	<i>Goal 3. Increase the Supply of Housing</i>	<i>Goal 4. Support the Preservation and Creation of Affordable Housing</i>
<i>Strategy 1. Support and create new partnership to address housing needs.</i>	✓	✓		✓
<i>Strategy 2. Support the acquisition and preservation of income-restricted rental housing by housing partners.</i>		✓		✓
<i>Strategy 3. Amend the development code to support housing options.</i>		✓	✓	
<i>Strategy 4. Remove regulatory barrier to support the development of a variety of housing types.</i>	✓	✓	✓	
<i>Strategy 5. Reduce development costs for affordable housing.</i>	✓	✓	✓	✓

Strategy 1. Support and create new partnership to address housing needs.

Description:

The City has long-standing partnerships with several regional housing providers and advocacy groups that provide essential housing programs and education to all income groups but most importantly to low-income households who are most vulnerable to changes in the housing market. There are instances where Des Moines residents are not eligible for specific housing related programs provided by its partners. It is vital that the city identify gaps in the programs and services offered by outside organizations but that may not be provided to Des Moines' residents.

Implementation Actions:

- Review and identify gaps in housing programs/services that are administered through the city versus those provided by partner organizations and available to Des Moines residents.
- Continue to support and expand partnerships through our Human Services funding and regional collaborations like SKHHP that provide housing programs such as:
 - Emergency rental assistance
 - Tenant right's counsel
 - Tenant education and training
 - Landlord education
 - Weatherization programs
- Explore partnerships with housing providers to increase access to housing programs by Des Moines residents. The programs could complement or supplement SKHHP on-going work and may include expanding the City's relationship with the Multi-Service Center (MSC).
- Continue to coordinate with county and regional agencies on affordable housing needs.
- Promote and facilitate new opportunities for collaboration within the different housing providers and social services.
- Coordinate with housing partners and create a centralized web page in the city's website to host all programs and services that Des Moines residents can access through the city and partners.

Considerations:

- Seeking additional programmatic assistance to Des Moines residents from existing housing providers may require additional funding commitment from the city.
- Consider funding an additional staff position to coordinate housing programs.

Households Supported:

Low-income and middle-income.

Strategy 2. Support the acquisition and preservation of income-restricted rental housing by housing partners.**Description:**

Subsidized or income-restricted units are crucial in a community because they provide affordable housing options for low- and moderate-income households, who may otherwise struggle to afford market-rate housing. This ensures that individuals and families have access to safe and decent housing, which is essential for their well-being and ability to participate in their communities. The Housing Needs Assessment identified that in the next 10 years three, privately-owned, low-income housing tax credit (LIHTC) developments will have their affordability requirement expire. The affordability expiration will allow the property owner to raise the rents to market-rate, potentially displacing the current households. Acquisition of these affordable housing units by housing providers such as the King County Housing Authority will ensure that these units remain affordable permanently.

Implementation Actions:

- Proactively track the expiration of the subsidy for LIHTC properties.
- Collaborate and coordinate with regional partners and housing providers to identify organizations that might be willing and able to acquire the properties if the owners seek to sell or convert them to market rate.
- Identify long-term funding sources (i.e., housing trust fund) for the acquisition of future LIHTC properties.

Considerations:

- The city may consider reaching out to the property owners of LIHTC properties before the end of the affordability period to offer technical assistance with preservation options and make them aware of any city or county programs or incentives available to support maintaining affordability.
- The city should consider proactive coordination with housing providers to develop educational and technical assistance to tenants of LIHTC properties when the affordability is about to expire and potentially provide relocation assistance.

Households Supported:

Low-income.

Strategy 3. Amend the development code to support housing options.

Description:

Strategically rezone areas within the city to allow for a variety of housing types such as missing middle housing—townhomes, duplexes, triplexes, quadplexes, and cottage clusters—that can help encourage the development of higher-density housing as well as the development of affordable homeownership housing types. The City of Des Moines is considered a ‘land locked’ with no opportunities to expand the city limits. This limits the city’s ability to accommodate future residential growth. Allowing a greater number of housing types to be built and at higher densities will ensure that the city can accommodate future population growth.

Implementation Actions:

- Review and evaluate residential zones where missing middle housing types could be allowed by right to support broader Housing Action Plan goals.
- Review and explore simplifying residential zoning designations where similar housing types are allowed or will be allowed.
- Use national best practice development standards for missing middle housing types as a starting point for updating zoning regulations for these housing types. These may include amending code regulation related to parking minimums, maximum density, maximum height, and setbacks.

Considerations:

- Use the 2024 Comprehensive Plan Update as an opportunity to integrate major zoning and code changes.
- Consider rezoning residential zones that could support additional housing capacity without the need of substantial infrastructure improvements such as sidewalks, water and sewer, and infrastructure to minimize development costs.

Households Supported:

Low-income, middle-income, and high-income.

Strategy 4. Remove regulatory barriers to support the development of a variety of housing types.

Description:

The City's role to encourage housing development begins with the development regulations it controls and finding ways to eliminate barriers for the construction of housing. Zoning and land use regulations as well as design standards can add additional costs to new development that can ultimately render a project financially unfeasible. Amending or removing these regulations can yield great benefits such as more housing production and potentially lower housing cost to the end consumer.

Implementation Actions:

- Remove or reduce minimum parking requirements for ADUs, townhomes, duplexes, multifamily and other missing middle housing types.
- Remove required guest parking requirements in residential zones.
- Review and amend minimum lot sizes, open space requirements, building height, setbacks, and design standards.
- Remove or reduce regulatory barriers to foster the production of middle housing and ADUs.

Considerations:

- Use the 2024 Comprehensive Plan Update as an opportunity to integrate major zoning and code changes.
- Consider removing or reducing regulatory barriers in areas or zones near frequent transit where higher density development can complement the transit facility.

Households Supported:

Low-income, middle-income, and high-income.

Strategy 5. Reduce development costs for affordable housing.

Description:

The Housing Needs Assessment identified that Des Moines has a need for more affordable housing units that are affordable for low-income residents who earn at and below 80 percent of the area median income (AMI). Typically, the housing market builds housing that is affordable to households with income of 80 percent of AMI and above, while affordable housing types for low-income households generally require some type of government subsidy or support to incentive the creation of this housing. Removing regulatory barriers and providing incentives to developers to build affordable housing is one of the tools that the city has control over.

Implementation Actions:

- Create an expedited building permit process for affordable housing developments.
- Remove or reduce minimum parking requirements for affordable housing.
- Remove required guest parking requirements for affordable housing.
- Review and amend minimum lot sizes, open space requirements, building height, setbacks, and design standards.
- Explore regulatory incentives (i.e., density bonus, maximum height, fee waiver, etc.) to support the creation of affordable housing.
- Consider re-establishing the multi-family tax exemption (MFTE) program with an evaluation of the requirements and incentives to increase the use of the program within the city.
- Consider using city owned land for the development of affordable housing through a competitive RFP process.
- Explore using real estate excise tax (REET 3) as a funding source for affordable housing development.
- Explore ways to partner with faith-based organizations and institutions to develop affordable housing.
- Coordinate citywide projects with anticipated affordable development to provide necessary infrastructure needs for the project.

Considerations:

- Consider funding a part-time or full-time position to coordinate with housing partners and state agencies to identify funding opportunities for the creation and preservation of affordable housing.

Households Supported:

Low-income, middle-income, and high-income.

Recommendations for Future Actions

The following actions, while important and useful, are recommended for the City to consider in the future as or long-term objectives. Some of these recommendations are broad, with the intent that in the future the city might have clarity of how to potentially implement these recommendations or further consider as staff resources are available.

- **Support Preservation of Manufactured Home Parks.** Manufactured home parks play a significant role in providing naturally occurring affordable housing in the city. Preserving manufactured home parks can help address the affordable housing crisis, support vulnerable population groups and helps with mitigating displacement pressures of possible redevelopment of existing manufactured home parks.
- **Develop Pre-Approved Plans for ADUs and Middle Housing.** Consider lowering the barriers to Accessory Dwelling Units (ADU) and middle housing typologies (i.e., cottage clusters, townhomes, and plex development) by providing a pre-approved set of plans for designs that, if used by a developer or homeowner, would lead to streamlined approvals and reduced permitting schedule. Pre-approved plans can reduce the need for architectural assistance, reducing costs and eliminating barriers to the development of these housing types, encouraging more participation from homeowners or smaller-scale developers.
- **Explore Working with Community Land Trusts.** Building affordable housing for homeownership requires different considerations to ensure long-term affordability, beyond the first sale. One way to achieve this is through land trusts, which are managed by a nonprofit organization that holds land in perpetuity and sells or leases housing on the land at below-market rates. This helps achieve below-market pricing since the land is not included in the housing price. Land trusts are commonly used to support affordable homeownership and the City's role may involve partnering with existing nonprofit organizations that operate land trusts or developing its own land trust. The City could participate in a community land trust by assisting with land acquisition through land banking or providing funding to support housing development.

- **In Partnership with SKHHP, Explore a Local, Revolving Funding Source to Support Affordable Housing Development.** While the City of Des Moines has limited funds available to financially support affordable housing development, there are opportunities to create a local funding stream. For example, in partnership with SKHHP, the city could explore a housing levy or a housing trust fund to direct funds for the creation of affordable housing within city limits. Direct financial support is one of the most effective ways to supporting affordable housing developments to closing the financial gap.
- **Explore Creative, Low-cost Housing Solutions to Serve People Experiencing Homelessness.** In partnership with non-profit organizations and service providers, explore innovative ways to provide shelter to houseless individuals such as repurposing motels for emergency and permanent supportive housing, examining building tiny homes on publicly owned land, and the possibility of building a permanent shelter with services.

Part 4: Implementation

4.1. Overview

Achieving the goals outlined in this Housing Action Plan will require new and deeper partnerships with non-profit organizations, new policies, land use development code changes, and possibly zoning code changes.

The following table provides specific actions the city can pursue to implement the five strategic recommendations.

Action	Priority	Level of Effort (Staff Time & Cost)	Action Type
Strategy 1. Support and create new partnership to address housing needs.			
Review and identify gaps of what housing programs are administered through the City versus those provided by partners to Des Moines residents.	Immediate (1-2 years)	Moderate \$\$	Administrative
Continue to expand partnerships in providing housing programs and services to our residents, such as: <ul style="list-style-type: none"> • Emergency rental assistance • Tenant right's counsel • Tenant education and training • Landlord education • Weatherization programs 	Immediate (1-2 years)	Moderate \$\$	Administrative
Seek additional partnership with existing housing providers to provide housing programs to Des Moines residents for which programs could complement or supplement SKKHP on-going work.	Immediate (1-2 years)	Moderate \$\$	Administrative
Continue to coordinate with county and regional agencies on affordable housing needs.	Short-term (2-5 years)	Low \$	Programmatic
Promote and facilitate new opportunities for collaboration within the different housing providers and social services.	Short-term (2-5 years)	Low \$	Programmatic
Coordinate with housing partners and create a centralized web page in the city's website to host all programs and services that Des Moines residents can access through the city and partners.	Immediate (1-2 years)	Low \$	Programmatic
Strategy 2. Support the acquisition and preservation of income-restricted rental housing by housing partners.			
Proactively track the expiration of the subsidy for LIHTC properties.	Short-term (2-5 years)	Low \$	Programmatic
Collaborate and coordinate with regional partners and housing providers to identify organizations that might be willing and able to acquire the properties if the owners seek to sell or convert them to market rate.	Short/Long-term (2-5 years)	Moderate \$\$	Programmatic
Identify long-term funding sources (i.e., housing trust fund) for the acquisition of future LIHTC properties.	Long-term (5+ years)	Moderate \$\$	Regulatory

<i>Action</i>	<i>Priority</i>	<i>Level of Effort (Staff Time & Cost)</i>	<i>Action Type</i>
Strategy 3. Amend the development code to support housing options.			
Review and evaluate residential zones where missing middle housing types could be allowed by right to support broader housing action plan goals.	Immediate (1-2 years)	Moderate \$\$	Regulatory
Review and explore simplifying residential zoning designations where similar housing types are allowed or will be allowed.	Immediate (1-2 years)	Moderate \$\$	Regulatory
Use national best practice development standards for missing middle housing types as a starting point for updating zoning regulations for these housing types.	Immediate (1-2 years)	Moderate \$\$	Regulatory
Strategy 4. Remove regulatory barrier to support the development of a variety of housing types.			
Remove or reduce minimum parking requirements for ADU's, townhomes, duplexes, multifamily and other missing middle housing types.	Immediate (1-2 years)	Moderate \$\$	Regulatory
Remove required guest parking requirements in residential zones.	Immediate (1-2 years)	Moderate \$\$	Regulatory
Remove or reduce regulatory barriers to foster the production middle housing and ADUs.	Immediate (1-2 years)	Moderate \$\$	Regulatory
Review and amend minimum lot sizes, open space requirements, building height, setbacks, and design standards.	Short-term (2-5 years)	Moderate \$\$	Regulatory
Consider the condominiumization of ADUs on lots to facilitate financing.	Short-term (2-5 years)	Moderate \$\$	Regulatory
Consider streamlined, pre-approved ADU designs.	Short-term (2-5 years)	Moderate \$\$	Regulatory/Administrative

<i>Action</i>	<i>Priority</i>	<i>Level of Effort (Staff Time & Cost)</i>	<i>Action Type</i>
Strategy 5. Reduce development costs for affordable housing.			
Remove or reduce minimum parking requirements for affordable housing.	Immediate (1-2 years)	Moderate \$\$	Regulatory
Remove required guest parking requirements for affordable housing.	Immediate (1-2 years)	Moderate \$\$	Regulatory
Create an expedited building permit process for affordable housing developments.	Short-term (2-5 years)	Moderate \$\$	Regulatory/Programmatic
Review and amend minimum lot sizes, open space requirements, building height, setbacks, and design standards.	Short-term (2-5 years)	Moderate \$\$	Regulatory/Incentive
Explore regulatory incentives (i.e., density bonus, maximum height, fee waiver, etc.) to support the creation of affordable housing.	Short-term (2-5 years)	Moderate \$\$	Regulatory/Incentive
Consider re-establishing the multi-family tax exemption (MFTE) program with an evaluation of the requirements and incentives to increase the use of the program within the city.	Short-term (2-5 years)	Moderate \$\$	Regulatory/ Incentive
Coordinate citywide projects with anticipated affordable development to provide necessary infrastructure needs for the project.	Short-term (2-5 years)	Low \$	Administrative
Consider using city owned land for the development of affordable housing through a competitive RFP process.	Long-term (5+ years)	Moderate \$\$	Incentive
Explore using real estate excise tax (REET 3) as a funding source for affordable housing development.	Long-term (5+ years)	Moderate \$\$	Incentive/Revenue
Explore ways to partner with faith-based organizations and institutions to develop affordable housing.	Long-term (5+ years)	Low \$	Programmatic

Appendices

Appendix A: Definitions

Affordable Housing – Housing that costs no more than 30% of a household's total, pre-tax income.

