

# DES MOINES CITYWIDE HOUSING STRATEGY



# Citywide Housing Strategy

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- Acknowledgements
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- Public Review Draft Strategy
  - Imperatives
  - Key Findings
  - Building Blocks
  - Principles
  - Resources
  - Tasks

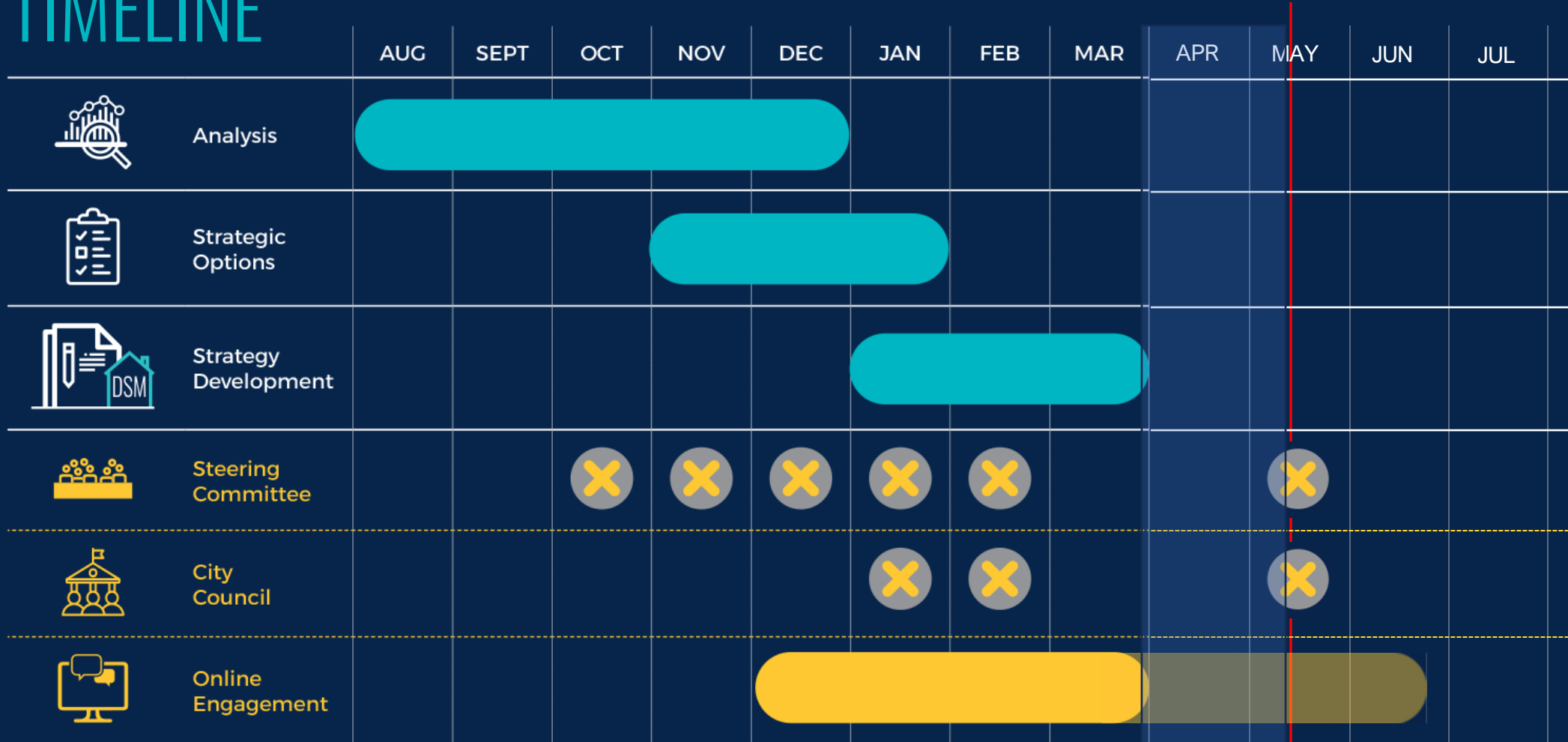
# Citywide Housing Strategy

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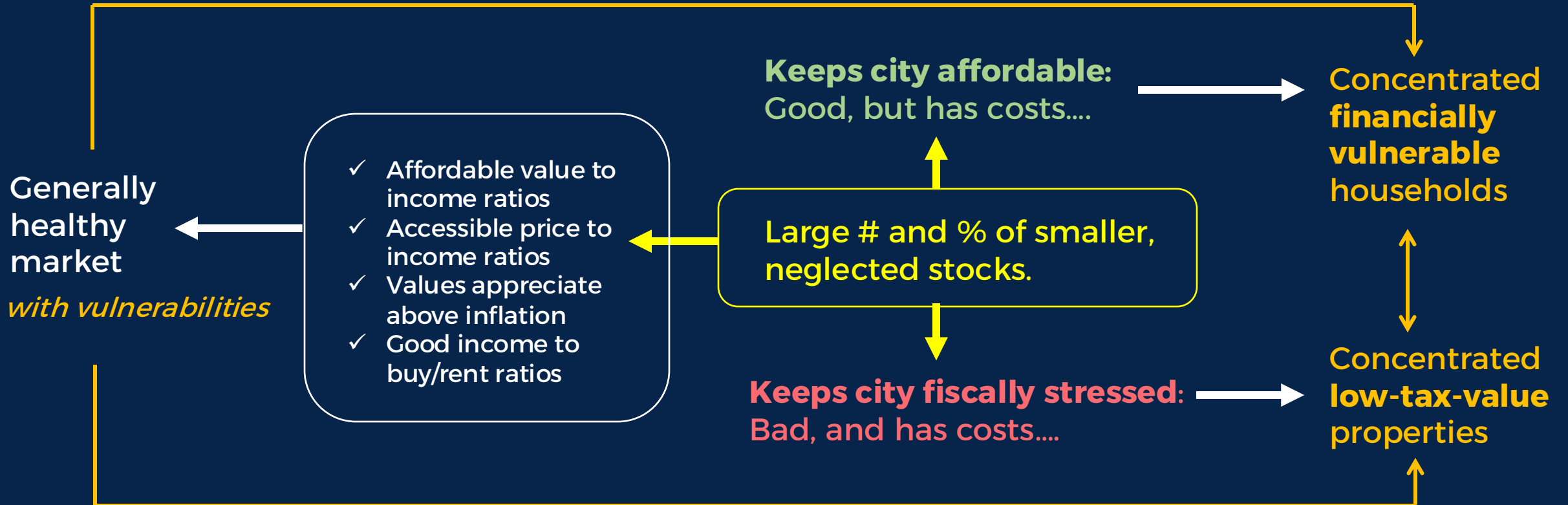


- Acknowledgements
  - Exceptional Staff
    - Leadership from City Manager's Office
    - Technical Expertise and Project Management
    - Balanced Steering Committee of Expert Volunteer Citizens
      - Mayor Boesen, Councilmember Simonson
      - Representatives from the development sector et. al.

# TIMELINE



# DSM Market Dynamics



# RECAP



Overall, the Des Moines housing market is not unhealthy. But parts of it are unhealthy.



There is a strong community preference for affordability that must be reconciled against stubborn fiscal pressures.

