

Home attainability bus tour

With stops in Des Moines,
Cumming, Carlisle, and Norwalk.

October 25, 2024



HERE WE GROW!

Here We Grow is a collaborative effort powered by the Polk County Housing Trust Fund and aligned with Capital Crossroads to increase the supply of workforce housing in Greater Des Moines, Iowa.

Learn more at HereWeGrow.city.



The **Polk County Housing Trust Fund** is the comprehensive planning, funding, and advocacy nonprofit for affordable housing in Polk County, Iowa.

Learn more at pchtf.org.

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Capital Crossroads is a collaboration of regional organizations, leaders, and residents to develop a focused, ambitious, and sustainable roadmap for Central Iowa.

Learn more at capitalcrossroadsvision.com.

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Contents

Capital Crossroads Introduction	2
Overview of today's tour.....	5
Des Moines	5
Carlisle	7
Cumming	9
Norwalk.....	10

Property listings (including prices) in this booklet are for informational purposes only based on information from the developer/builder at the time of publication. Information is subject to change; always contact a developer directly for current availability and pricing.

We're building momentum for workforce housing through regional collaboration

By **Kaity Patchett**, executive director of Capital Crossroads

More than a decade ago, a broad cross-section of community leaders from the public, private, nonprofit, and social sectors launched a major collaborative effort to form a five-year vision plan for Central Iowa. That initiative, known as Capital Crossroads, has since catalyzed numerous influential projects that continue to enhance community vitality and quality of life in the region.

The recently launched Capital Crossroads: A Roadmap to Opportunity and Prosperity for All ("Roadmap"), the initiative's third iteration, builds on past success of fostering a regional mindset among local governments, business leaders, and community-based organizations to align behind a comprehensive vision and facilitate coordinated efforts for a thriving regional economy.

The Roadmap prioritizes investments in education, housing, and our youth to reduce disparities within our communities and establish sustainable channels to prosperity and wellbeing for everyone who lives and works here. While the Roadmap runs through 2040 and covers many issues, we are primarily focused on education and workforce housing through 2025.

Over the past decade, our region has been recognized as one of the fastest-growing metros in the country. While Greater Des Moines is known for its relatively low cost of living, even here, the supply of workforce housing (rental

Below: Key goals for the Capital Crossroads Roadmap

Regionalism		Collaboration among communities to address challenges and promote economic development.	
Equity & Inclusion		All people have equitable access to resources, opportunities, and benefits that foster inclusion, prosperity, and regional growth.	
Placemaking	Workforce Housing	Job Growth	Education
			
Using an integrated and strategic approach, leaders develop public spaces as a regional portfolio to maximize accessibility and promote diverse and inclusive use.	Workforce housing that meets demand, aligns with regional employment, and is conveniently located near jobs, ensuring accessible housing options for the workforce.	A curated network of career pathways that strategically attract, retain, and advance top talent globally, fostering ongoing innovation, job growth, and a thriving workforce.	Comprehensive education and high-quality childcare that prepares the next generation to flourish in the evolving workforce of the future.

and ownership) has not matched population and job growth resulting in rising costs, especially in the fastest-growing job centers and for lowans in lower-income strata.

Building an adequate supply of quality workforce housing, in turn, benefits regional job growth, transportation, public health, educational outcomes, attracting and retaining talent, and more.

This is why Capital Crossroads is engaging a collaborative, regional effort to ensure the local supply of workforce housing is equitably distributed, meets existing and future demand, is aligned with the regional jobs mix, and is near jobs in safe neighborhoods.

Through the Here We Grow campaign, Capital Crossroads and the Polk County Housing Trust Fund have been working with multi-sector stakeholders since 2021 to educate, advocate, and increase the regional supply of workforce housing. We've taken a multi-faceted approach and are excited to share more today.

We're on this bus tour because the cost of homes has increased significantly. Home builders estimate the median price of a new construction home is now over \$480,640¹: a price out of reach for many lowans. We have been working with cities and developers to talk about what will bend that cost curve to help ensure our region can provide the supply of housing it needs.



Today we will highlight homes at more attainable price points to prompt discussion about achieving even more. As challenges mount for the developers and builders responsible for creating these more affordable homes, regulatory changes and process improvements could help streamline construction of this type of housing.

Prices have risen quickly with the median new construction home now estimated at \$488,640, out of reach for 81% of the region's population.

The Capital Crossroads Roadmap is our community's plan. The community informed it, and it will benefit our community. What makes this effort unique is that no single organization or sector could do this work alone. Capital Crossroads is differentiated by the broad group of organizations that unite to implement our region's vision plan, and our region is differentiated by our collective effort to move this shared vision to reality.

Thank you for joining us today and taking part in this important work!

1 National Association of Home Builders, *Priced Out*, April 2024

Where do today's homes align in the region's overall housing picture?