Area Median Income (AMI) – The area median income (AMI) is the midpoint of a community's income distribution, which means that 50% of the households in that community have a total, pre-tax income higher than the AMI and 50% of the households in the community have a total, pre-tax income lower than the AMI.

Average Annual Growth Rate (AAGR) – The average annual growth rate (AAGR) refers to the percent increase in population size per year.

Cost Burdened Household – A household is considered “cost burdened” when it spends more than 30% of its total, pre-tax income on housing (including utility payments).

Environmentally Sustainable Housing – Environmentally sustainable housing refers to housing that is designed in a way so as to be more energy efficient, use less water, etc.

Extremely Low-Income Households – A household is considered to be an ‘extremely low-income household’ when its total, pre-tax income is less than 30% of the community's AMI.

Housing Action Plan (HAP) – A Housing Action Plan (HAP) is a plan that identifies strategies and implementing actions to promote greater housing diversity, affordability, and access to residents of all income levels in a community.

Housing Insecurity – Housing insecurity refers to several dimensions of housing challenges, such as difficulty finding housing that is affordable and/or safe, having inconsistent and/or unreliable housing conditions, and a loss of housing.

Housing Needs Assessment (HNA) – A Housing Needs Assessment (HNA) provides the quantitative data and analysis required to understand a community's housing needs. The HNA serves as the foundation for policy recommendations and implementing actions contained in the HAP.

Housing Tenure – Household tenure refers to the way in which an individual or a household occupies their home. For example, renting a home or owning a home.

Income-Restricted Units – Income-restricted units refer to housing units in which there is a maximum rent or sale price cap to ensure that the housing unit is occupied by and affordable to eligible households.

Low Income Households – A household is considered to be a 'low-income household' when its total, pre-tax income is less than 80% of the community's AMI.

Low-Income Housing Tax Credit (LIHTC) – The Low-Income Housing Tax Credit (LIHTC) program is a program designed to create affordable housing in communities across the United States. The LIHTC gives state and local agencies an annual budget to issue tax credits for the acquisition, rehabilitation, or new construction of rental housing targeted to lower-income households.

NIMBYism – NIMBY is an acronym referring to "Not In My Back Yard." NIMBYism is characteristic of individuals or groups that object to land uses that occur in close proximity to their places of residence.

Residential Density – Residential density refers to the number of dwelling units in a geographic area and is typically expressed in dwelling units per acre. A residential density of ten dwelling units per acre means ten individual dwelling units are allowed per one acre of land.

Severely Cost Burdened Household – A household is considered “severely cost burdened” when it spends more than 50% of its total, pre-tax income on housing (including utility payments).

Social Equity – Understanding and addressing disparities across social groups to provide for equal access and opportunity.

Very Low-Income Households – A household is considered to be a ‘very low-income household’ when its total, pre-tax income is less than 50% of the community’s AMI.

Appendix B: Housing Needs Assessment

Des Moines Housing Needs Assessment

November 2022

Prepared for: City of Des Moines

ECONorthwest
ECONOMICS • FINANCE • PLANNING

Park Place
1200 Sixth Avenue
Suite 615
Seattle, WA 98101
206-823-3060

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Executive Summary

Washington Legislature requires jurisdictions across the state to plan for housing set by the Growth Management Act (GMA). In 2021, the legislature provided further direction to local jurisdictions to “plan and accommodate” for housing affordable to all income levels of the population. This substantially strengthens the need to plan for and encourage the construction of affordable housing.

A Housing Action Plan is a document approved by the legislature as the means for local jurisdictions to plan for and accommodate future growth within their communities. In addition, the 2021 King County Countywide Planning Policies (CPPs) further provides guidance as to how local jurisdictions within the county should plan for housing based on the 2019-2044 King County jurisdiction growth targets.

This Housing Needs Assessment (HNA) is the first product of a two-part Housing Action Plan for the City of Des Moines. The HNA provides the quantitative data and analysis required to understand Des Moines’s housing needs and serve as a foundation for policy recommendations to design implementable housing strategies in Des Moines. Below we identify the top trends of Des Moines demographic and housing market conditions that influence the type of housing needed.

Demographic and Economic Top Trends

Des Moines has experienced moderate population growth with particular growth among older and young adults.

- According to the Washington Office of Finance Management (OFM), Des Moines population in 2021 was 33,100. Since 2010, Des Moines population has increased by 3,427 residents or 12%. Compared to King County, Des Moines has grown at a much slower rate, 1.00% versus 1.55% AAGR respectively.
- Based on the Census Bureau American Community Survey (ACS) Children ages 0-17 comprised the largest cohort (21%) of residents in Des Moines followed by older adults (65 and older) (18%), and young adults aged 18-29 (16%). Since 2010, adults 65 years and older had the fastest growth increasing 18% followed by young adults aged 18 to 29 which increased by 17%. During this time period, adults aged 50-59 decreased by 27%.

Des Moines has grown to be a racially and ethnically diverse community.

- According to ACS, most of Des Moines’ population identify as white (50%) followed by Asian (12%) Black or African American (9%) two or more races (7%), and Native Hawaiian or Pacific Islander (3%). In addition, Des Moines has a large share of its residents that identify as Hispanic or Latino (19%).

- In recent years, persons of color population is growing faster than population overall.

Des Moines has gained a large percentage of wealthy residents while losing low- to moderate-income residents.

- According to ACS, the median household income in Des Moines has increased 18% or \$10,691 between 2010 and 2020. King County overall experienced median incomes rise at a much faster rate of 46% or \$31,093.
- Analyzing ACS data, between 2010 and 2020 Des Moines lost households with low- and middle-incomes (generally those who make less than \$74,999), while gaining households with higher incomes—especially those making more than \$100,000.

Des Moines continues to diversify its economy base with substantial growth in Goods Producing industries.

- According to the U.S. Census Bureau On the Map Application and LEHD Origin-Destination Employment Statistics, Des Moines continues to rely on service producing industries for the majority of its employment (87%) compared to goods producing industries (13%). Despite the good producing sector being less concentrated in Des Moines, it experienced substantial growth (378 jobs) relative to the 661 total jobs in 2019. The service producing sector experienced the highest number of jobs created (402), but only makes up 10% of the total jobs in the sector.

Housing Top Trends

Des Moines housing stock is predominately single unit detached homes; however in the past decade multifamily development have delivered the most units.

- According to ACS, Des Moines had a total of 12,950 housing units in 2020. The majority (56%) of the housing stock in Des Moines is comprised of single unit detached homes, followed by multifamily (5+units). Compared to Washington, Des Moines has a diverse housing stock of attached housing and multifamily both with 2-4 units and more than 5 units—which corresponds to Des Moines large renter population.
- Based on the ACS, a majority of Des Moines housing units are owner-occupied (59%), while 41% are renter occupied. The vast majority of Des Moines' owners (88%) live in single unit detached and attached homes. The majority of Des Moines' renters live in multifamily housing including duplex, triplex, quadplex and apartment buildings with 5 or more units.
- According to HUD User SOCDs Building Permit Database, between 1980 and 2021, a total of 8,308 housing units have been built in Des Moines. About 66% of these units built were multifamily and 34% were single family units.

Des Moines households have experienced rising housing costs.

- Analyzing data from Zillow, between 2012 and 2022, the median priced home has increased by \$455,000 or about 257%, from \$175,000 in 2012 up to \$630,000 in 2022. Des Moines has experienced the largest housing cost increase compared to its neighboring cities like SeaTac, Kent, Tacoma, Burien, Federal Way, and Seattle to name a few.
- Analyzing data from the ACS, household incomes have not kept pace with the rising increase of rental costs in Des Moines. Between 2010 and 2020, the median income in Des Moines increased 18% while the median rent increased 56%.
- According to ACS data, between 2019 and 2020 Des Moines renters experienced rising housing costs leading to a higher rate of cost burden (households that pay 30% or more of their income for housing), while King County and Washington renters have experienced declining cost burden. Cost burden increased in Des Moines from 31% in 2010 to 38% in 2020. Given the rapid increase in sales prices and rents, cost burden likely increased significantly between 2020 and 2022.

Des Moines is poised to lose a quarter of its income-restricted housing stock in the next 10 years.

- In 2022, there were six Low Income Tax Credit (LIHTC) properties in Des Moines with 641 income-restricted units. In the next 10 years the income-restriction will sunset for three properties with a total of 162 units. This represents about 25% of all income-restricted housing stock in Des Moines.

Des Moines lacks services that help residents access temporary shelters.

- An inventory of emergency shelter, transitional housing, and permanent supportive housing revealed that Des Moines does not have any of these continuum of care services which are essential in reducing the risk of people become homeless.

Housing Need in Des Moines

Des Moines has a great need of providing housing units to households with incomes at 80% of AMI or less.

- According to King County Countywide Planning Policies (CPPs), Des Moines needs 3,800 housing units by 2044. King County CPPs requires all jurisdictions within the county to plan for housing affordable for all income segments of the population.
- Based on Des Moines' current household income distribution, 2,629 housing units or 70% of Des Moines housing growth target are needed for households who make 80% or less of the area median income.

- Based on the 2021 King County’s residential land supply and capacity analysis, Des Moines has substantial land supply and capacity to accommodate the planned future housing growth. The majority of Des Moines housing capacity lies in its high- and medium high-density zones that have the capacity for about 7,622 housing units in both zones.

1. Introduction

The Washington Growth Management Act (GMA) requires cities to include a housing element in their comprehensive plans. Specifically, the Housing Goal (RCW 36.70A.020(4)) requires cities to “plan for and accommodate housing affordable to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock.” Moreover, GMA requires housing elements include the four features:

- 1) an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth;
- 2) goals, policies, objectives and mandatory provisions for the preservation, improvement, and development of housing, including single family residences;
- 3) identification of sufficient land for housing including, but not limited to, government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, group homes and foster care facilities; and
- 4) adequate provisions for existing and projected needs for all segments of the community.¹

Moreover, House Bill 1220 requires cities to consider and address barriers to housing availability and begin to undo racially disparate impacts, displacement, and exclusion in housing.

The Washington Administrative Code (WAC) provides additional advisory guidance for completing housing elements.² It further recommends that jurisdictions complete an inventory and needs assessment and identifies specific components for analysis. The expectation is that cities should prepare HNAs in advance of comprehensive plan updates and consider population and housing growth targets.

The City of Des Moines was awarded a Housing Action Plan and Implementation Grant in 2022 from the Washington State Department of Commerce to develop a Housing Action Plan. The Housing Action Plan will provide actions and strategies to encourage construction of additional affordable and market rate housing of a variety of housing types that is affordable to households at different income-levels.

The King County Countywide Planning Policies (CPPs) create a shared and consistent framework for growth management planning for all jurisdictions in King County—which includes Des Moines. VISION 2050, is the region’s plan for growth and is a product of a regional planning process led by the Puget Sound Regional Council (PSRC) and association of

¹ RCW 36.70A.070(2)

² WAC 365-196-410

cities, town, four counties (King, Kitsap, Pierce, and Snohomish), ports, tribes, and state agencies.

This Housing Needs Assessment (HNA) provides the quantitative data and analysis required to understand Des Moines's housing needs and serve as a foundation for policy recommendations to design implementable housing strategies in Des Moines.

The Plan's content will be informed by two products, the housing needs assessment and the Housing Action Plan that provides guidance to the city on specific actions and initiatives to undertake in order to meet Des Moines housing need.

1.1 Data and Methods

ECONorthwest used the methods described in the Washington Department of Commerce "Guidance for Developing a Housing Needs Assessment."³ The guidebook provides a detailed description state requirements and recommended methods for preparing HNAs. In this assessment we drew from a variety of data sources to compile a comprehensive understanding of Des Moines's housing needs. Source citations can be found on each page where quantitative data is presented. One of the key sources for housing and household data is the US Census Bureau. This assessment also leverages other publicly available data sources from federal, state, and local government resources and private sources such as CoStar and Zillow.

1.2 Organization of this Report

The remainder of this document is organized into the following sections:

2. Community Profile presents demographic information that affect housing choice and needs in Des Moines.

3. Housing Affordability describes who can afford to live in Des Moines and the income necessary to buy or rent in Des Moines.

4. Housing Trends summaries regional and local housing market trends affecting Des Moines's housing market.

5. Housing Needs in Des Moines presents Des Moines growth targets and underproduction necessary to understand Des Moines overall housing need to accommodate future residents.

³ <https://deptofcommerce.app.box.com/s/mop7xrkhz170th1w51ezbag3pmne9adz>

2. Community Profile

2.1 Introduction

This chapter describes the characteristics of Des Moines's population and housing that are essential to understanding the City's housing needs. This section is organized as follows:

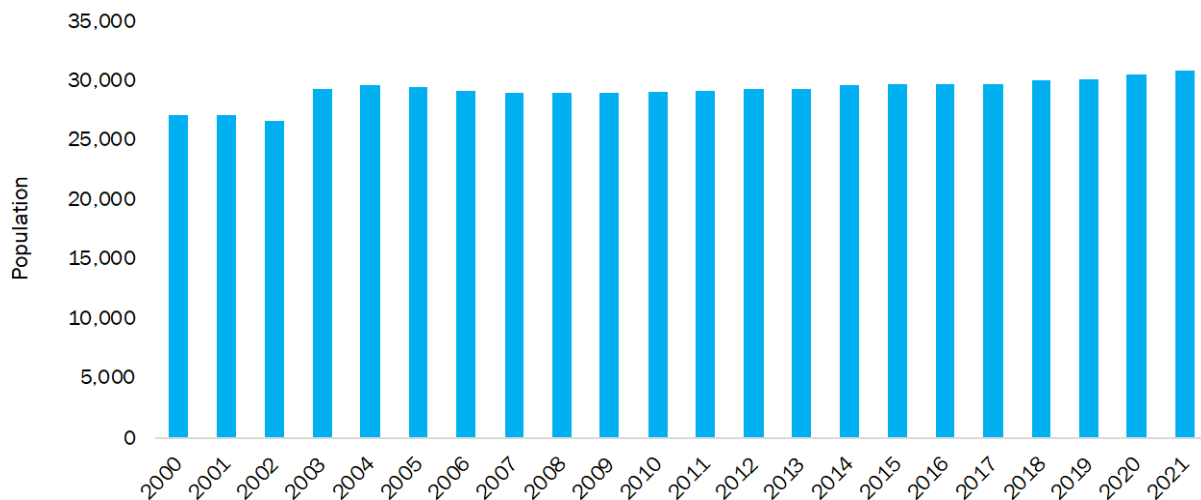
- Population and Household Characteristics
- Income and Employment
- Housing Characteristics
- Housing Costs and Affordability
- Housing Production

2.2 Population Characteristics

According to the Washington Office of Finance Management (OFM), Des Moines had an estimated population of 33,100 in 2021 and has experienced a stable population growth since 2010. Des Moines is one of the smaller cities in King County, making up 1.4% of the total county population in 2021.