Public Review Draft



# DES MOINES CITYWIDE HOUSING STRATEGY

APRIL 2025



Prepared for the  
City of Des Moines  
by czb LLC



## Three Imperatives

1. Through development and redevelopment, create a more diverse supply of housing choices more likely to appeal to a wider range of households
2. Through partnerships, preserve a significant volume of naturally occurring affordable housing
3. Through partnerships, achieve better quality housing all around that generates sustainable tax revenue

Public Review Draft



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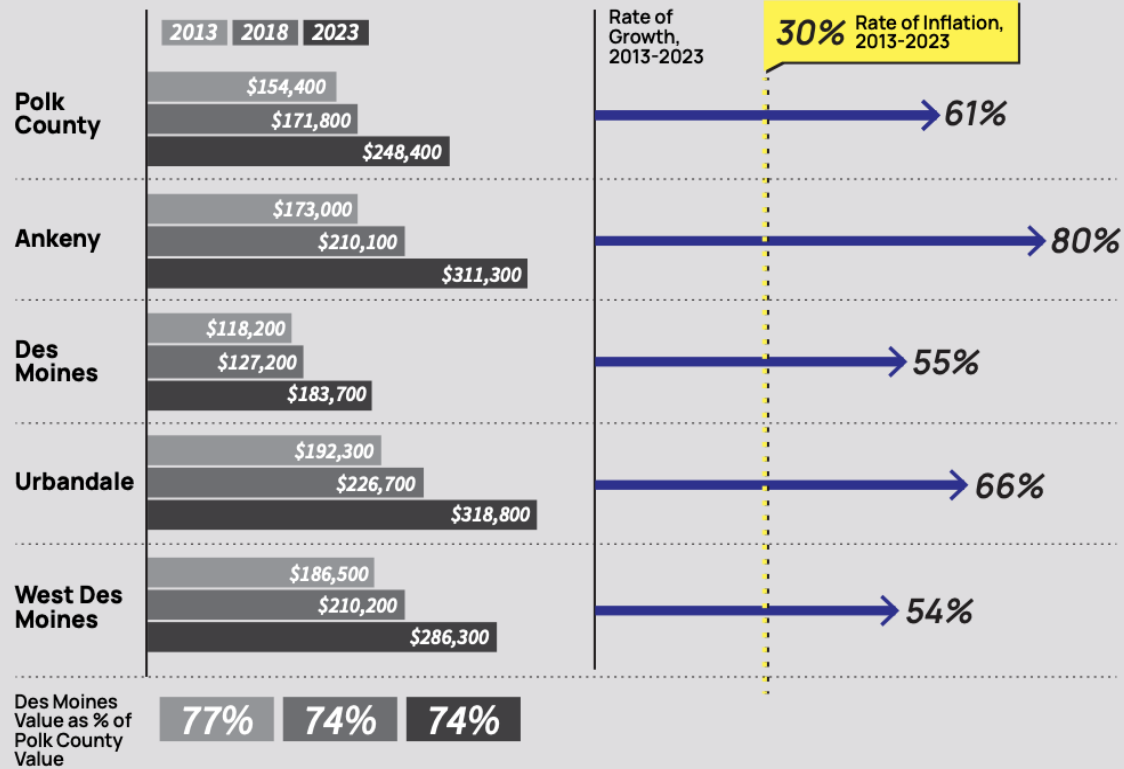


## Key Findings

1. Des Moines' housing market is generally healthy and affordable
2. But...affordability is largely a consequence of mediocre conditions and a significant “market gap” that poses long term risks
3. Despite general affordability, the city also has a significant affordability gap resulting from low incomes and economic segregation in the region
4. Slowing rates of growth in the region mean that more than 90% of the housing units in the 2040s will be those that exist today

# Generally Healthy

Comparison of Median Home Values and Growth Rates Relative to Inflation in Polk County, 2013-2023



Source: American Community Survey (ACS), 5-year estimates for 2013, 2018, and 2023

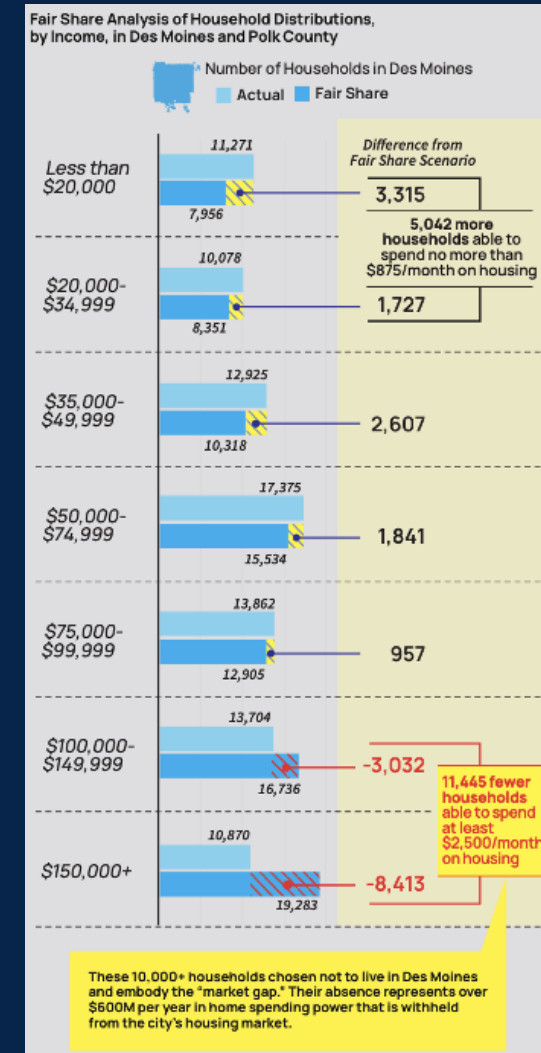
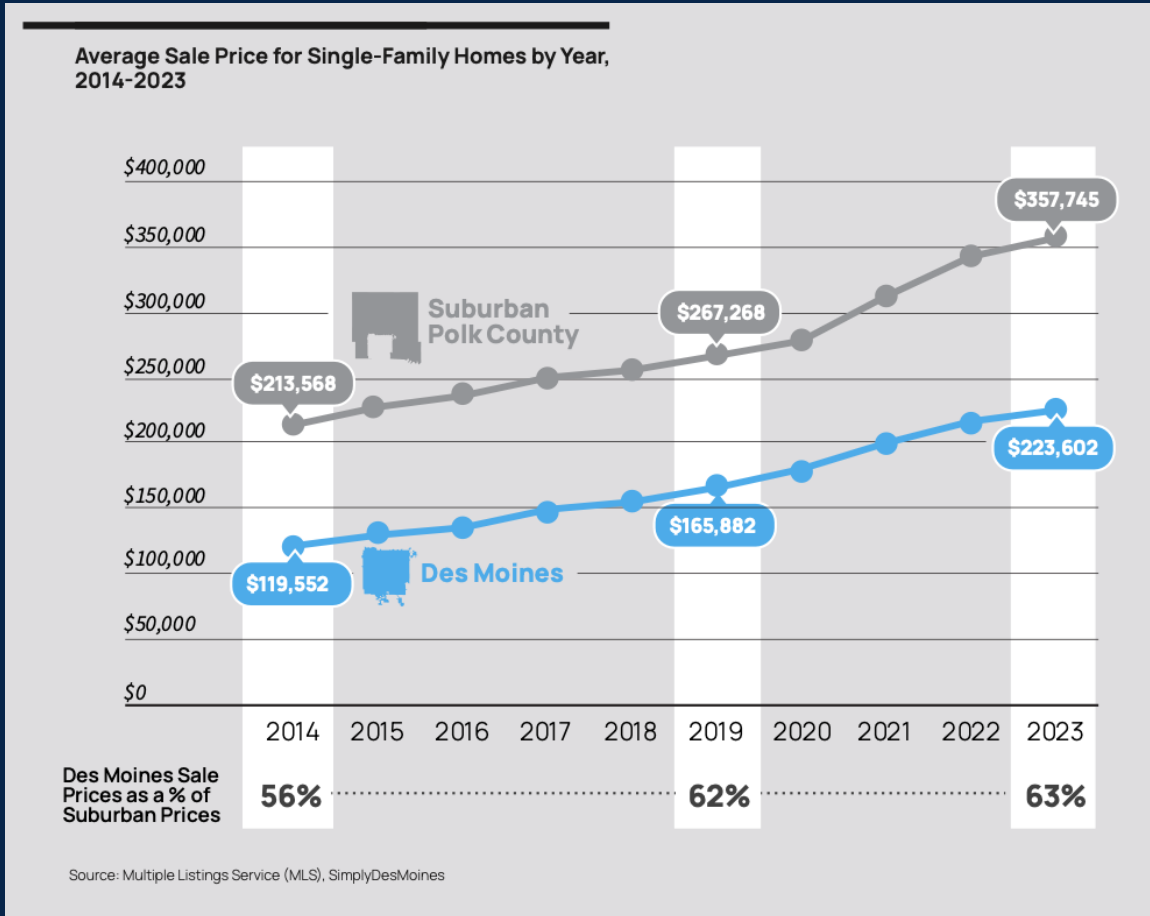
# Affordable