Exhibit 1. Total Population, Des Moines, 2010-2021

Source: Washington Office of Finance Management (OFM)



Since 2010, Des Moines has grown approximately 12% or 3,427 persons—growing at a slower rate than King County. Des Moines has grown at an annual rate of 1.00% compared to 1.55% in the King County.

Exhibit 2. Average Annual Population Growth, Des Moines and King County, 2010-2021

Source: Washington Office of Finance Management (OFM) and ECONorthwest Calculations

Jurisdiction	2010	2021	Change (2010-2021)		AAGR
			Number	Percent	
Des Moines	29,673	33,100	3,427	12%	1.00%
King County	1,931,249	2,287,050	355,801	18%	1.55%

2.2.1 Age Distribution

The age characteristics of a community indicate current needs and future trends for housing. Because different age groups have very different housing needs, housing demand correlates to the age of residents. For example, young adult households may choose to occupy apartments, condominiums, and small single-family homes because of affordability, location, and household size/presence of children. Middle-aged adults may prefer larger homes in which to raise families, while seniors may prefer smaller units that have lower costs, less maintenance, and are more proximate to services.

Exhibit 3 shows the age distribution of Des Moines residents in 2020. Compared to King County, Des Moines's population tends to be younger and closely mirrors Washington's age distribution. Children ages 0-17 comprised the largest cohort of residents in Des Moines followed by older adults (65 and older), and young adults aged 18-29. Since 2010, adults 65 years and older had the fastest growth increasing 18% followed by young adults aged 18 to 29 which increased by 17%. During this time period, adults aged 50-59 decreased by 27%.

Exhibit 3. Age Distribution, Des Moines, King County, and Washington, 2020

Source: American Community Survey (ACS) 2020 5-year estimates



2.2.2 Race and Ethnicity

Exhibit 4 shows that a large share of Des Moines' population identify as white. The second largest race in Des Moines is Asian (12%) followed by Black or African American (9%), two or more races (7%), and Native Hawaiian or Pacific Islander (3%). In addition, approximately 19% of Des Moines' population identify as Hispanic or Latino. Compared to King County and Washington, Des Moines is more racially and ethnically diverse.

Exhibit 4. Race and Ethnicity, Des Moines, King County, and Washington, 2020

Source: American Community Survey (ACS) 2020 5-year estimates

Race/Ethnicity	Des Moines		King County		Washington	
	Count	Percent	Count	Percent	Count	Percent
White	15,911	50%	1,295,401	58%	5,067,909	67%
Black or African American	2,951	9%	141,566	6%	279,720	4%
American Indian or Alaska Native	109	0%	10,307	0%	75,677	1%
Asian	3,785	12%	405,835	18%	656,578	9%
Native Hawaiian or Pacific Islander	1,077	3%	16,673	1%	49,219	1%
Some other race	92	0%	9,449	0%	23,363	0%
Two or more races	2,135	7%	127,070	6%	388,477	5%
Hispanic or Latino	5,923	19%	218,763	10%	971,522	13%

2.3 Household Characteristics

The characteristics of a community's households impact the type of housing needed in that community. This section discusses the household characteristics affecting the housing needs of Des Moines residents.

A household is defined by the U.S. Census Bureau as all persons who occupy a housing unit, which may include families, single persons, and unrelated persons sharing a housing unit (such as roommates). Persons residing in group quarters such as dormitories or retirement homes are not considered households. The characteristics of a community's households serve as important indicators of the type and size of housing needed in the City.

2.3.1 Total Households

The city of Des Moines is home to 12,950 households, making up around 1.4% of the households living in King County.

Exhibit 5. Total Households, Des Moines, King County, and Washington, 2020

Source: American Community Survey (ACS) 2020 5-year estimates

	Des Moines	King County	Washington
Households	12,950	952,344	3,150,194

2.3.2 Household Size

The average household size in Des Moines is larger than in King County and Washington. Des Moines average household size is 2.56 compared to 2.43 in the County and 2.53 in Washington.

Household size varies more by tenure, the average owner household is larger than the average renter household in Des Moines, King County, and Washington. On average, Des Moines' renter household size is larger when compared to King County and Washington.

Exhibit 6. Average Household Size, Des Moines, King County, and Washington, 2020

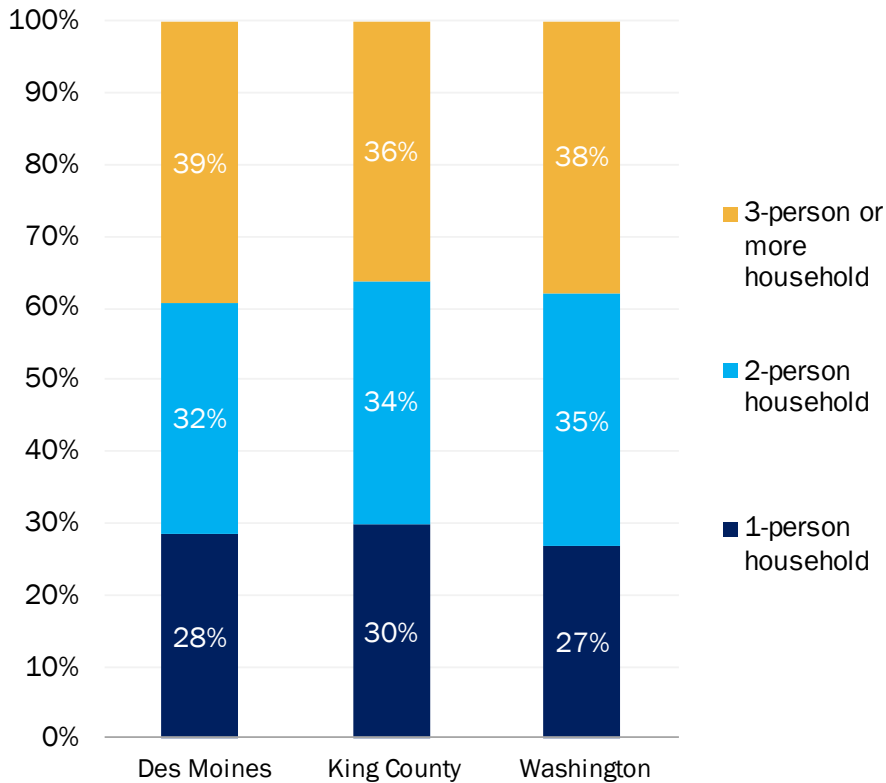
Source: American Community Survey (ACS) 2020 5-year estimates

	Des Moines	King County	Washington
Total	2.56	2.43	2.53
Owner occupied	2.66	2.63	2.65
Renter occupied	2.42	2.17	2.34

Des Moines has a larger share of households with 3 or more persons (39%) than King County (36%) or Washington (38%). This suggests that a large share of Des Moines population are families. Approximately 32% of households are 2-person households, and 28% a 1-person household. Compared to King County, Des Moines has a slightly lower share of single residents.

Exhibit 7. Household Size, Des Moines, King County, and Washington, 2020

Source: American Community Survey (ACS) 2020 5-year estimates



2.3.3 Year Over Year Percent Change of Select Population Characteristics

Exhibit 9. below shows the year over year percent change of Des Moines' population, households, non-white population, and household size. Year over year trends show that Des Moines' non-white population has been increasing at a faster rate year-over-year than the population overall. Household formation growth has remained constant with population growth trends. Household size amongst 1-, 2-, and 3-person or more households has fluctuated in the past decade. In the past five years, net year over year growth has been greater amongst 2-person households (14%), followed by 3 or more households (9%), and 1-person households (2%).

Exhibit 8. Year Over Year Percent Change of Select Population Characteristics, Des Moines, 2010-2020

Source: American Community Survey (ACS) 2010- 2020, 5-year estimates

Year	Population	Households	Non-white Population	1-person Household	2-person Household	3-person or more Household
2010	—	—	—	—	—	—
2011	1%	-1%	6%	-10%	2%	5%
2012	1%	-1%	10%	0%	-10%	6%
2013	1%	1%	7%	3%	1%	0%
2014	1%	-1%	2%	5%	-4%	-3%
2015	1%	1%	-1%	-8%	11%	1%
2016	1%	2%	1%	5%	3%	-1%
2017	1%	0%	4%	1%	-2%	1%
2018	1%	1%	5%	-1%	0%	2%
2019	1%	3%	1%	-1%	5%	4%
2020	1%	1%	4%	6%	-3%	2%

2.4 Income and Employment

The ability of a household to acquire adequate housing is related to household income, whether earned or from other sources. Household income is oftentimes the crucial factor in evaluating the size and type of housing available for any given household. Household income can vary greatly across many demographic factors including race, gender, and household type. While higher income households have more discretionary income to spend on housing, low- and moderate-income households often face limited choices in the housing they can afford.

2.4.1 Household Income

As shown in Exhibit 9, the median household income in Des Moines has increased 18 percent or \$10,691 between 2010 and 2020. King County overall experienced median incomes rise at a much faster rate than Des Moines and median incomes in 2020 were more than \$31,000 when

compared to Des Moines.

Exhibit 9. Median Income, Des Moines and King County, 2010 and 2020

Source: American Community Survey (ACS) 2010 and 2020, 5-year estimates, and ECONorthwest calculations

Jurisdiction	2010	2020	Change (2010-2020)	
			Number	Percent
Des Moines	\$68,065	\$70,268	\$10,691	18%
King County	\$59,577	\$99,158	\$31,093	46%

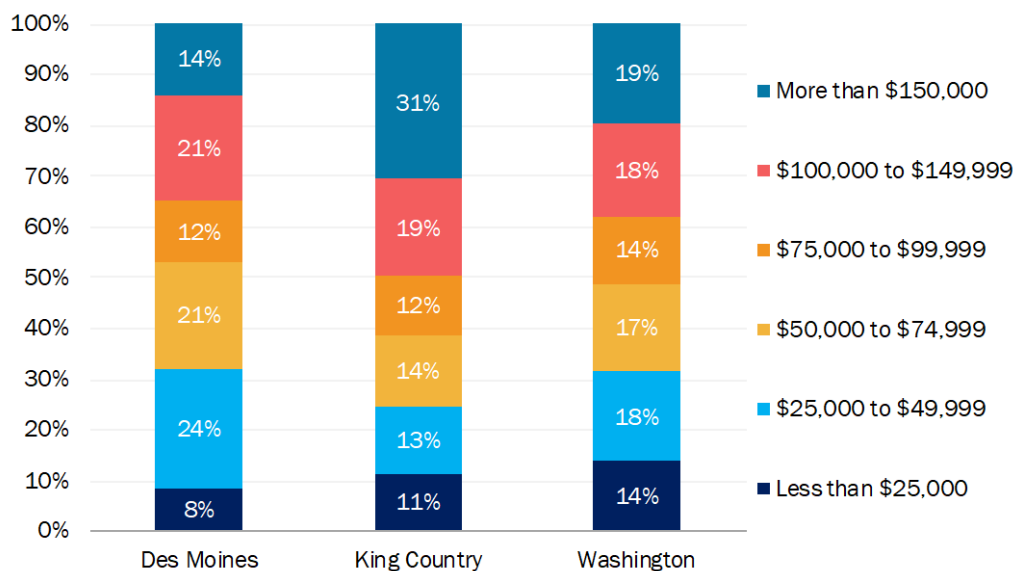
Note: Nominal dollars.

2.4.2 Income Distribution

The income distribution of Des Moines shows a higher percentage of residents who make less than \$50,000 than both King County and Washington. The lower annual incomes (\$25,000 - \$49,999) along with middle incomes (\$50,000-\$74,999) were higher than both King County and Washington. Additionally, Des Moines also has a higher percentage of residents who make \$100,000 to \$149,999, but a lower percentage of residents who make more than \$150,000, indicating a lower annual income than King County.

Exhibit 10. Income Distribution, Des Moines, King County, and Washington, 2020

Source: American Community Survey (ACS) 2020 5-year estimates



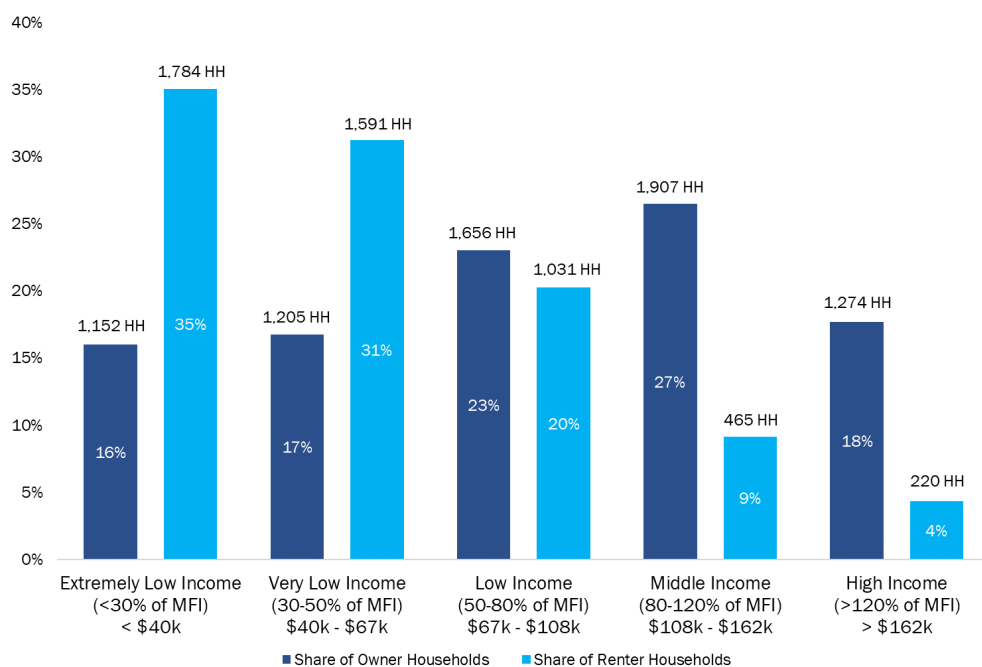
Household incomes in Des Moines have substantially changed since 2010. From 2010 to 2020, there was a steep increase in households making more than \$100,000, connoting a growth in wealthier residents. To supplement this point, there was a 49% decrease in households making less than \$25,000 and a 24% decrease in households making \$75,000 to \$99,999. The increase in income was largely seen in households making over \$100,000 per year. This is primarily due to wealthier households moving to Des Moines; many of these higher income households work in other communities. Since 2010, Des Moines has lost households with low- and middle-incomes (generally those who make less than \$74,999), while gaining households with higher incomes—especially those making more than \$100,000.

2.4.3 Households by Median Family Income Level

Typical to most communities, Des Moines’s homeowners are more likely to have higher incomes compared to its renters. The households most likely to struggle to find affordable market rate housing in any community are those with incomes below 80% AMI. Low-income households are more likely to need to sacrifice spending on other essentials to afford housing and are more vulnerable to housing market forces. Des Moines has approximately 4,406 renter households with incomes of 80% AMI and below. Altogether they represent about 87% of Des Moines’ renter households. In Des Moines rental housing is almost exclusively provided to low-income households, whereas owner-occupied housing is generally distributed fairly uniform across all income categories.

Exhibit 11. Share of Households by Median Family Income (MFI) and Tenure, Des Moines, 2020

Source: US Department of HUD, King County, 2022, US Census Bureau, 2016-2020 ACS Table B25118.

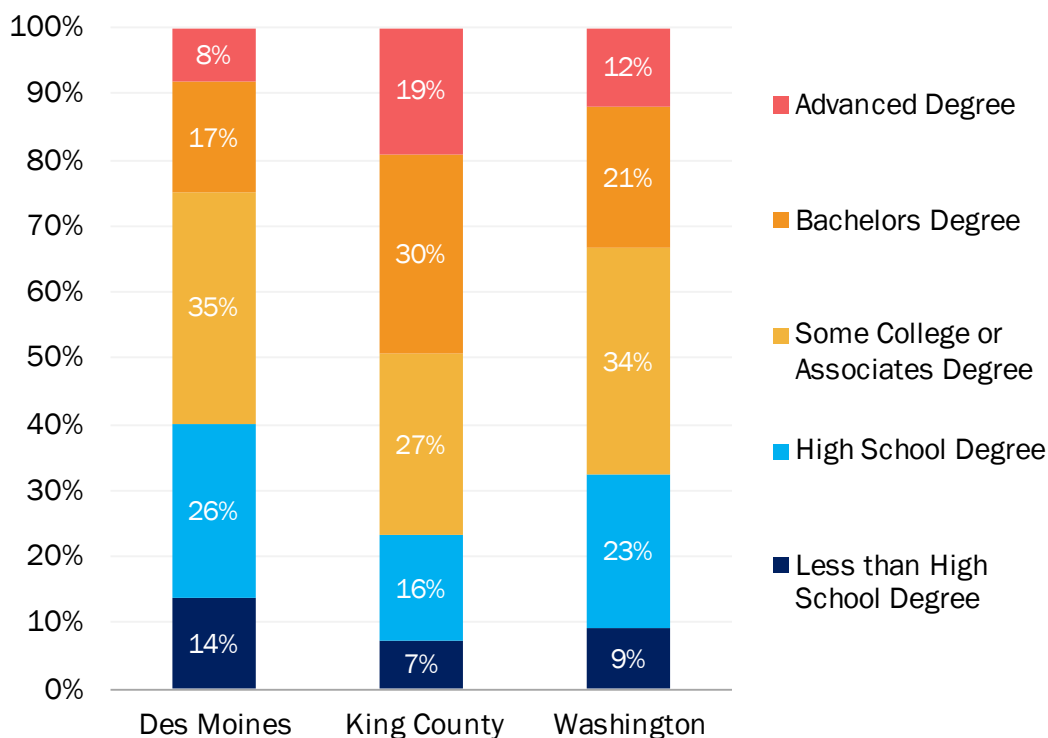


2.4.4 Educational Attainment

The educational attainment of Des Moines residents is much lower than in Washington with only 25% of resident with a Bachelor's degree or higher, compared to 33% in Washington. This suggest that Des Moines has a large share of residents working in the service industry. Generally, populations with a high educational attainment typically work in industries that require a college degree or higher, while populations with lower educational attainment work in the service industry which requires no college degree. King County has a substantially higher share of residents with a Bachelor's degree or higher at about 49%.

Exhibit 12. Educational Attainment, Des Moines, King County, and Washington, 2020

Source: American Community Survey (ACS) 2020 5-year estimates



2.4.4.1 Employment by Industry

Exhibit 13 compares Des Moines's job composition by industry for 2010 and 2019. Des Moines continues to rely on service producing industries for the majority of its employment (87%) compared to goods producing industries (13%). Since 2010, Des Moines experienced massive growth in the goods producing sector, while losing jobs in the service producing sector.

Among the industries with the largest employment growth since 2010 in Des Moines was the service industry which gained the most jobs (378), followed by construction and resources (300), wholesale trade (220), manufacturing (78) and government (13).

In 2019, Des Moines had a large concentration of jobs in the services industry, mainly in accommodation and food services as well as health care and social assistance.

Exhibit 13. Employment by Industry, Des Moines, 2010 and 2019

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (2019), ECONorthwest

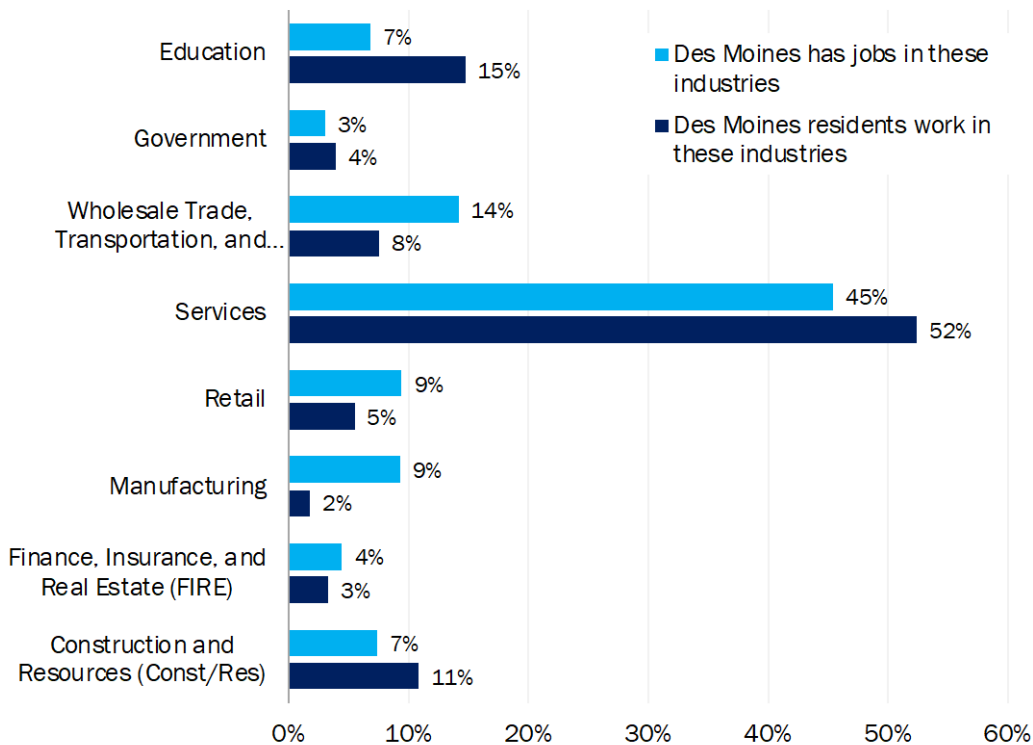
Industry	2010		2019		Percent Change
	Number	Percent	Number	Percent	2010-2019
Good Producing Sector	283	6%	661	13%	134%
Construction and Resources (Const/Res)	267	6%	567	11%	112%
Manufacturing	16	0%	94	2%	488%
Service Producing Sector	4,184	94%	4,586	87%	10%
Finance, Insurance, and Real Estate (FIRE)	189	4%	173	3%	-8%
Retail	434	10%	287	5%	-34%
Services	2,372	53%	2,750	52%	16%
Wholesale Trade, Transportation, and Utilities (WTU)	178	4%	398	8%	124%
Government	193	4%	206	4%	7%
Education	818	18%	772	15%	-6%
Total Employment	4,467	100%	5,247	100%	17%

More than half of Des Moines residents work in the Services industry, mainly in Accommodation and Food Services as well as Educational Services. The third most popular industry is Construction and Resources with most residents in this group working in construction. The smallest percentage of individuals work in Manufacturing.

Gaps exist between where residents work and the jobs that Des Moines offer. In 2019, there were more jobs in the Manufacturing, Retail, and Finance, Insurance, and Real Estate industries in Des Moines than residents working in those fields. This indicates that there is a mismatch between labor and jobs.

Exhibit 14. Employment by Industry, Des Moines, 2019

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (2019).



2.4.5 Employment Growth

According to the King County Countywide Planning Policies, Des Moines is a High-Capacity Transit Community that is expected to grow by 2,380 jobs between 2019 and 2044. Compared to other High-Capacity Transit Communities, Des Moines has the fourth largest growth target in jobs.

Exhibit 15. Job Target, Des Moines and King County, 2019-2044

Source: 2021 King County Countywide Planning Policies

Jurisdiction	Job Target (2019-2044)
Des Moines	2,380
Normandy Park	35
SeaTac	14,810
Kent	32,000
Burien	4,770
Auburn	19,520
Federal Way	20,460
King County	490,103

Note: Net new jobs (2019-2044).

2.4.6 Jobs-Housing Ratio

In 2019, Des Moines had 5,247 jobs and 12,114 housing units resulting in a jobs/housing ratio of 0.43. This ratio indicates that Des Moines serves primarily as a residential community with most of its residents working elsewhere in the Puget Sound. Generally, a jobs/housing ratio in the range of 0.75 to 1.5 is considered to have a healthy jobs/housing balance which can reduce vehicles miles traveled.⁴ Based on Des Moines' job and housing targets for 2044, it is expected that Des Moines will continue to serve as a residential community with mostly service industry jobs to support the population.

2.5 Housing Characteristics

2.5.1 Housing Type

Des Moines has a total of 12,950 housing units in 2020, of which over half (56%) of the housing stock in Des Moines is comprised of single family detached homes, followed by multifamily.

⁴ Cox, W. 2013. U.S. suburbs approaching jobs-housing balance. New Geography blog. Accessed May 2021.

Exhibit 16. Housing Type, Des Moines, 2020

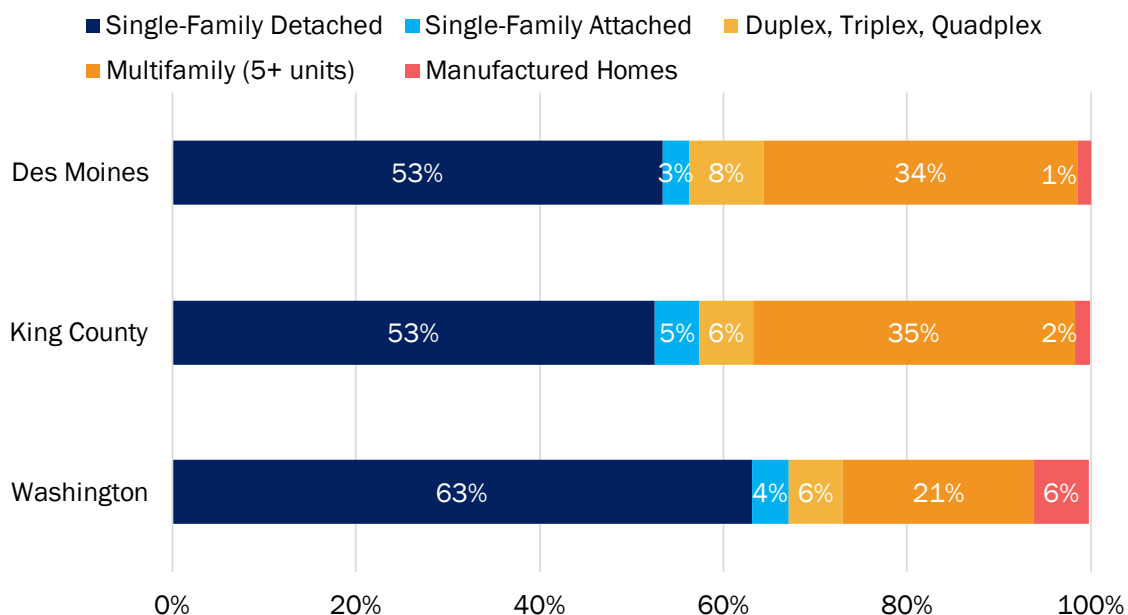
Source: American Community Survey (ACS) 2020 5-year estimates

Housing Type	Des Moines
Single-Family Detached	6,918
Single-Family Attached	366
Duplex, Triplex, Quadplex	1,058
Multifamily (5+ units)	4,418
Manufactured Homes	190
Total Housing Units	12,950

Exhibit 17 below shows the distribution of Des Moines' housing stock compared to King County and Washington. Compared to Washington, Des Moines has a diverse housing stock of attached housing and multifamily both with 2-4 units and more than 5 units—which corresponds to Des Moines large renter population. The housing stock type between Des Moines and King County is almost identical in the distributional share across both jurisdictions.

Exhibit 17. Housing Type, Des Moines, King County, and Washington, 2020

Source: American Community Survey (ACS) 2020 5-year estimates

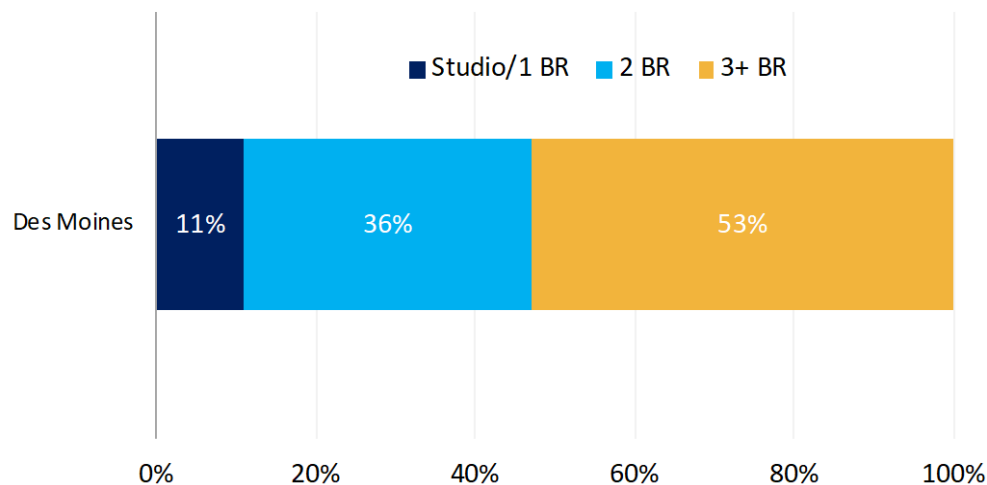


2.5.2 Number of Bedrooms

With single family detached units as the most common type of housing, it is not surprising that most units in Des Moines have 2- and 3-bedrooms. A small percentage of Des Moines housing stock are studios or 1-bedrooms. This indicates that most of the single family and multifamily units in Des Moines are supportive of family households than single residents.