Comparison of Metropolitan County Value-to-Income Ratios

	Median Value of Owner-Occupied Home, 2023	Median Household Income, 2023	Value-to-Income Ratio	
San Francisco City/County, CA	\$1,380,500	\$141,446	9.8	Above 5.0 <i>Demand far exceeds supply; median home is well beyond reach of median household</i>
New York City, NY (Five Counties)	\$751,700	\$79,713	9.4	
Denver County, CO	\$586,700	\$91,681	6.4	
Dane County, WI (Madison)	\$366,100	\$88,108	4.2	3.5 to 5.0 <i>Demand has exceeded supply for some time; affordability a rising concern for the median household</i>
Wake County, NC (Raleigh)	\$422,800	\$101,763	4.2	
Hennepin County, MN (Minneapolis)	\$376,500	\$96,339	3.9	
Ramsay County, MN (St. Paul)	\$304,900	\$81,004	3.8	
Cook County, IL (Chicago)	\$305,200	\$81,797	3.7	3.0 to 3.5 <i>Supply and demand are generally balanced; the median home is affordable to the median household</i>
Minnehaha County, SD (Sioux Falls)	\$266,600	\$76,074	3.5	
Johnson County, KS (Overland Park)	\$366,000	\$107,261	3.4	
Jackson County, MO (Kansas City)	\$213,300	\$67,178	3.2	
Douglas County, NE (Omaha)	\$245,800	\$79,081	3.1	
Polk County, IA	\$248,400	\$81,621	3.0	Below 3.0 <i>Market shows softness; affordability derived from insufficient demand and disinvestment</i>
City of Des Moines	\$183,700	\$63,966	2.9	
Scott County, IA (Davenport)	\$212,500	\$76,376	2.8	
Linn County, IA (Cedar Rapids)	\$204,400	\$76,421	2.7	
Peoria County, IL	\$152,600	\$64,938	2.3	

Source: 2023 American Community Survey (ACS), 5-year estimates

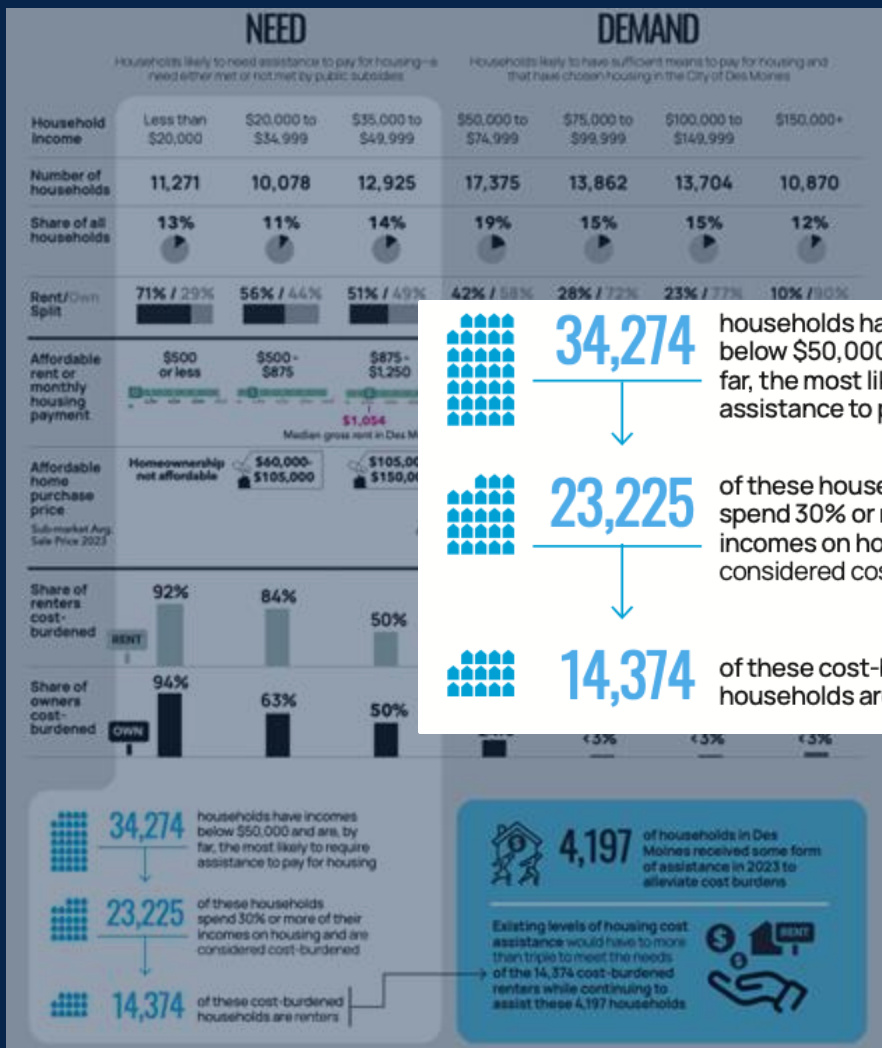
1. Des Moines' housing market is generally healthy and affordable



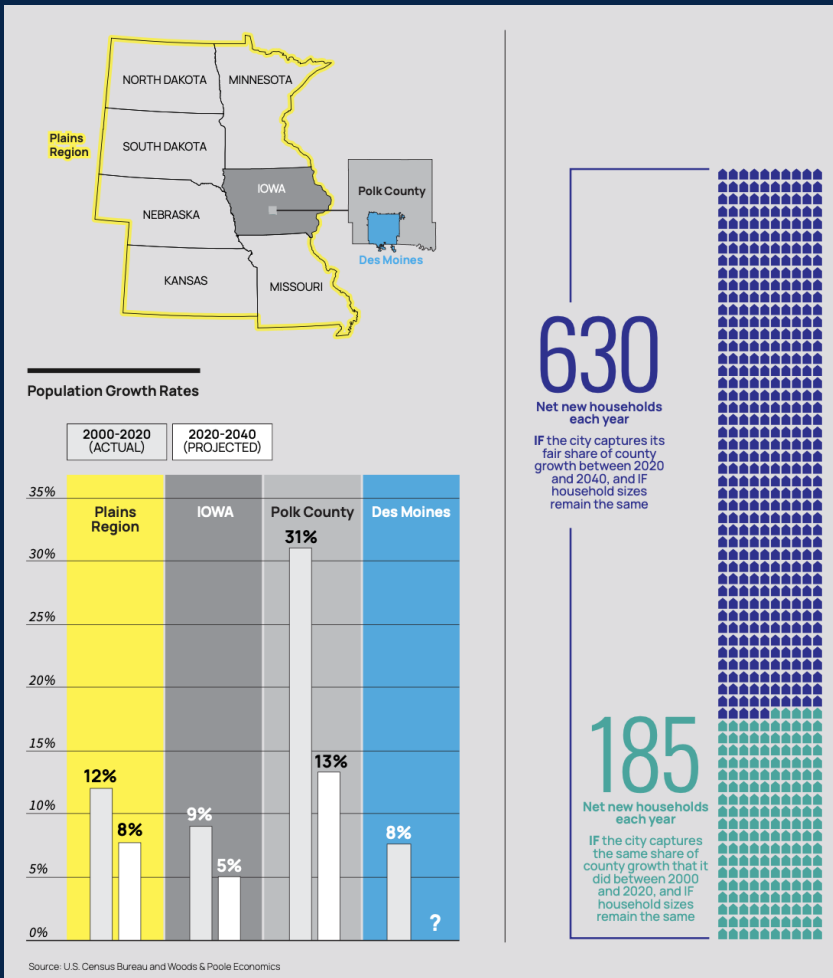
**+5,042 more HHs who can afford no more than \$875/mo than you would have in a fair share situation**

**-11,445 fewer HHs able to spend \$2,500 or more /mo than you would have in a fair share situation**

2. But...affordability is largely a consequence of mediocre conditions and a significant "market gap" that poses long term risks



3. Despite general affordability, the city also has a significant affordability gap resulting from low incomes and economic segregation in the region

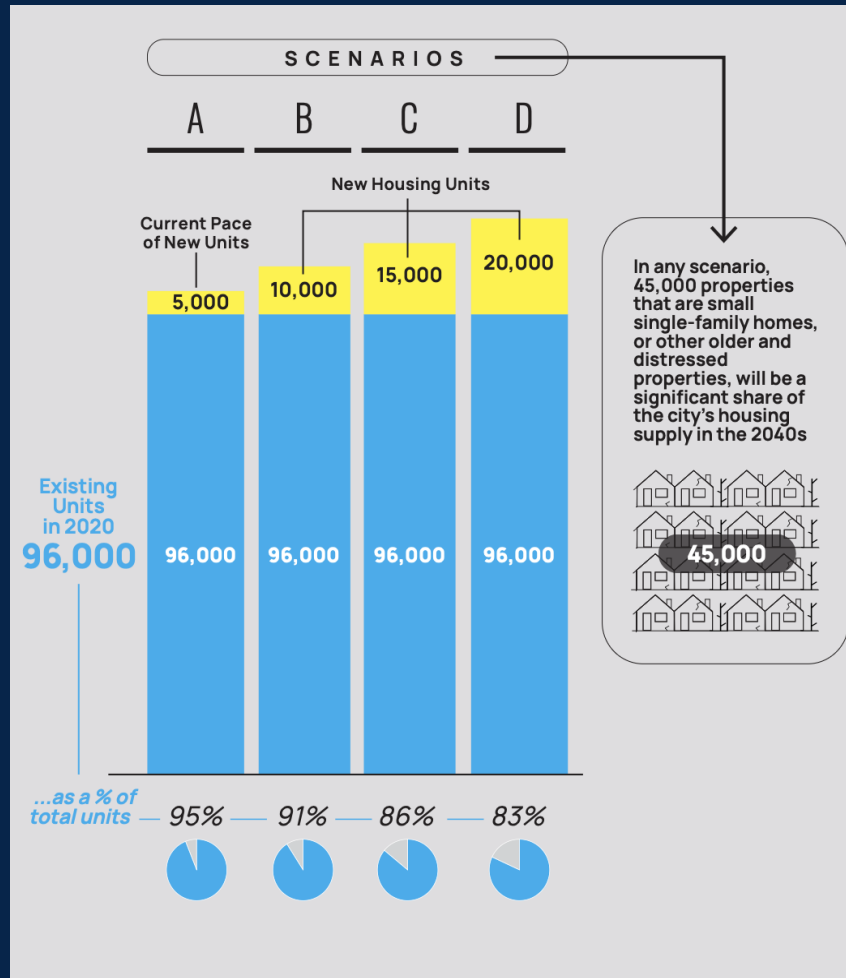


**630**

Net new households each year  
IF the city captures its fair share of county growth between 2020 and 2040, and IF household sizes remain the same

**185**

Net new households each year  
IF the city captures the same share of county growth that it did between 2000 and 2020, and IF household sizes remain the same



4. Slowing rates of growth in the region mean that more than 90% of the housing units in the 2040s will be those that exist today

# BOTH / AND



Affordability Gap



Market Gap

## EXAMPLES OF MARKET GAP SUCCESS



## EXAMPLES OF AFFORDABILITY GAP SUCCESS



**Invest DSM**

- Geographically targeted
- Homeowner-centric



**TIF Multifamily**

- Market-rate
- Affordable



**ION Repair Program**

- Geographically diverse
- Homeowner-centric
- Income restricted



**Habitat for Humanity**

**BUILDING  
BLOCK #1**

FIRST, THIS STRATEGY **BUILDS ON—  
AND CONNECTS—WHAT HAS BEEN  
PROVEN TO WORK**

**BUILDING  
BLOCK #2**

SECOND, IT IS  
**BASED ON KEY  
FINDINGS**

**BUILDING  
BLOCK #3**

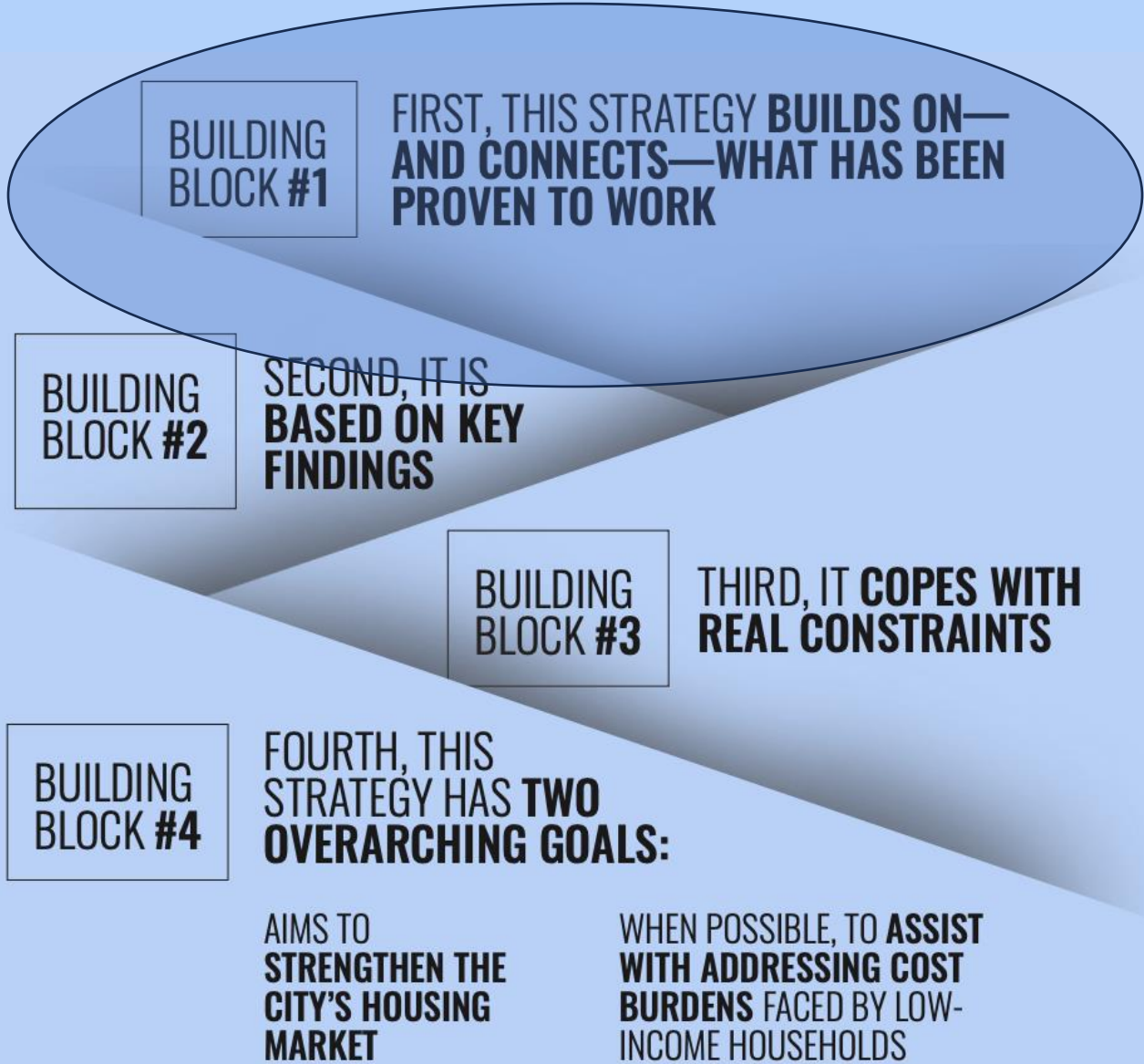
THIRD, IT **COPEs WITH  
REAL CONSTRAINTS**