Exhibit 18. Number of Bedrooms, Des Moines, 2020

Source: American Community Survey (ACS) 2020 5-year estimates



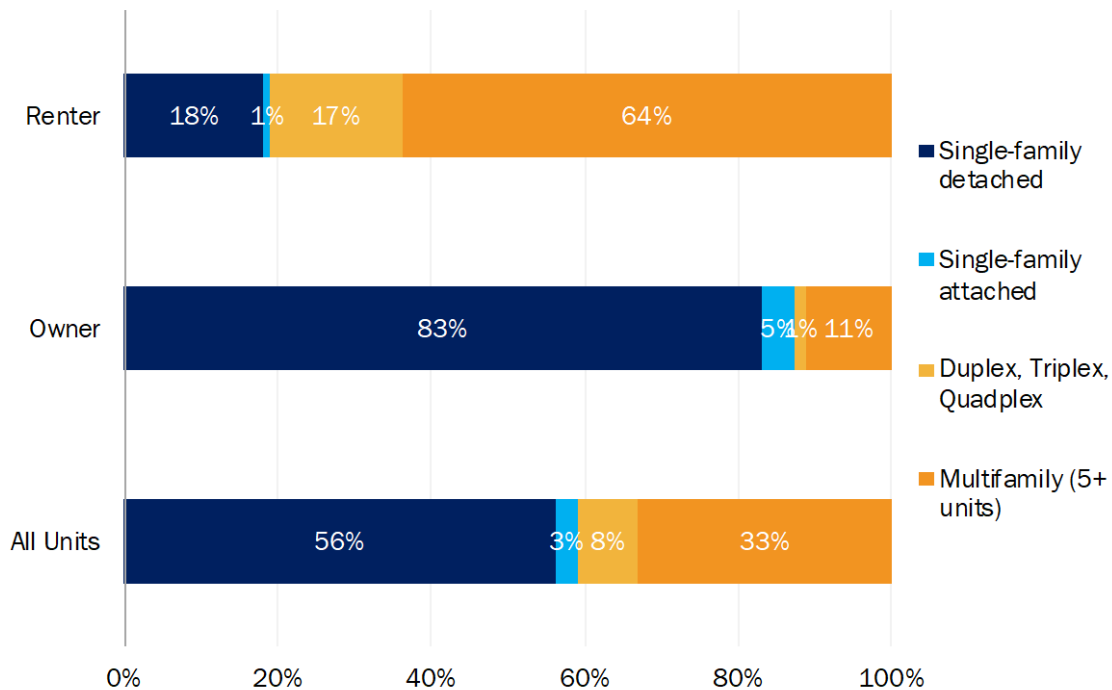
2.5.3 Housing Tenure

Household tenure is an important component of housing needs, as it helps to determine whether future housing should be built as ownership units or rental units.

Exhibit 19 shows that the vast majority of Des Moines' owners (88%) live in single family detached and attached homes. The majority of Des Moines' renters live in multifamily housing including duplex, triplex, quadplex and apartment buildings with 5 or more units. Approximately 19% of renters live in single family detached and attached housing in Des Moines. Overall, much of Des Moines housing units are owner-occupied (59%), while 41% are renter occupied.

Exhibit 19. Housing Tenure by Housing Type, Des Moines, 2020

Source: American Community Survey (ACS) 2020 5-year estimates



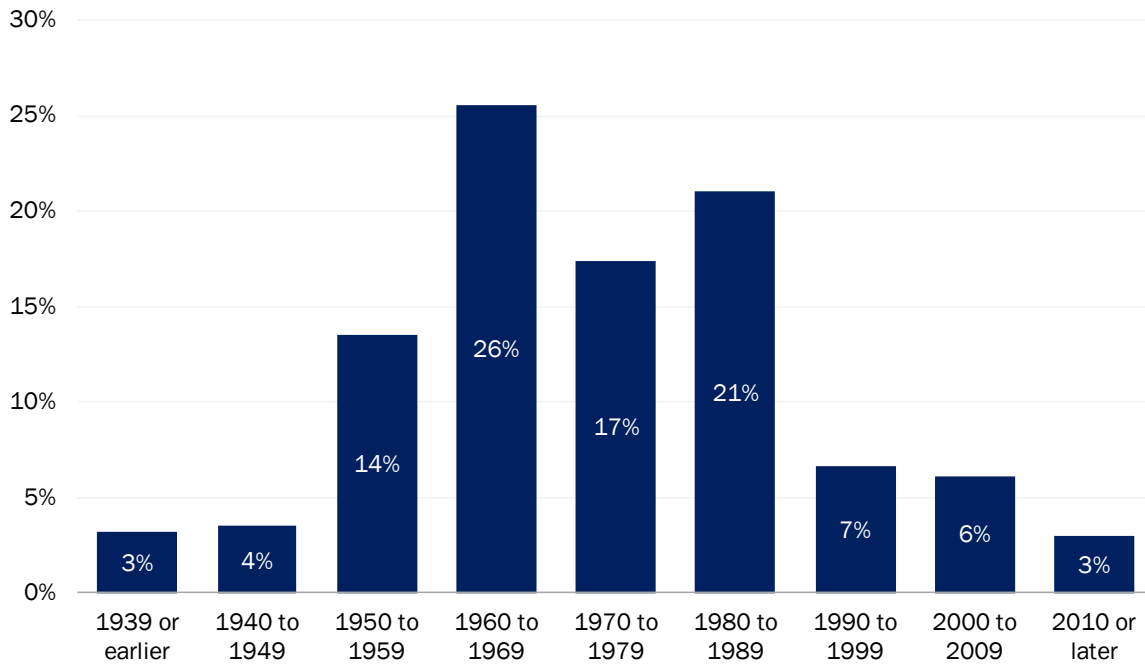
2.5.4 Housing Age

Housing age can be an important indicator of housing condition within a community. Like any other tangible asset, housing is subject to gradual physical or technological deterioration over time. If not properly and regularly maintained, housing can deteriorate and discourage reinvestment, depress neighboring property values, and eventually impact the quality of life in a neighborhood. Many federal and state programs also use the age of housing as one factor in determining housing rehabilitation needs. Typically, housing over 30 years of age is more likely to have rehabilitation needs that may include new plumbing, roof repairs, foundation work and other repairs.

Exhibit 20 shows the distribution of housing stock by age. The vast majority (78%) of housing in Des Moines was built between 1950 and 1980. New housing construction in Des Moines slowed after 1980, with only about 16% of the housing stock built in 1990 or later.

Exhibit 20. Housing Age, Des Moines, 2020

Source: American Community Survey (ACS) 2020 5-Year Estimates. *Note: Des Moines annexed the town of Zenith in 1982.



2.6 Housing Cost and Affordability

Housing cost is a direct relationship of housing accessibility to all economic segments of the community. In general, if housing supply exceeds housing demand, housing costs will decrease. If housing demand exceeds housing supply, housing costs typically increases.

Between 2012 and 2022 housing costs have significantly increased in Des Moines and across the region. Exhibit 21 shows that the median priced home increased from about \$175,000 in 2012 up to \$630,000 in 2022—or 257%. In 2012, Des Moines’ housing market was comparable to a lot of its neighboring cities and over time it has experienced similar increases in housing costs.

2.6.1 Home Sale Prices

Exhibit 21. Home Sale Prices, Des Moines, 2012-2022

Source: Zillow and ECONorthwest Calculations

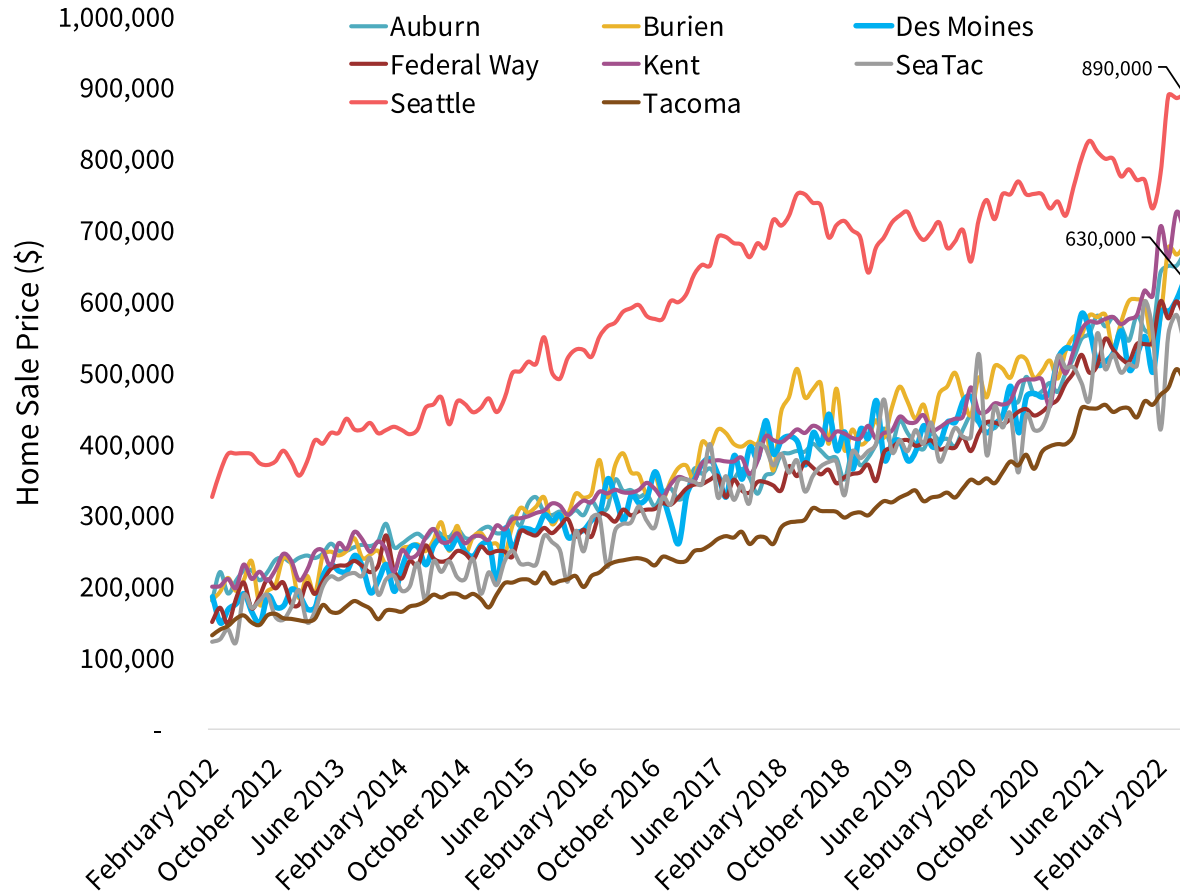


Exhibit 22 shows that since 2012, the median sale price of a home has increased in all comparison cities, with the most significant increase in Des Moines (257%), while SeaTac experienced the second highest increase of 252%.

Exhibit 22. Percent Change in Median Home Sale Prices, Des Moines and comparison cities, 2012-2022

Source: Redfin and ECONorthwest Calculations

Jurisdiction	2012	2022	Change (2012-2022)	
			Number	Percent
Des Moines	\$175,000	\$630,000	\$455,000	257%
Auburn	\$219,950	\$650,000	430,050	196%
Burien	\$202,000	\$665,000	\$463,000	229%
Federal Way	\$182,500	\$580,000	397,500	218%
Kent	\$210,000	701,000	\$491,000	234%
SeaTac	\$157,490	\$554,000	\$396,510	252%
Seattle	\$375,000	\$890,000	\$515,000	137%
Tacoma	\$154,975	\$479,000	\$324,025	209%

Note: Nominal dollars.

2.6.2 Rental Costs

Des Moines and King County's rental market has experienced sharp price increases over the past decades. Exhibit 23 shows that incomes have not kept pace with the rising increase of rental costs in Des Moines. Between 2010 and 2020, the median income in Des Moines increased 18% while the median rent increased 56%. In comparison King County's median income increased 46% while the median rent increased 70%.

When housing costs increases substantially, residents across all income segments begin to have challenges with affording housing and keeping a shelter over their heads.

Exhibit 23. Change in Median Rent vs. Median Income, Des Moines and King County, 2010-2020

Source: American Community Survey (ACS) 2010 and 2020 5-year estimates

Jurisdiction	2010	2020	Change (2010-2020)	
			Number	Percent
Des Moines				
Median Rent	\$890	\$1,390	\$500	56%
Median Income	\$59,577	\$70,268	\$10,691	18%
King County				
Median Rent	\$999	\$1,695	\$696	70%
Median Income	\$68,065	\$99,158	\$31,093	46%

Note: Nominal dollars (i.e., not adjusted for inflation).

2.6.3 Cost Burden

State and federal standards specify that households spending more than 30% of gross annual income on housing experience a housing cost burden. Housing cost burdens occur when housing costs increase faster than household income. When a household spends more than 30% of its income on housing costs, it has less disposable income for other necessities, including health care, food, and clothing. In the event of unexpected circumstances such as the loss of employment or serious health problems, lower income households with a burdensome housing cost are more likely to become homeless or be forced to double-up with other households. Homeowners with a housing cost burden have the option of selling their homes and become renters. Renters, on the other hand, are vulnerable and subject to constant changes in the housing market.

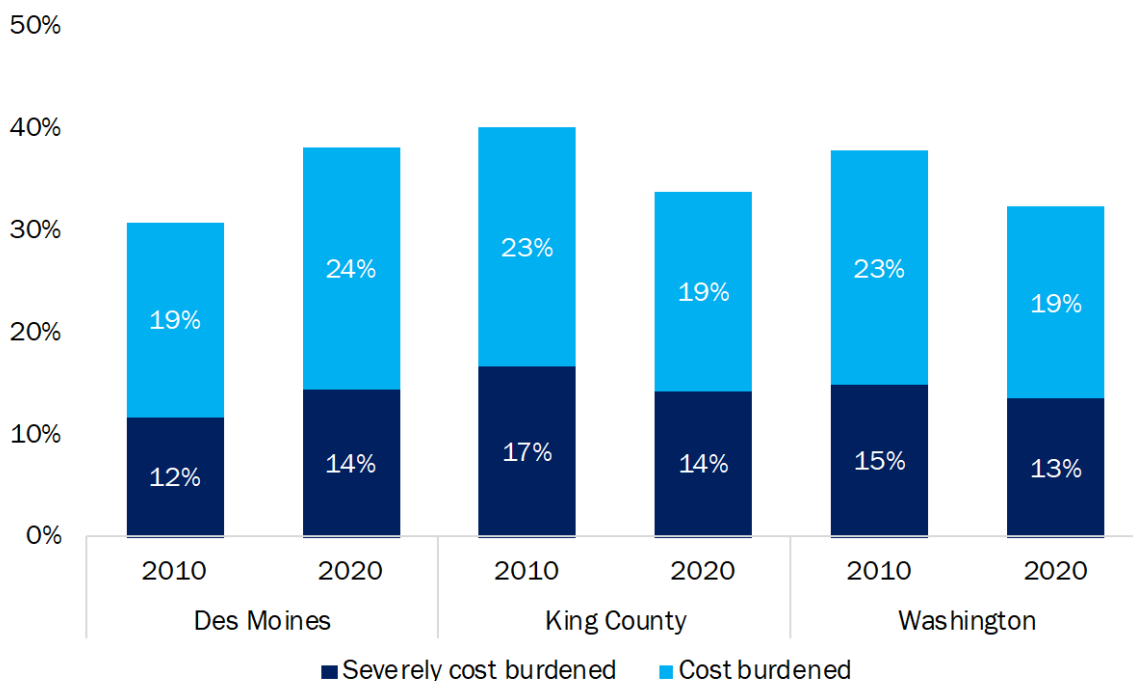
Exhibit 24 shows that in 2020, over a third (38%) of all renters, approximately 4,615 renter households, are cost burdened in Des Moines. Approximately 1,746 renter households (14% of renters) are severely cost burdened, paying more than 50% of their income on housing costs.

Since 2010, Des Moines renters have experienced rising housing costs where cost burden has risen, while King County and Washington renters have experienced declining cost burden. Cost burden increased in Des Moines from 31% in 2010 to 38% in 2020. Given the rapid

increase in sales prices and rents, cost burden likely increased significantly between 2020 and 2022.

Exhibit 24. Cost Burden, Des Moines, King County, and Washington, 2010-2020

Source: ACS 2010 and 2019, 5-year estimates



Cost burdening is a measure of housing instability and vulnerability to displacement. Policymakers typically focus on renters when assessing cost burdening. It can signal a lack of affordable housing in a region. It is less of a focus for homeowners, because a lender will assess a buyer's ability to pay for a mortgage before the household can buy a home, and because mortgage payments are typically fixed and do not fluctuate with the larger economy or housing market. While a homeowner's property taxes can go up with rising home values, they are typically a small share of overall housing costs. For these reasons, homeowners are not as vulnerable to price changes in the housing market as are renters.

2.6.4 Housing Affordability

Exhibit 25 illustrates what households in Des Moines can afford to pay in rent or can afford to buy for a home. The median family income for Des Moines—which is HUD calculates it based on King County's median family income—in 2022 was \$134,370. At this income level, affordable rent prices are \$3,370. An affordable home for this income level would be between \$471,000 and \$538,000. As of May 2022, the median home sale price in Des Moines was

\$630,000. From our calculations, only a household with an annual income between \$157,500 and \$180,000 can afford homes at that price point.

Exhibit 25. Housing Affordability in Des Moines, 2022

Source: Bureau of Labor Statistics, HUD MFI 2022, ECONorthwest Calculations

IF YOUR HOUSEHOLD EARNS . . .					
\$40,400 <30% OF MFI	\$67,300 50% OF MFI	\$80,800 60% OF MFI	\$107,700 80% OF MFI	\$134,600 100% OF MFI	\$161,500 120% OF MFI
THEN YOU CAN AFFORD . . .					
<\$1,010 PER MONTH	\$1,680 PER MONTH	\$2,020 PER MONTH	\$2,690 PER MONTH	\$3,370 PER MONTH	\$4,040 PER MONTH
OR	OR	OR	OR	OR	OR
\$121K- \$141K HOME SALES PRICE	\$202K- \$236K HOME SALES PRICE	\$242K- \$283K HOME SALES PRICE	\$377K- \$431K HOME SALES PRICE	\$471K- \$538K HOME SALES PRICE	\$565K- \$646K HOME SALES PRICE

The estimates presented in Exhibit 25 are based on income and affordability ratios. They do not consider other household financial characteristics that can affect ability to pay for housing – other debt, including auto loans, credit cards, etc. as well as accumulated assets. A key challenge many lower income households face is competition for affordable housing from higher income households. It is rational for higher income households to choose less expensive housing if it is available and meets household needs. Given entry costs (down payment for owner units, advance rent and deposits for rental units) and required credit reports, lower income households have clear disadvantages in competing for lower cost housing.

2.7 Housing Production

A community's housing stock is defined as the collection of all housing units located within the jurisdiction. The production of houses, including types of housing built as well as the incorporation of subsidized and affordable housing, is an important factor in addressing the housing need of the community. This section details the housing stock characteristics of Des Moines, in an attempt to identify how well the current housing stock meets the needs of the current and future residents of the City.

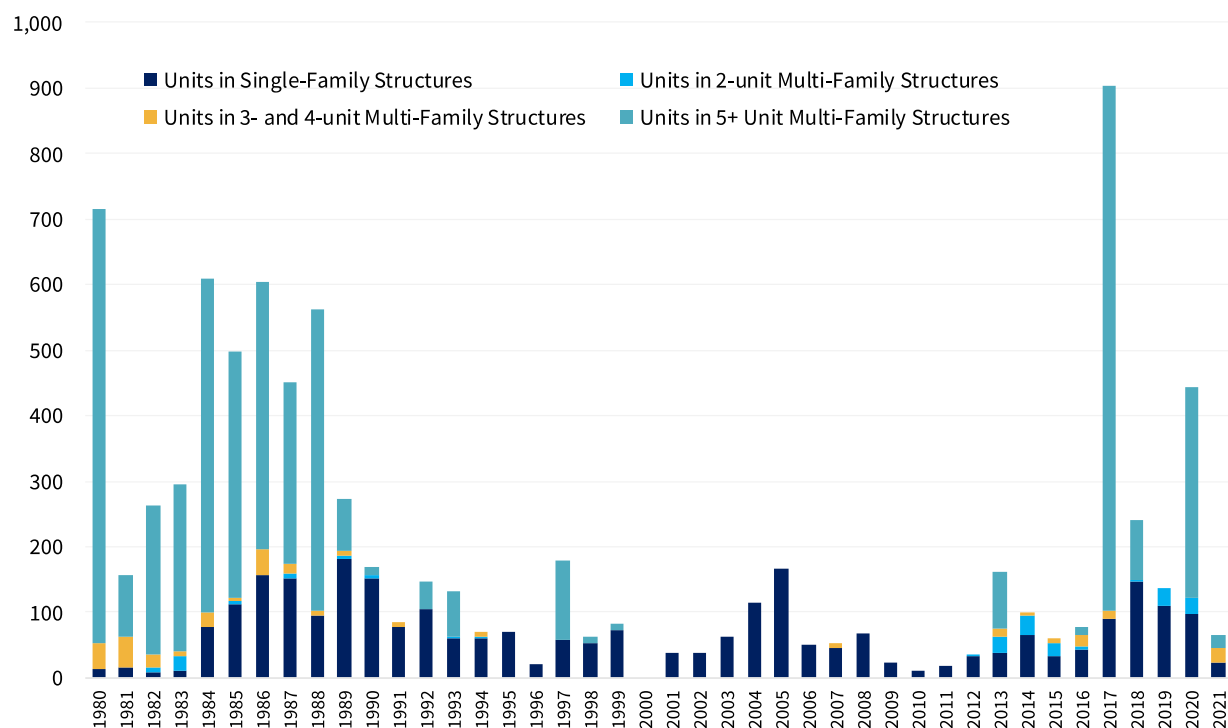
2.7.1 Housing Units Built

Since the 1980's, single family housing projects has been the most common housing type built in Des Moines, however multifamily projects have delivered the most units. Between 1980 and 2021, a total of 8,308 housing units have been built in Des Moines. About 66% of these units built were multifamily and 34% were single family units. The peak of multifamily unit development was in 2017 where 812 multifamily units were permitted in multifamily structures with 5 or more units.

Housing development was strong all throughout the 1980's and drastically dropped in the 1990's, early 2010's, and into the early 2010's. Housing development picked up again, but at a slower pace in the mid 2010's. Since 2010, approximately 2,254 housing units were built—mostly comprised of multifamily housing.

Exhibit 26 . Housing Units Built by Type, Des Moines, 1980-2021

Source: HUD User SOCDs Building Permit Database



2.8 Assisted Housing

2.8.1 Nursing Homes

Des Moines has three nursing homes and rehabilitation facilities with a combine total of 409 beds. According to the US Department of Health and Human Services, there are

approximately 46 nursing homes and residential care beds per 1,000 adults ages 65 and older.⁵ In 2022, Des Moines had approximately 41 beds per 1,000, indicating that Des Moines has a slightly lower supply of beds that is generally seen across the nation.

Exhibit 27. Nursing Homes and Rehabilitation Facilities in Des Moines, 2022

Source: Medicare.org: Providers & Services, The Nursing Home Site

Facility	Number of Bed
Stafford Healthcare	165
Wesley Homes Health Center	148
Judson Park Health Center	96
Total	409

2.8.2 housing for homeless individuals: shelters, transitional housing, etc.

An inventory of emergency shelter, transitional housing, and permanent supportive housing revealed that Des Moines does not have any of these continuum of care services which are essential in reducing the risk of people become homeless. The City of Des Moines is considering partnering with local faith-based and other non-profit organizations to support implement these social services within the city limits.

2.9 Subsidized and Public Affordable Housing

An important component of any community's housing inventory is the stock of housing that is affordable to households earning lower incomes. This housing can be regulated or unregulated and is most often rental housing.

Unregulated affordable housing is affordable to lower income households by virtue of its location, age, condition, or amenities. Typically, unregulated affordable housing units are older, smaller, and or lower quality with fewer amenities, older appliances, or older appearances. Often, these properties have some deferred maintenance or capital needs. Because there is not enough regulated affordable housing across the country, unregulated housing is an important part of the housing stock in a community. But because it is unregulated, the rents charged at the properties can change suddenly and can be influenced

⁵ US Department of Health and Human Services, "Long-term Care Providers and Service Users in the United States, 2015-2016"

by the larger real estate market. In addition, these properties can sometimes have habitability issues if they are not well maintained by the landlord.

Regulated affordable housing often has public funding that restricts the maximum incomes of the tenants or restricts the rents that can be charged to ensure that the housing is serving low-income households. This housing is sometimes referred to as government-assisted housing referencing the public funds at the property. These restrictions vary by the type of funding and the affordability level at the property, and typically have a limited duration – the property is affordable for a specified period of time.

2.9.1 Low Income Housing Tax Credit (LIHTC)

Des Moines currently has six properties with 641 income-restricted units, funded by low-income housing tax credits (LIHTC). In the next 10 years the income-restriction will sunset for three properties with a total of 162 units. These units account for about 25% of all income restricted units in Des Moines and without out any city intervention they will soon be lost to market rate housing.

LIHTC program criteria requires that income-restricted units to be affordable to low-income households for a period of at least 30 years. LIHTC units have maximum rents based on income limits and can only be occupied by households earning less than the upper income limit established for the units. Incomes are generally restricted to 30, 50, 60, or 80 percent of the area median family income and depend on the requirements of the funding program used for the development.

There are two types of tax credits, which are designed to subsidize either 30 percent or 70 percent of the low-income unit costs in a project. The 30 percent subsidy, which is also known as the 4 percent tax credit covers new construction that uses additional subsidies or the acquisition costs of existing buildings.

Exhibit 28. Income-Restricted Units in Des Moines

Source: HUD LIHTC Database

Property Name	Year Built	Credit Type	Income Restricted Units	Total Units
*Silverwood Park Apartments	1996	30% (4% tax credit)	61	63
*Seaview Apartments	1999	30% (4% tax credit)	70	72
*Terrace Apartments	2001	30% (4% tax credit)	26	27
Sea Mar Community Housing	2015	30% (4% tax credit)	42	43
The Adriana Senior Apartments	2018	30% (4% tax credit)	119	119
Waterview Crossing Apartments	2019	30% (4% tax credit)	323	326
Total	—	—	641	650

Note: *30-year income restriction to expire sometime in the next 10 years.

2.9.2 King County Housing Authority

The King County Housing Authority has three properties with a total of 45 subsidized units. All of the housing units are 3-bedrooms and generally served families, seniors 55+ and disabled persons. In total, there are 686 income-restricted housing units in Des Moines which make up roughly 5% of the housing stock.

Exhibit 29. King County Housing Authority Subsidized Housing Inventory in Des Moines, 2022

Source: King County Housing Authority

Property Name	Total Units	Types of Units	Housing Type
Victorian Wood	15	3-bedroom	Families, Seniors 55+ and Disabled Persons
Shoreham	18	3-bedroom	Families, Seniors 55+ and Disabled Persons
Campus Court 1	12	3-bedroom	Families, Seniors 55+ and Disabled Persons
Total	45	—	—

3. Housing Needs in Des Moines

3.1 Residential Land Supply and Capacity

According to the King County Urban Growth Capacity Report, between 2006 to 2018, Des Moines has grown at 29% of the pace needed to achieve its growth target of 3,480 housing units. This indicates that Des Moines is underperforming in terms of producing housing units needed by 2035.

Based on King County’s residential land supply and capacity analysis, Des Moines has substantial land supply and capacity to accommodate the planned future housing growth. The majority of Des Moines housing capacity lies in its high- and medium high-density zones that have the capacity for about 7,622 housing units in both zones. Most of these housing units will be constructed on redeveloped land within Des Moines—which can pose development challenges for getting these units constructed due to market forces of high land values and high construction costs.

Exhibit 30. Residential Land Supply and Capacity in Des Moines, 2022

Source: King County Urban Growth Capacity Report 2021

Density Level	Net Available Acres	Assumed Density (low/ high – units/acre)	Net Capacity (units)
Very Low Density	21.75	1.2 / 3.8	46
Low Density	77.86	4.4 / 8.8	220
Medium Low Density	3.98	12.4	41
Medium High Density	56.88	24.2 / 36.3	1,550
High Density	61.91	48.4 / 129.7	6,072
All Zones	222.37	—	7,930
Capacity in Pipeline			456
Total Capacity (units)			8,386
Remaining Target (2018-2035)			3,067
Surplus / Deficit Capacity (units)			5,319

3.2 Growth Targets

Under the Growth Management Act, King County in coordination with the cities in King County, adopts growth targets for ensuing 20-year planning period. Growth targets are policy statements about the amount of housing and employment growth each jurisdiction is planning to accommodate within its comprehensive plan. Growth targets are adopted for each jurisdiction and unincorporated urban King County in the Countywide Planning Policies.