**BUILDING  
BLOCK #4**

FOURTH, THIS  
STRATEGY HAS **TWO  
OVERARCHING GOALS:**

AIMS TO  
**STRENGTHEN THE  
CITY'S HOUSING  
MARKET**

WHEN POSSIBLE, TO **ASSIST  
WITH ADDRESSING COST  
BURDENS** FACED BY LOW-  
INCOME HOUSEHOLDS



- ✓ BUILD ON WHAT WORKS
  - ✓ Scale and Link Invest DSM + ION
  - ✓ MF Rental for Low Income Housing
  - ✓ Prioritize Rehabilitation
  - ✓ Link Public \$ to City Purchase Options

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- ✓ BASED ON KEY FINDINGS
  - ✓ Significant Market Gap Problem
  - ✓ Slower Future Growth Rates
  - ✓ 40,000 Older, Smaller TBA Homes
  - ✓ Affordability Gap/Fair Share Challenges

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BURDENS** FACED BY LOW-  
INCOME HOUSEHOLDS

- ✓ COPEs WITH REAL CONSTRAINTS
  - ✓ Public Viewpoints
    - ✓ Political Preferences
    - ✓ Feedback Loops
  - ✓ Public Debt Limits
  - ✓ State Rollback Provisions
  - ✓ No Consensus for Higher Quality
  - ✓ Opportunity Costs

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WHEN POSSIBLE, TO **ASSIST  
WITH ADDRESSING COST  
BURDENS** FACED BY LOW-  
INCOME HOUSEHOLDS

- ✓ TWO OVERARCHING GOALS
  - ✓ Address the Market Gap Problem
  - ✓ Preserve Affordability

# SIX STRATEGY ELEMENTS



## THREE PLANNING PRINCIPLES

1. Strategically + geographically linked
2. Complement PlanDSM and the City's Code of Ordinances
3. Conditional deployment of public resources

## Sources of Funding

PRESENT			PROPOSED		
Federal Grants	\$35,728,371	71%	Federal Grants	\$35,728,371	50%
Scaling Bond	\$0	0%	Scaling Bond	\$5,488,721	8%
Redevelopment Bond	\$0	0%	Redevelopment Bond	\$3,600,000	5%
Private Sector Debt and Equity	\$0	0%	Private Sector Debt and Equity	\$7,300,000	10%
Abatement	\$0	0%	Abatement	\$4,000,000	6%
Sales Tax	\$10,888,322	22%	Sales Tax	\$10,888,322	15%
CIP	\$3,861,413	8%	CIP	\$3,861,413	5%
<b>Subtotal</b>	<b>\$50,478,106</b>		<b>\$70,866,827</b>		
TIF	\$21,000,000		\$21,000,000		
<b>TOTAL</b>	<b>\$71,478,106</b>		<b>\$91,866,827</b>		

## Uses of Funding

PRESENT			PROPOSED		
Federal Grants	\$35,728,371	71%	Federal Grants	\$35,728,371	50%
			Redevelopment (1 block/yr avg)	\$11,450,000	16%
InvestDSM	\$5,000,000	10%	InvestDSM (Scaled)	\$12,250,000	17%
ION	\$2,061,279	4%	ION (Scaled)	\$6,000,000	8%
Abatement		0%	Abatement	\$0	0%
Blitz on Blight	\$3,000,000	6%	Blitz on Blight	\$750,000	1%
Other Various	\$4,688,456	9%	Other Various	\$4,688,456	7%
<b>Subtotal</b>	<b>\$50,478,106</b>		<b>\$70,866,827</b>		
TIF	\$21,000,000		\$21,000,000		
<b>TOTAL</b>	<b>\$71,478,106</b>		<b>\$91,866,827</b>		

1. Federal grants – no change\*\* (\$36M)
2. Bonding (\$9M)
3. Private Sector (\$11M)
4. Abatement (\$4M)
5. LOSST (\$11M)
6. CIP (\$4M)



1. Federal programs – minor changes\*\* (\$36M)
2. Redevelopment (\$11M)
3. InvestDSM(\$12M)
4. ION (\$6M)
5. Other Various (\$5.5M)

Six Strategy Elements based on



a Foundation of Four Building Blocks

**BUILDING BLOCK #1**  
FIRST, THIS STRATEGY BUILDS ON—AND CONNECTS—WHAT HAS BEEN PROVEN TO WORK

**BUILDING BLOCK #2**  
CONSIDER HOW TO BE BUILT ON KEY FINDINGS

**BUILDING BLOCK #3**  
THINK IN COPES WITH REAL CONSTRAINTS

**BUILDING BLOCK #4**  
CELEBRATE THIS STRATEGY HAS TWO OVERARCHING GOALS:

**GOAL 1: STRENGTHEN THE CITY'S HOUSING MARKET**

**GOAL 2: IMPROVE ACCESS TO AFFORDABLE HOUSING FOR ALL CITY RESIDENTS**

Principles for Implementation & Resourcing Concept

Sources of Funding	
Investment	\$10,000,000
City of Des Moines	\$10,000,000
State of Iowa	\$10,000,000
Federal Housing Programs	\$10,000,000
Private Industry	\$10,000,000
Community Development	\$10,000,000
Other	\$10,000,000
<b>Total</b>	<b>\$60,000,000</b>

Uses of Funding	
Investment	\$10,000,000
City of Des Moines	\$10,000,000
State of Iowa	\$10,000,000
Federal Housing Programs	\$10,000,000
Private Industry	\$10,000,000
Community Development	\$10,000,000
Other	\$10,000,000
<b>Total</b>	<b>\$60,000,000</b>

THREE PLANNING PRINCIPLES

1. Strategically + geographically linked
2. Complement PlanDSM and the City's Code of Ordinances
3. Conditional deployment of public resources

**ACTION PLAN**

with **Eight General Tasks**, each with multiple **Priority Commitments**

1. Reorganize overall city disposition regarding funding and partnerships
2. Broadly continue to administer Federal housing and community development programs while looking for opportunities for alignment with other endeavors
3. Expand the capacity and reach of ION
4. Expand Invest DSM middle market neighborhood revitalization initiatives
5. Modify node and corridor work in conjunction with urban renewal and Invest DSM work
6. Raise prevailing standards of care of residential property
7. Change the city's disposition towards net new below market rate housing
8. Redevelop struggling residential blocks near struggling commercial nodes and corridors

## Reorganize Overall City Disposition Regarding Funding and Partnerships

**PRIORITY  
COMMITMENT A:  
Maintain Strong  
Relationships With  
HUD Region VII**

To strengthen the city's capacity to be able to access federal housing resources, continue to work closely with HUD's Des Moines Field Offices.

**PRIORITY  
COMMITMENT B:  
Align Non-profit and  
Other Partners**

To ensure the range of non-profit and other providers are, at a minimum, not working at cross purposes, and, ideally, working towards a shared set of goals and objectives, any sponsor of any project will have to demonstrate how the project is in alignment with the city's primary housing objective, which is to strengthen the city's housing market.

**PRIORITY  
COMMITMENT C:  
Reprogram the  
Housing Portion  
of the City's Tax  
Abatement Program**

To stimulate community revitalization, improve existing housing stocks, retain and attract residents and businesses to the City of Des Moines, and support commercial and industrial development, the City adopted the current program. Some of the Abatement Program's objectives are to:

It is estimated that the amount of tax abatement resources that can be reclaimed and reinvested in the city faces. This strategy will use the recovered resources principally allocated to scaling up and Invest DSM.