According to the King County CPPs Des Moines is categorized as a High Capacity Transit Community and is planned to grow by 3,800 new housing units and 2,380 new jobs by 2044.

Exhibit 31. Des Moines Growth Targets, 2019-2044

Source: 2021 King County Countywide Planning Policies

Jurisdiction	Housing Target 2019-2044	Job Target 2019-2044
Des Moines	3,800	2,380

3.3 Housing Need by Income Level

Des Moines housing need by income level assumes that the current household income distribution in 2020 will remain constant through 2044. Under this assumption, 2,629 housing units or 70% of Des Moines housing growth target are needed for households who make 80% or less of the area median income.

Exhibit 32. Housing Need in Des Moines by 2044

Source: ECONorthwest Calculations

Household Income Distribution	Need per Des Moines Household Income Share Percent	Housing Units Needed
0-30% AMI (Extremely Low-Income)	23%	878
30-50% AMI (Very Low-Income)	24%	896
50-80% AMI (Low-Income)	23%	866
80-120% AMI (Moderate Income)	18%	702
120%+ AMI (Above Moderate-Income)	12%	459
Total	100%	3,800

Appendix C: Stakeholder Interviews

Des Moines HAP Stakeholder Interview

February 1, 2023

African Community Housing & Development

Bree Nicolello, Director of Community Development

Background Information

1. What impact does your organization have on housing in Des Moines?

Started in 2018 and work with African immigrants and refugees. A lot of members in the community live in Des Moines. They've done direct rental assistance through the city and have worked with a lot of key landlords and done a lot with eviction prevention.

2. What do you believe are the biggest housing challenges that Des Moines faces?

Some are unique to the community and others are of the region. There's an increase in folks seeking homelessness support. A lot of families rely on Uber and some industries still haven't recovered since COVID. There is a lack of home ownership opportunities. A really big way of getting homeownerships is missing middle housing. It provides flexibility to have choices like duplexes and ADUs.

Subsidy, supply, and stability – it has to be all three

3. What do you believe are the most important housing priorities to address in the Des Moines Housing Action Plan?

We get focused on certain things and there is a lack of seeing the full picture. It's hard to compete with people who are able to afford a large down payment. No opportunities for condos and missing middle.

Right now, for the scope of what the Housing Action Plan can deliver – advocating for subsidy and rental protection as well as providing flexible zoning to invest in the City of Des Moines. The biggest thing to do is make it easier to deliver missing middle and affordable housing models. Development can be driven by community and not necessarily market-rate developers.

Barriers

1. What factors have you experienced or identified that tend to raise the cost of housing or housing development? (impact fees, zoning/policy regulations, permitting process, etc.)

All of the above, right now it's very hard to develop and will continue to get tougher. Lenders are not providing loans right now since the market is in a tough spot. As much as we can do to streamline the process is really critical. Have clear consensus with what those housing goals look like and hold developers accountable. No need to redeliberate for every single project if those goals have already been identified.

2. Have you experienced or identified any parts of the permitting process in Des Moines that you feel to be barriers to housing development (including affordable housing)? If so, please explain.

Heard from people that need clarity around zoning and incentives. We need to do as much as we can to streamline the process. Bringing additional people to the table like Alpha Sharp Development Partners. The housing model in Pierce County/Tacoma supports missing middle models. Affordable 70% AMI is possible with the right tools.

3. Have you experienced or identified any land use or zoning regulations in Des Moines that you feel to be barriers to housing development (including affordable housing)? If so, please explain.

Flexibility in lot size reductions and minimum required parking. It could be good to ask permit desk people; what's a requirement that people don't like doing versus what becomes a barrier?

4. Do you feel that there are barriers to housing development (including affordable housing) that exist in Des Moines, but not in other cities in King County or the Puget Sound region? If so, please explain.

People don't realize how expensive Des Moines is. There are not a lot of affordable options.

Actions

1. Do you work in or have you experienced jurisdictions that you feel have successfully implemented strategies to eliminate barriers to housing development (including affordable housing)? If so, please explain.

There are cities that have tried to streamline missing middle. A lot of cities focus on the zoning piece. It would be good to see more rental protection. The City of Burien is a good example for rental protection. Parking and tree ordinances make it difficult.

2. Are there incentives that you feel work best to facilitate housing development (including affordable housing)? Are any of these incentives not available in Des Moines?

What is the end user going to look? Affordable homeownership and zoning regulations tied to that.

3. In an effort to create more affordable housing in Des Moines, what incentives would you be supportive of?

Zoning incentives: missing middle housing development, incentives to allow typologies to maximize density, zero lot lines, reduced parking, more flexible landscape standards, great to see zoning that works within the context of the site depending on site restrictions.

4. What do you feel are the most important changes that would need to occur to Des Moines' permitting process and/or zoning and land use regulations to develop diverse housing options or to ensure affordable housing in Des Moines?

Incentivize what you want to see. Think about more than just developers. How are older couples going to pay property taxes? Add flexibility to their backyard [ADUs] should be incentivized. Permitting fees could be waived. Streamlined process that can go straight to building permit. An example is Seattle continuing to not require design review for affordable housing.

Des Moines HAP Stakeholder Interview

February 10, 2023

El Centro de la Raza – Miguel Maestas

Background Information

1. What organization do you represent and what is the impact it has on housing in Des Moines?

Miguel is the Housing and Development Director for El Centro de la Raza. Recently became the associate director. He is not involved directly in housing development in Des Moines, but during COVID El Centro helped residents with emergency rental assistance to avoid eviction, which he assumes helped some Des Moines residents. Throughout El Centro's history they have helped folks find and secure affordable housing by providing a variety of programs, such as rental assistance.

2. What do you believe are the biggest housing challenges that Des Moines faces?

One of the things that Des Moines is different than other areas is that it is away from a lot of the regional public transit corridors, such as light rail or connecting services, and it seems like they are out of the main line of public transportation which is challenging. El Centro sees public transit as a big factor in identifying areas for potential affordable housing. Public transit needs to be within proximity and accessible to affordable housing communities in order for them to be successful.

3. What do you believe are the most important housing priorities to address in the Des Moines Housing Action Plan?

Analyze the housing needs of the area and identify potential properties for affordable housing development, whether it be privately owned or owned by a regional authority or owned by the city. Analyze the zoning to create density near public transportation hubs or build public transit hubs near affordable housing or areas identified as having potential for affordable housing. Identifying partners to collaborate with in these efforts. In El Centro's experience, there are a lot of entities in the community that want to help address the affordable housing issues, organizations like nonprofits, community groups, and churches, and a lot of these potential partners already have property. Then it becomes working together and building more capacity to achieve goals. Once land or property with potential for affordable housing has been identified and acquired there is a lot of work to do to develop, operate, and maintain affordable housing and lack of capacity and funding can be difficult in achieving this without partnering.

Barriers

1. What factors have you experienced or identified that tend to raise the cost of housing or housing development? (impact fees, zoning/policy regulations, permitting process, etc.)

All of the examples, impact fees, zoning/policy regulations, and the permitting process, all barriers that the City can do something about to change or address the issues. Other things that El Centro seen recently outside of the City's control is inflation and just the cost of everything, materials, construction, etc., and also interest rates. One example, El Centro is doing an affordable housing development in Columbia City that was budgeted for, but as the project has progressed the prices have gone up and it is now over budget.

2. Have you experienced or identified any parts of the permitting process in Des Moines that you feel to be barriers to housing development (including affordable housing)? If so, please explain.

Timeliness. Understanding timelines. Whatever the City can do to commit to a clear and definitive timeline. Permitting has a direct correlation to the cost of developments. Timelines run on and project costs go up. Make sure affordable housing developers know the permitting timeline. Timelines are much more crucial to the development of affordable housing now more than ever.

3. Have you experienced or identified any land use or zoning regulations in Des Moines that you feel to be barriers to housing development (including affordable housing)? If so, please explain.

Not familiar with Des Moines land use or zoning.

4. Do you feel that there are barriers to housing development (including affordable housing) that exist in Des Moines, but not in other cities in King County or the Puget Sound region? If so, please explain.

Not aware of any barriers specific to Des Moines (aside from public transit as mentioned before).

Actions

1. Do you work in or have you experienced jurisdictions that you feel have successfully implemented strategies to eliminate barriers to housing development (including affordable housing)? If so, please explain.

Seattle is a good example, they have made efforts to raise funds for affordable housing and have made a commitment to developing more affordable housing. There needs to be a conscious effort to plan and a commitment to address affordable housing needs, market rate housing is not going to solve the housing crisis. Ask, what can the city do to support the development of affordable housing? Develop goals and an action plan to attract and promote the development of affordable housing in Des Moines.

2. Are there incentives that you feel work best to facilitate housing development (including affordable housing)? Are any of these incentives not available in Des Moines?

An inventory of availability of property or land of potential affordable housing sites would be helpful. Build more partnerships between the city and community groups, nonprofits, etc.

3. In an effort to create more affordable housing in Des Moines, what incentives would you be supportive of?

Look at what other cities have done. What partnerships have other cities formed with nonprofits and community groups to successfully develop or secure affordable housing in their communities?

4. What do you feel are the most important changes that would need to occur to Des Moines' permitting process and/or zoning and land use regulations to develop diverse housing options or to ensure affordable housing in Des Moines?

Really making an effort to bring stakeholders to the table that aren't traditionally at the table. Immigrant communities, refugee communities, low income, senior groups, communities of color, single moms, etc. provide childcare, food, time it right, things like that to enable folks who may not traditionally be able to participate. The key to success is to partner with organizations that are already established within and trusted by the community. Don't just ask, pay community organizations to gather folks to bring people to the table, it takes a lot of resources to gather people.

Des Moines HAP Stakeholder Interview
February 14, 2023
Housing Connector – Nick Merriam

Background Information

1. What organization do you represent and what is the impact it has on housing in Des Moines?

Nonprofit focused on providing those who have not had access to housing before access to that housing. Work with providers to reduce screening barriers, housing providers goes online, hosted on Zillow, case managers and clients can search that inventory to find housing to meet their needs, our community partners are able to access that inventory and get those folks housing. Most residents have been housed in King County, 548 in King County. 59 housing connections in Des Moines. Most of which look like they were with HNN.

2. What do you believe are the biggest housing challenges that Des Moines faces?

We need more affordable housing, there's not enough of it. The housing that is available is highly competitive to get into, because of that competition, folks history provides further barriers, .e.g., past evictions, bad credit. There is a fair amount of housing provider reluctance, lots of owners are coming out of the pandemic after moratorium lifted with a lot of debt/arears/unpaid rents. Not a lot of public policy that pushes on providers, not a lot of additional support, which contributes to the hesitancy to engage in the marketplace. One challenge we face, getting into ownership groups. Property manager wants to partner, they see the value because they already have tenants with barriers, decisions made by ownership groups, lots of reluctance to invest in housing connector because they see it as additional risk that they don't want to take on. We need developers and investors, all of them at the table, they have to be at the table. The only other option is public housing, if you don't stimulate private investment in a space it will continue to lag.

3. What do you believe are the most important housing priorities to address in the Des Moines Housing Action Plan?

Barrier to entry for residence, screening criteria around criminal justice. Criminal justice tough for everybody. When discussing reduced criteria with a housing provider, there is no protocol for addressing criminal history restrictions, lot of housing providers don't want to house RSOs and other folks with criminal backgrounds.

Barriers

1. What factors have you experienced or identified that tend to raise the cost of housing or housing development? (impact fees, zoning/policy regulations, permitting process, etc.)

Barriers listed above.

2. Have you experienced or identified any parts of the permitting process in Des Moines that you feel to be barriers to housing development (including affordable housing)? If so, please explain.

Permitting processes that he is familiar with are Seattle based.

3. Have you experienced or identified any land use or zoning regulations in Des Moines that you feel to be barriers to housing development (including affordable housing)? If so, please explain. No response.

4. Do you feel that there are barriers to housing development (including affordable housing) that exist in Des Moines, but not in other cities in King County or the Puget Sound region? If so, please explain.

Affordability. Selection around location access to public transportation, public libraries, etc. cities always making choices around building community – make sure folks always have choice in where they live, in terms of unit size, surrounding area. Affordability over time is more about pockets of 150-200 housing units to provide that choice.

Actions

1. Do you work in or have you experienced jurisdictions that you feel have successfully implemented strategies to eliminate barriers to housing development (including affordable housing)? If so, please explain. No response.

2. Are there incentives that you feel work best to facilitate housing development (including affordable housing)? Are any of these incentives not available in Des Moines?

Leveraging multi-family tax exemption, LITCH low-income housing tax credit, MFTE tax credit (federal) help to paint a path or are pathways to success, do some stimulation.

3. In an effort to create more affordable housing in Des Moines, what incentives would you be supportive of?

No response, “not a developer”.

4. What do you feel are the most important changes that would need to occur to Des Moines’ permitting process and/or zoning and land use regulations to develop diverse housing options or to ensure affordable housing in Des Moines?

No response.

Anything else you’d like to add that we did not cover?

No response.

Des Moines HAP Stakeholder Interview
February 15, 2023
Highline Public Schools – Antonio Lewis

Background Information

1. What organization do you represent and what is the impact it has on housing in Des Moines?

Highline Public Schools - McKinney-Vento (Federal Foster Care) and Foster Care Liaison for the District. Highline covers five areas: Des Moines, Burien, White Center, SeaTac, and unincorporated King County.

2. What do you believe are the biggest housing challenges that Des Moines faces?

The biggest issue is cost of living. Increasing high rents is the biggest hurdle. The cost is simply out of their price range for their current economic situation. Larger families making minimum wage with 2, 3, 4 kids, it's very difficult to find housing. Many are looking further south for more affordable housing. Many families are moving into other family members or friends until they're in a place to qualify for their own. Highline usually has one of the higher McKinney-Vento top 5 or top 6 in the State.

3. What do you believe are the most important housing priorities to address in the Des Moines Housing Action Plan?

The priority has to be building more affordable housing. Look at the demographics, figure out the individuals currently living in the city, what are the current rent prices for 2-bedroom, 3-bedrooms, what do those numbers really reflect? What does the housing stock look like in Des Moines? This would allow more families to avoid leaving the city or state entirely.

Barriers

1. What factors have you experienced or identified that tend to raise the cost of housing or housing development? (impact fees, zoning/policy regulations, permitting process, etc.)