### BOILED DOWN

#### A. ALIGNMENT

#### B. REPROGRAM THE ABATEMENT

**Broadly Continue to Administer Federal Housing and Community Development Programs While Looking for Opportunities for Alignment with Other Endeavors**

**PRIORITY COMMITMENT A: Maintain an expertly-administered DMMHA**

This ensures that some of Des Moines' most vulnerable households have access to safe and decent housing. It carries the known risk that the manner in which the city's most vulnerable households are provided relief becomes itself a significant cause of perpetuating multigenerational poverty. This is most notably present in current public housing.

While not insignificant, the annual \$35-36M expenditure is estimated to constitute just 25% of the annual commitment that would be needed to provide the same level of assistance to all of Des Moines's most vulnerable households. In other words, to fully address the cost and quality burden for all of the city's low-income households, the city, on its own, would have to have and then deploy about \$106M a year of its own money every year, along with the federal entitlements it now receives.

**PRIORITY COMMITMENT B: Maintain a strong Neighborhood and Development Services Departments**

This ensures that a range of issues, including fair housing, are addressed with fair housing laws, the costs of land use administering programs, and enforcing design codes. The at the expense of

**PRIORITY COMMITMENT C-1: Raise Standards of Care of Residential Property**

Widen the city's policies that 40% of the city level insufficient to majority of it being Neighborhood Service's department, which effectively administers Des Moines' rental property inspection requirements, needs to have an equally strong tool when it comes to owner-occupied property.

**PRIORITY COMMITMENT C-2: Continue Work to Establish a Community Land Trust**

Broadly Continue to Administer Federal Housing and Community Development Programs While Looking for Opportunities for Alignment with Other Endeavors  
The shared equity model as a path to homeownership in Des Moines would provide increased access to housing cost stabilization, as well as wealth building opportunities to households with incomes between 50-80 AMI.

**Expand Capacity of Improving Our Neighborhoods (ION) Initiative**

**PRIORITY COMMITMENT A: Expand Neighborhood Staff Capacity to Administer Tripled Funding**

This expands considerably the city's capacity to assist low-income homeowners with the costs of repairing their homes, repairs low-income owners would not otherwise be able to afford, and repairs—once made—that improve the quality of the city's housing stocks

**PRIORITY COMMITMENT B: Establish Linkage for City Purchase Option**

This provides the city with the opportunity to purchase the home from a grant recipient when the owner chooses to sell their home, or dies.

**PRIORITY COMMITMENT C: Maintain Current AMI Assistance Guidelines**

This maintains a programmatic commitment to aiming resources to help the most financially vulnerable homeowners in Des Moines.

**BOILED DOWN**  
**A. ALIGNMENT**  
**B. LAND TRUST WORK**  
**C. ION EXPANSION**

come increasingly expensive, and raising the e ensures coverage.

r subsidy carries the downside of diminished t guidelines and funding, 50 projects per bance/project is possible. Under the projects per year at a 25% larger maximum possible.

ION mainly on a citywide basis.

st DSM increases the chances that assistance e owner on one block may become two

**ION Focus Areas**

or more per block, thereby establishing a critical mass of reinvestment, which in turn strengthens the city's housing market as standards slowly increase.

By linking ION and Invest DSM planning efforts and, potentially, deployment of resources, the ION program will benefit from Invest DSM's experience with prioritizing exterior home improvements (roofs, porches, windows, doors, etc.), elements that shape curb appeal and marketability.

**PRIORITY COMMITMENT F: When Appropriate, Link ION outreach to Redevelopment Efforts**

It is anticipated that every redeveloped block will increase in density and shift from being 100% low- and very low-income to roughly 30-35% low- and very low-income, 30-35% working- and middle-income, and 30-35% middle-income.

It is anticipated that redeveloped blocks will, on average, have 10-12 homes that need ION assistance, so whenever redevelopment is under consideration, program coordination should occur.

**Expand Capacity of Invest DSM Middle Market Neighborhood Revitalization Initiative**

**PRIORITY COMMITMENT A: Expand Invest DSM Staff Capacity to Administer 1.7x Greater Funding**

This ensures the city's most successful revitalization program obtains deeper reach into the neighborhoods (special investment districts (SIDs)) where the organization is already working, and significantly widen its geographic reach across the city.

The more than doubling of the city's support for Invest DSM, plus continuation of essential Polk County support, will increase the organization's budget from \$10M annually to \$17.25M. It is expected that, in consideration of lower leverage, its outputs would grow by approximately 35 percent.

It is expected such an increase of Invest DSM funding would necessitate the organization hiring two additional construction specialists, one additional administrative assistant, and one additional outreach expert.

The advent of assistance to credit worthy buyers in SIDs will require staff augmentation.

**PRIORITY COMMITMENT B: Make Available Conditional Down Payment Assistance to SID First-Time Buyers<sup>3</sup>**

This assistance reduces income restrictions, prospective first-time Special Improvement

Contingent on the ability to secure financing, an agreement to upgrade the property to meet Invest DSM standards, and a first right of refusal for first-time buyers a year after purchase.<sup>4</sup>

<sup>3</sup> Assistance to buyers in the form of down payment assistance will be designed so that a portion of eventual sales proceeds will be returned to the city to replenish the city's capacity to provide future down payment assistance to future first time buyers

<sup>4</sup> The first time buyer assistance program described here need not be administered by InvestDS. While it makes most sense to do so given the incentives are to be used only in SIDs, funds could be administered by any appropriate entity.

**PRIORITY COMMITMENT C: Revise Charter To Enable Work in Weaker Neighborhoods Where Leverage Ratios Will Be Lower**

Invest DSM's current mission is to focus efforts in those parts of Des Moines that are empirically vulnerable to decline and, simultaneously, feasibly recoverable within the city's limited financial capacity. Invest DSM's model is based on being able to leverage, on average, four private sector dollars for every one public sector dollar.

It is expected that Invest DSM would be able to continue to generate a 1:4 leverage ratio in only a handful of Des Moines submarkets. It is estimated that a 1:1 or 1:2 leverage ratio would result by expanding Invest DSM into areas struggling with weaker market conditions. Significantly increasing Invest DSM's resources enables the organization to proceed with its work not just by continuing and beginning new work in high leverage areas, but by expanding into lower leverage areas.

Evidence shows that as Invest DSM expands into softer submarkets, not only will its leverage ratio decrease, the time horizon will expand. What can be done in three years in a high leverage, middle Des Moines neighborhood can be expected to take 2-3x as long in a neighborhood with more challenges.

**PRIORITY**

As Invest DSM's chartering documents are modified, so too must SIDs be revisited.

**BOILED DOWN**

**A. INCREASE INVEST DSM CAPACITY**

✓ SID down payment assistance

✓ SIDs – Indianola Hill, South Park, Watrous South, Merle Hay

**B. CONNECT INVEST DSM TO NODE/CORRIDOR WORK**

Following Des Moines neighborhoods expansion, in this recommended plan for Indianola Hills and South Park; 2028–

Planning and tax incrementality redevelopment to occur with a number of locations, such as along Ingersoll Avenue. Invest DSM selection and subsequent work (for a visit to Ingersoll Avenue) to future city planning work and deployment of tax

Redeveloped blocks will, on average, have a higher percentage of owner-occupied homes. If an owner wishes to sell a home in a block, it becomes a candidate for Invest

**Link Invest DSM outreach to Redevelopment Efforts**

Invest DSM to acquire, rehabilitate to a higher standard, and sell. It is also anticipated that redeveloped blocks will, on average, have another 10-12 homes where the current owner wishes to sell and the property is unsuitable for rehabilitation, but the lot makes sense for infill development. These are opportunities for the private market and for Invest DSM to develop as new, market rate housing, for both owner and renter occupancy. For these reasons, Invest DSM is encouraged to partner closely with the city on those occasions when redevelopment may be appropriate

**GENERAL TASK #5**

**Modify Current Node/Corridor Work in Conjunction With Urban Renewal and Invest DSM Work**

**PRIORITY COMMITMENT A:** Link SE14 URA for Future Invest DSM SID Selection  
 This will enable future ION and Invest DSM work in Indianola Hills and South Park to tie to efforts to revitalizing key sections of SW 14th Street.