From a personal standpoint, he has lived in Des Moines for the past 5 years. When the pandemic hit there were a few vacancies, so those places were unfilled. At that time there were incentives for families to move in, waiving deposits or first and last month's rent. Once the eviction moratorium ended, things went back to normal, which is high rent cost for families. There are also rent increases for existing tenants. Single adults living alone may not face the same rent increases as larger households. Unfortunately, this is the reality of the region's housing market, and landlords know they can raise the rent and charge what they can. For most of the families he serves, they cannot. Many have to go into shelter, leave the district, or leave the state.

2. Have you experienced or identified any parts of the permitting process in Des Moines that you feel to be barriers to housing development (including affordable housing)? If so, please explain.

N/A

3. Have you experienced or identified any land use or zoning regulations in Des Moines that you feel to be barriers to housing development (including affordable housing)? If so, please explain.

N/A

4. Do you feel that there are barriers to housing development (including affordable housing) that exist in Des Moines, but not in other cities in King County or the Puget Sound region? If so, please explain.

N/A

Actions

1. Do you work in or have you experienced jurisdictions that you feel have successfully implemented strategies to eliminate barriers to housing development (including affordable housing)? If so, please explain.

N/A

2. Are there incentives that you feel work best to facilitate housing development (including affordable housing)? Are any of these incentives not available in Des Moines?

N/A

3. In an effort to create more affordable housing in Des Moines, what incentives would you be supportive of?

N/A

4. What do you feel are the most important changes that would need to occur to Des Moines' permitting process and/or zoning and land use regulations to develop diverse housing options or to ensure affordable housing in Des Moines?

N/A

Anything else you'd like to add that we did not cover?

The only other issue, and this has been a recurrent thing state and nation-wide, there has not been enough investment for affordable housing. Shelters are at capacity, and shelters were never designed to be long-term solutions. In the last 3 years, that 30-60 days has turned into 60-90 days or an entire schoolyear of waiting for longer term solutions. Other districts are also losing families because the families simply can't afford to live there anymore. Those things affect funding too. There has to be investment for families to stay there. You have to put affordable housing into action and not just talk about.

He also expressed interest in being a party of record, and I added him to the list.

Des Moines HAP Stakeholder Interview**February 2, 2023****King County Housing Authority – Andrew Calkins****Background Information****1. What organization do you represent and what is the impact it has on housing in Des Moines?**

King County Housing Authority is a public housing authority that owns housing in King County and also administers vouchers. KCHA owns a property in Des Moines called Salish Place, which currently has 408 vouchers.

2. What do you believe are the biggest housing challenges that Des Moines faces?

Affordability is the biggest problem. There are a lot of extremely low income households living in Des Moines paying more than half their incomes towards rent and utilities. Traditionally or historically Des Moines, like other south King County cities, has had more affordable rents, but in the last few years the rents have risen rapidly. As the prices go up, affordability becomes even more of an issue and we're seeing a lot of displacement of existing residents in Des Moines. There isn't a lot of restricted or regulated affordable housing in Des Moines.

3. What do you believe are the most important housing priorities to address in the Des Moines Housing Action Plan?

Preserve the existing rental stock to lock in affordability so residents aren't pushed out. Suggest that the City prioritize existing housing stock and residents. There is also room to fund new affordable housing and the potential to drum up new construction developments by partnering with nonprofits and public housing authorities to create affordable housing in perpetuity. A good example of this in Des Moines is Salish Place.

Barriers

1. What factors have you experienced or identified that tend to raise the cost of housing or housing development? (impact fees, zoning/policy regulations, permitting process, etc.)

Impact fees, policy regulations, and the permitting process can all contribute to the raise in the cost of housing or housing development, definitely for a lot of private builders and for affordable housing as well. It is really expensive to build right now between utility connection fees and permitting complexities and uncertainty often resulting in lengthy project timelines.

2. Have you experienced or identified any parts of the permitting process in Des Moines that you feel to be barriers to housing development (including affordable housing)? If so, please explain.

None that Andrew is aware of, but he hasn't done any new construction in Des Moines nor heard of other nonprofits' experiences in Des Moines.

3. Have you experienced or identified any land use or zoning regulations in Des Moines that you feel to be barriers to housing development (including affordable housing)? If so, please explain.

Zoning and land use for multifamily development can be challenging. Existing zoning can be restrictive by not allowing for multifamily land use or development at times preventing appropriate land uses or getting a good quality project that meet needs in a location.

4. Do you feel that there are barriers to housing development (including affordable housing) that exist in Des Moines, but not in other cities in King County or the Puget Sound region? If so, please explain.

Cannot identify any specific to Des Moines.

Actions

1. Do you work in or have you experienced jurisdictions that you feel have successfully implemented strategies to eliminate barriers to housing development (including affordable housing)? If so, please explain.

Andrew always encourages cities to make changes to adjust their parking requirements, which can be a barrier in housing rehabilitation, Kirkland is an example where they have run into these issues. Some cities have bonuses for building affordable housing, the City of Seattle has probably done the most on this front including other barrier reductions like getting rid of or limiting design review for affordable housing projects and faith-owned land affordable housing protections.

2. Are there incentives that you feel work best to facilitate housing development (including affordable housing)? Are any of these incentives not available in Des Moines?

There is no incentive zoning or inclusionary zoning in Des Moines, which could be a good policy if done properly. If you want to encourage multifamily development the incentive programs are great. The MFTE program is not as good at providing affordability. More density bonuses, incentives like limiting impact fees to induce more affordable housing development are good strategies. For a nonprofit it's helpful to have local capitol dollars to develop affordable housing or lend to other orgs to develop affordable housing.

3. In an effort to create more affordable housing in Des Moines, what incentives would you be supportive of?

Incentive zoning and inclusionary zoning programs, produce more mixed incomes that way. Encourage the city to do it in a way where you get most bang for buck, focus on family housing affordable at 80% of AMI.

4. What do you feel are the most important changes that would need to occur to Des Moines' permitting process and/or zoning and land use regulations to develop diverse housing options or to ensure affordable housing in Des Moines?

Smart zoning and land use changes to create opportunities to develop affordable housing. Rezoning around single family residential areas will produce more housing diversity and affordable options.

Anything else?

KCHA always encourages cities to identify properties that are at risk of becoming unaffordable. This can happen when these get sold or are upgraded to increase the rent. Identify these properties, be proactive, and develop a plan to preserve affordability and avoid displacement.

Des Moines HAP Stakeholder Interview

February 15, 2023

Sea Mar Community Health Centers

Seth Lundgaard, Vice President of Housing & Development

Background Information

1. What organization do you represent and what is the impact it has on housing in Des Moines?

Hopefully, a positive impact. We have Des Moines family housing project. It's 42 units. There are 1, 2, and 3-bedroom units. The affordability is 60% AMI. It's really nice housing and they don't really raise the rents. It's located in a rough neighborhood, but the housing project itself does well. Very low crime if any. Mostly families live there. Out of all their projects, it has the highest family size. State-wide they have at least 15 housing projects. Most of them they acquired a couple years ago. They also recently acquired two homeless projects in the Beacon Hill. They're permeant supportive housing.

2. What do you believe are the biggest housing challenges that Des Moines faces?

Not certain about this in Des Moines, but it seems like crime is a serious issue. Crime and raising these kids right are the important issues. Unprecedented time, a lot of funding for affordable housing for the people that want to do it. We're blessed to have the resources we do have.

3. What do you believe are the most important housing priorities to address in the Des Moines Housing Action Plan?

There is NIMBYism advocacy for affordable housing and the people that live there could be a priority.

Barriers

1. What factors have you experienced or identified that tend to raise the cost of housing or housing development? (impact fees, zoning/policy regulations, permitting process, etc.)

Sea Mar builds affordable housing too. Zoning – it is what it is. Permitting process is slow, takes time. Market forces tend to be the factors raising the cost of housing and housing development. The hard costs are getting out of control. It seems like contractors are policing them. For a project in Kent, it did seem like the parking requirements were pretty high.

2. Have you experienced or identified any parts of the permitting process in Des Moines that you feel to be barriers to housing development (including affordable housing)? If so, please explain.

Wasn't directly involved but it seemed okay.

3. Have you experienced or identified any land use or zoning regulations in Des Moines that you feel to be barriers to housing development (including affordable housing)? If so, please explain.

N/A

4. Do you feel that there are barriers to housing development (including affordable housing) that exist in Des Moines, but not in other cities in King County or the Puget Sound region? If so, please explain.

N/A

Actions

1. Do you work in or have you experienced jurisdictions that you feel have successfully implemented strategies to eliminate barriers to housing development (including affordable housing)? If so, please explain.

Seattle is more flexible when it comes to parking, but it can also become a problem if for off-street parking. Seattle has early design guideline review. It's a 6-month process. It slows down projects, so they eliminated it for affordable housing projects that serve between 30 and 50 percent AMI.

2. Are there incentives that you feel work best to facilitate housing development (including affordable housing)? Are any of these incentives not available in Des Moines?

N/A

3. In an effort to create more affordable housing in Des Moines, what incentives would you be supportive of?

A lot of cities waive a significant amount, maybe the majority, of impact fees for affordable housing. Vancouver waived more than half on one of their projects.

4. What do you feel are the most important changes that would need to occur to Des Moines' permitting process and/or zoning and land use regulations to develop diverse housing options or to ensure affordable housing in Des Moines?

Parking, waiving early design requirements, impact fee waivers. Sound Transit offers a lot of surplus land, they issue an RFP, and if a project is occupied by affordable housing they don't charge for the land. They also include a pre-analysis on the zoning and massing; they actually hire an architect to do massing studies. It is helpful to be able to look at an RFP and quickly gauge whether a project is feasible or attractive. If you want affordable housing, people want to be excited about the project and be attractive. If the City has a surplus of land, they could create a feasibility analysis and market it toward affordable housing developers.

Anything else you'd like to add that we did not cover?

They're looking at this project for Lynnwood City Center Station TOD. It's an example of a presentation to affordable housing first.

Des Moines HAP Stakeholder Interview

February 22, 2023

South King Housing and Homelessness Partners

Claire Vanessa Goodwin and Dorsol Plants

Background Information

1. What organization do you represent and what is the impact it has on housing in Des Moines?

Claire is executive manager and Dorsol is the program coordinator. Des Moines is a member of SKHHP, made of 11 jurisdictions, 10 cities, plus king county, through an interlocal agreement, formed to create a unified coalition to address our affordable housing needs. Des Moines is right now contributing 1406 house bill revenue to SKHHP to fund affordable housing projects. Most are in Burien. The legislature passed back in 2019 so cities could credit a portion of their state sales tax and keep it for themselves to use for affordable housing. Other things SKHHP does, technical assistance with their planner, convene planners to talk about their periodic comp plan update, etc.

2. What do you believe are the biggest housing challenges that Des Moines faces?

Counselor Buckman, representative, she said that preservation of affordable housing is important, there is a fear of displacement of the residents living in affordable units, and residents are worried, what does it mean when developers come in to build more? Repurposing and rebuilding is important, Des Moines is very built out, getting creative, utilizing underutilized buildings, Des Moines cannot go wide, has complications, density, neighborhood character, infrastructure support, the aging population, supporting through preservation to keep the elders in place. Right now there is a lot of focus on the water front, which will have a huge ripple effect across the city.

3. What do you believe are the most important housing priorities to address in the Des Moines Housing Action Plan?

One thing, counselor Buckman said, Des Moines has big Latinx population that is growing, consider this specific population to make it culturally relevant, especially with community outreach, engage with the community early, making sure its accessible to everyone.

Barriers

1. What factors have you experienced or identified that tend to raise the cost of housing or housing development? (impact fees, zoning/policy regulations, permitting process, etc.)

ADU usage, the fact that they do have owner occupancy tied into their ADU requirements creates barriers, whose tracking, how, and is it effective? Is that truly accomplishing what they are attempting to accomplish? Assuming density. Less restrictive ADU regulations would be helpful, specifically DMMC Chapter 18.55.104 accessory living quarters.

2. Have you experienced or identified any parts of the permitting process in Des Moines that you feel to be barriers to housing development (including affordable housing)? If so, please explain.

No comment.

3. Have you experienced or identified any land use or zoning regulations in Des Moines that you feel to be barriers to housing development (including affordable housing)? If so, please explain.

No comment.

4. Do you feel that there are barriers to housing development (including affordable housing) that exist in Des Moines, but not in other cities in King County or the Puget Sound region? If so, please explain.

Most recently, Claire came from Tacoma, convened several round tables with developers to talk about changes to MFTE program. The permitting process is too onerous, slow, and even more costly when it's slow. Expedited review for affordable housing is a show of good will for these cities. Look at accelerator programs which have been successful. It's all about the financing for developers, so any incentive that can be provided, is great, MFTE has a net benefit to the city in the long run. Waving impact fees also a great financial incentive. Permitting process too long, some projects in which the COVID vaccine was developed before the city issued any permits. There is a lack of consistency across King County cities, which does not lend itself to small cities close together. A streamlined, consistent process would make things easier and more cost effective. Often times design review can hold up permitting, reviewers get stuck on details like roof color, intent of design review and restrictions becomes unclear. Supply chain shortage is real, costs are still going up. Some developers reported cities wanting affordable housing, developers are building them, but there is no a mechanism to connect affordable housing to those in need. Housing connector only connects renters/rentals, not focused on home ownership. Black home initiative focusses on homeownership through a specific lens.

Actions

1. Do you work in or have you experienced jurisdictions that you feel have successfully implemented strategies to eliminate barriers to housing development (including affordable housing)? If so, please explain.

Lacey Washington is a gold standard for ADU, they have preapproved designs. City of Tacoma just improved the MFTE program, permit expediter, long-term affordable housing accelerator program.

2. Are there incentives that you feel work best to facilitate housing development (including affordable housing)? Are any of these incentives not available in Des Moines?

No answer

3. In an effort to create more affordable housing in Des Moines, what incentives would you be supportive of?

No answer

4. What do you feel are the most important changes that would need to occur to Des Moines' permitting process and/or zoning and land use regulations to develop diverse housing options or to ensure affordable housing in Des Moines?

Zoning is often an issue, allow for the development, be more flexible. The key corridor in Des Moines has a lot of potential for housing, retail, and restaurants. It will be a long process involving a lot of hand holding with the community. They will need something big to change and accommodate for increased density.

The communication strategy is going to be super important with this project. Des Moines has that sleepy town feel. 1220 needs requirements, there will have to be an emergency shelter. Gaining support for affordable housing and increasing the density for market rate. Multicultural outreach, quickly, and early in the process. Best case study DESC study, Burien, lessons learned from that experience. Often times, there is a concern about how much support being provided and available in a community that hasn't been provided. What does permitted supportive housing really look like? What does that do to the crime rate? Folks are worried that their community will grow like Seattle and there will be long lines at grocery stores.

Recommend to talk to the Des Moines Citizen Committee, which guide human services since Des Moines doesn't have any state service centers, they are contracted.

Anything else you'd like to add that we did not cover?