**PRIORITY COMMITMENT B:** Link SS URA for Future Invest DSM SID Selection  
 This will enable future ION and Invest DSM work in Indianola Hills and South Park to tie to efforts to revitalizing key sections of Army Post Road and SW 9th.

**PRIORITY COMMITMENT C:** Link GU URA to Current/Future Invest DSM SID Selection  
 This will enable current and future ION and Invest DSM work in Highland Park and Union Park to tie to efforts to revitalizing key sections of E 14th near Grand View University.

**GENERAL TASK #6**

**Raise the Prevailing Standards of Residential Property in the City of**

**PRIORITY COMMITMENT A:** Expand Current Rental Property Inspection Program  
 There are pressures in residential development reduced, if the city is...  
 A public-private task architects, and plan revisions to the city's residential development competition.

**PRIORITY COMMITMENT B:** As Warranted, Deploy Reconfigured Blitz on Blight  
 Using funds from the city's Blitz on Blight structures in the city. As necessary, this should geographically connect Invest DSM.  
 Together this will increase concentrations of income marketability of the city.

**GENERAL TASK #7**

**Change the City's Disposition Towards Net New Below-Market Rate Housing**

**PRIORITY COMMITMENT C:** As Warranted, Utilize All Necessary Tools to Address Blight  
 Use Iowa 657A to tackle property abandonment.  
 Fully utilize the Vacant Property Registry, Tax Foreclosure processes, and Chapter 60 as means to further cope with nuisance property.

**PRIORITY COMMITMENT D:** Tie All (Any) City Funding to Design Quality Standards  
 This will increase the city's capacity to compel better residential development and rehabilitation.  
 In pursuit of the worthy aim of affordability, developers have a fixed number of variables they can adjust. Principal among them are two: size and quality of finish. Rendering either too low carries the risk of reducing adjoining property values, so a balance of two goals—reduced cost on one hand, and stable and rising values on the other—is called for.

**BOILED DOWN**

**A. STRATEGICALLY CONNECT ION/URBAN RENEWAL/INVEST DSM AND NODE/CORRIDOR WORK**

- ✓ Indianola Hill + South Park and key sections of SE 14<sup>th</sup>
- ✓ Indianola Hill + South Park and key sections of Army Post Rd and SW 9<sup>th</sup>
- ✓ Highland Park + Union Park and key sections of E14th near Grandview

**B. Standards**

**C. City Disposition Towards Subsidy**

Early scheduled capital is in a financial position to assist, so, provided improvements are plans submitted by ownership be good neighbors.

Housing Tax Credit Program, ranging from Section 42 ed projects—should not receive balance of subsidized housing been achieved. Until a balance has d pursue agreements with other encourage affordable supply in the

A balanced distribution of should strongly support new, in Des Moines provided it is located income ≥ 100% of the city median.

Development is under consideration, ensure either at least 10% of all new rdable for households at or below nt of 20% is paid to the Polk County

For new development with a residential that a percentage of new units be

**COMMITMENT C:** Continue Support for Inclusionary Affordable Units  
 component, it is imperative that designated as affordable.

**Redevelopment of Struggling Residential Blocks Near  
Struggling Commercial Nodes & Corridors**

**PRIORITY  
COMMITMENT A:  
Refine Proposed  
(below)  
Redevelopment  
Guidelines**

Redevelopment is the intentional intervention in a market and hinges on the public sector playing a key role in gap financing projects not otherwise feasible but which are deemed essential to the health of the city. They are not without controversy because, at best, no matter how much the outcome may be in service of a public good, they are disruptive. For this reason, firm guidelines for redevelopment are essential.

**Recommended guidelines:**

**Voluntary:** Redevelopment should *never* be mandatory. Redevelopment must *always* pay fair market value.

**Preference:** If residents wish to return to the block after redevelopment, additional subsidy should be expected to cover probable affordability gaps.

**Context:** When redevelopment is considered, the city or its agent(s) should have the discretion to determine the extent of the block.

**Scale:** When feasible, blocks should be redeveloped at one time to take 3-5 years to occur.

**Density:** It is expected that on the struggling blocks, density should be about 8-9 for infill to match surrounding blocks.

**Height:** When possible, height should be gentle, as in surrounding blocks.

**Mix:** It is expected that at least 30-35% of most blocks should be substantial or gut rehabs. And it is expected that at least 20% of blocks to be upgraded in a community land trust model. Upgrades.

**Location:** Residential blocks under consideration should be within a 15-minute walk from intersection and corridors identified by the planning department as ready for redevelopment. Priority should be given to linking future SID selection (Invest DSM) with *whole block* redevelopment and TIF-financed node and corridor redevelopment.

**PRIORITY  
COMMITMENT B:  
Begin Planning for the  
Redevelopment of 3  
Blocks Per Year**

Des Moines has roughly 40,000 one-bath homes. These and other stocks that do not have regional appeal alternatively serve, for the very reason they lack regional appeal, as important, naturally occurring affordable housing. In struggling to appeal to the regional market, the value of these properties sags to a point where there's no motivation in the market to take the financial risk of buying and upgrading them. This in turn becomes a significant fiscal challenge for Des Moines. They are located throughout the city, in every quadrant. In general, they are small (<1,300 SF) and older (>70 years) and frequently struggling under the weight of decades of deferred maintenance. Hundreds of blocks across the city bear this weight; almost 300 of them have only small, older, one-bath homes, locking those blocks into an affordable but low-quality and low-value future which does not build wealth for homeowners.

City planning staff should continue to evaluate the

intersections where development of amenities that grocery, and other goods and services in the suburbs. Evaluation should be used to determine patterns of development and redevelopment needs.

will cost a minimum of \$20M depending on site conditions. It is expected that the total cost (including approximately 35% of net expense of acquisition and construction costs) for market rate rehabilitation, affordable housing, roughly 65% of total cost for market rate buyers (provided the market rate buyers have access to commercial and civic amenities like schools, parks and open spaces).

**BOILED DOWN**

- A. ESTABLISH REDEVELOPMENT GUIDELINES**
- B. BEGIN PRELIMINARY REDEVELOPMENT PLANNING**
- C. DEVELOP PRIVATE SECTOR PARTNERSHIPS NEEDED**

### Redevelopment of Struggling Residential Blocks Near Struggling Commercial Nodes & Corridors

**PRIORITY  
COMMITMENT D:**  
Develop the  
Partnerships Needed  
to Execute a *Whole  
Block Approach*

A *Whole Block* approach means having a community-adopted plan in place.

A *Whole Block* approach consists of converting selected blocks into mixed income neighborhoods.

- At completion, approximately one-third of the housing units on a redeveloped block should be affordable to low-income households. Some will be rental and some will be owner-occupied. It is anticipated that all of this third will be comprised of existing units that will have been rehabilitated to a good standard. It is anticipated that all of this third will be deed-restricted affordable by some manner to be determined. This could be by virtue of being placed into the new community land trust, or by some other means.
- At completion, approximately the second third of the housing

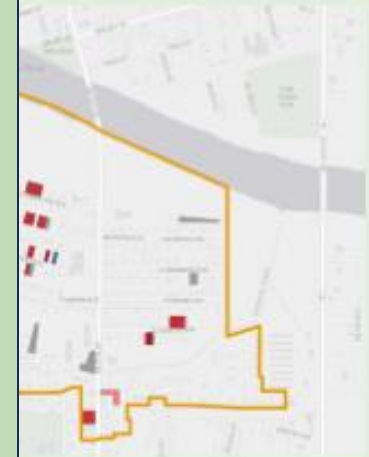
### Whole Block Approach at Work in Des Moines

Invest DSM's efforts in two SIDs provide a glimpse of what Whole Block work might look like in different Des Moines contexts.

In the Drake SID, the entire block east of Drake Park will see three renovated homes, three new-build homes, and 12 new garages along a new alley dramatically improve block-wide conditions and marketability next to a major recreational asset.



And in the Columbus Park SID, a methodical process of vacant lot assembly will allow critical masses of infill housing to rise adjacent to existing homes that have been, or will soon be, rehabbed through renovation programs.



### BOILED DOWN

### A. ALREADY DOING WHOLE BLOCK REDEVELOPMENT

A. Historic East Village

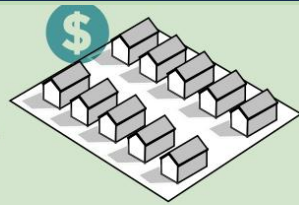
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B. Columbus Park

C. Drake Park

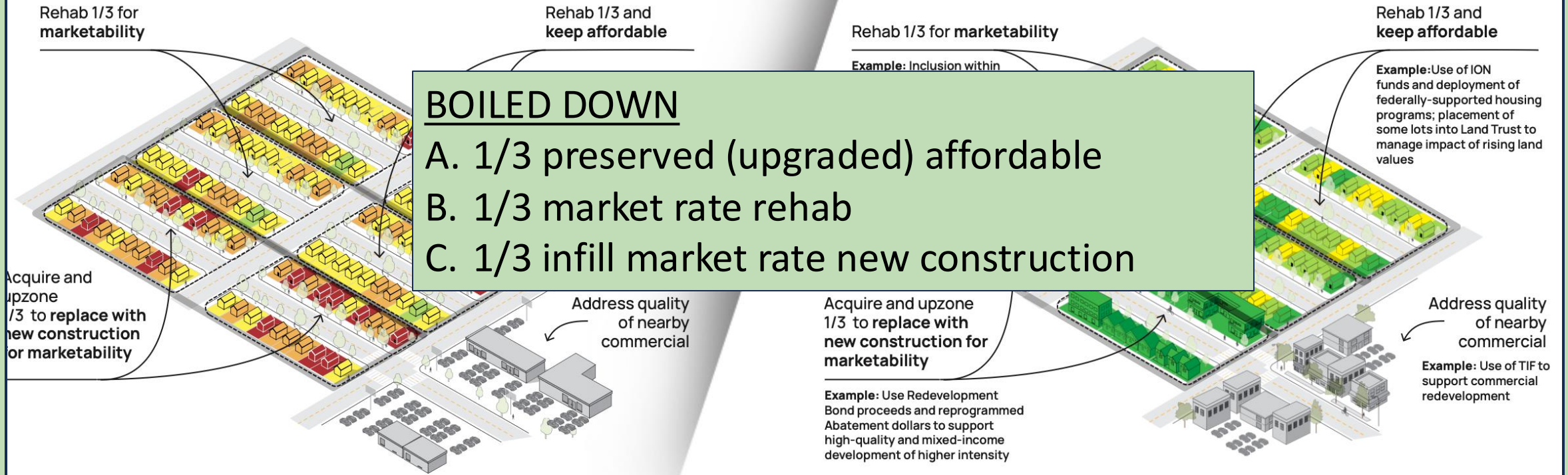
# Whole Block Redevelopment

Where a Whole Block Redevelopment approach is appropriate, the residential investments can generally be expected to be divisible into thirds—and be reinforced by work in adjacent commercial areas



## Each Whole Block Redevelopment...

- Will cost \$15-20M from all sources, public and private
- Will involve some acquisition, demolition, and infill
- Will increase marketability, demand, and home values
- Will involve intensive, concentrated work over several years
- Needs public, private, non-profit, and philanthropy sectors to work together



**BOILED DOWN**  
 A. 1/3 preserved (upgraded) affordable  
 B. 1/3 market rate rehab  
 C. 1/3 infill market rate new construction

Rehab 1/3 for marketability

Rehab 1/3 and keep affordable

Rehab 1/3 for marketability

Rehab 1/3 and keep affordable

Acquire and upzone 1/3 to replace with new construction for marketability

Address quality of nearby commercial

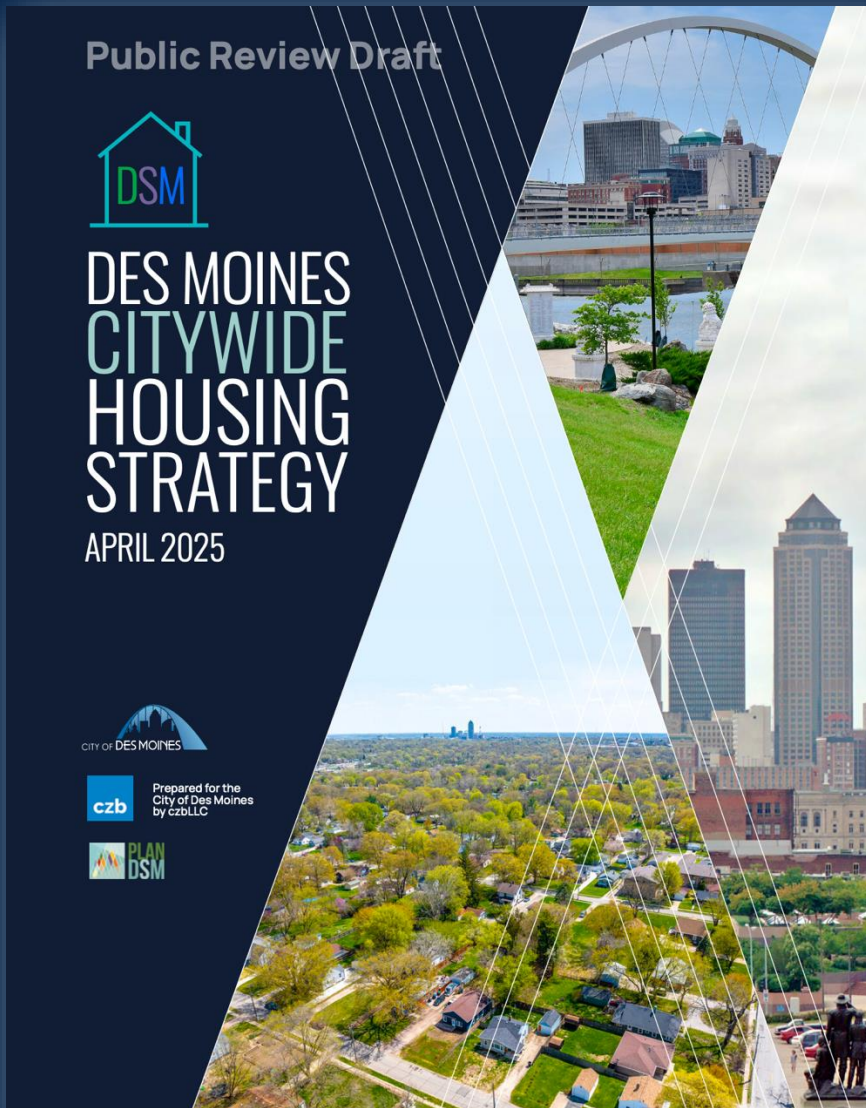
Acquire and upzone 1/3 to replace with new construction for marketability

Address quality of nearby commercial

Example: Use Redevelopment Bond proceeds and reprogrammed Abatement dollars to support high-quality and mixed-income development of higher intensity

Example: Use of ION funds and deployment of federally-supported housing programs; placement of some lots into Land Trust to manage impact of rising land values

Example: Use of TIF to support commercial redevelopment



1. This draft strategy represents almost a year of work and considerable effort on the part of city staff experts and a steering committee of exceptional talent. That's where any credit due belongs.
2. The one thing Mayor Boesen told us at the outset was that the strategy be realistic. It is.
3. Everything recommended is what you have done well in the past and in some cases are doing now. The key differentiator going forward will be to more strategically link and deploy efforts, ensuring you are using the right tools for the right condition at the right time.