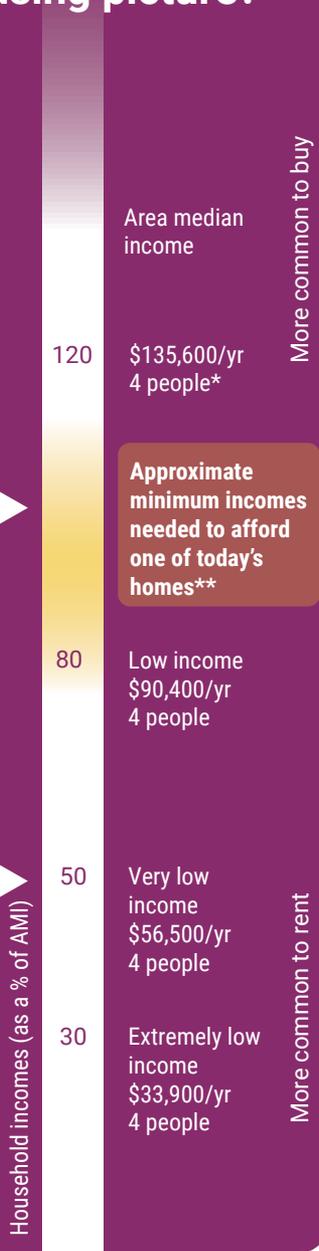
Greater Des Moines has a strong reputation for housing affordability, but conditions get tougher for those with lower incomes. In the past few years, home prices have risen quickly, straining people whose incomes fall lower on this scale.

In 2Q 2024, 27% of a typical family's income was needed to make a mortgage payment on a median price new single family home according to the National Association of Home Builders/Wells Fargo Cost of Housing Index (nahb.org/chi). This is considered **affordable**.

Most affordable housing programs (like those the Polk County Housing Trust Fund manages) serve households at or below 80% of the area median income.

The same housing index shows it would take 53% of income of a family earning 50% of area median income to afford the same home, a **severe cost burden**.

Renter households lower in the income scale face a severe shortage of housing they can afford. Rising home prices keep more people renting longer, adding to this pressure.



*Incomes based on HUD FY2024 median family income of \$113,000.
 **Affordability is approximated with Zillow's affordability calculator, assuming 15% down and 6.66% rate on 30 year fixed mortgage.

It's our pleasure to welcome you today

Home prices in our region rose quickly during the pandemic, and higher interest rates are putting the squeeze on buyers. Still, Greater Des Moines remains a more affordable place to buy a home than many other regions in the country.

We set out to find new construction homes more on the entry level of the spectrum in Greater Des Moines, and today's tour highlights those homes, which are generally priced from about \$270,000-\$350,000.

We'll see what these homes have to offer and discuss ways to increase the supply of more moderately priced homes.

Welcome to Des Moines



AHEPA 192-IV

By AHEPA Senior Living

90 units | Income-based rents | For seniors 62+ | Anticipated Summer 2025

AHEPA Management Company is a non-profit developer of affordable senior housing across the United States founded in 1991. Like many others this organization manages, AHEPA 192-IV is part of the federal HUD 202 program, meaning the property serves extremely low income seniors age 62+. It will offer income-based rental assistance as well as a robust program of supportive services to assist residents with needs of daily living and provide social engagement. Scan the code for more at [AHEPAseNIorliving.org](https://www.AHEPAseNIorliving.org).



Welcome to Des Moines



Carter Court



The developer thanks the City of Des Moines and **Framing our Future** supporters including Prairie Meadows.

15 homes | 3-4BR | 1200-1400ft² | Appraised ~\$270k | Expected Spring 2025

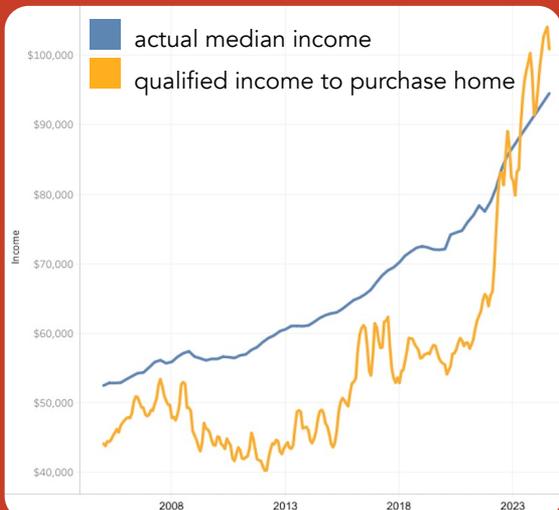
Greater Des Moines Habitat for Humanity developed these homes in Des Moines featuring slab on grade construction, 1 car garage, and 50-foot lot widths. Carter Court utilizes federal CDBG and HOME funds awarded by the City of Des Moines and down payment assistance from the Polk County Housing Trust Fund. Community support ensures no Habitat home buyer spends more than 30% of their income on housing. Information at gdmhabitat.org.

Rising prices and interest rates have made things much tougher for buyers in recent years

The Federal Reserve Bank of Atlanta's Home Ownership Affordability Monitor shows that the income needed for the median buyer to afford a mortgage on the median home now outstrips our region's median income - prompting a label of "unaffordable" for housing in our region in recent years.

Rising home prices and higher interest rates are the two main drivers of weaker affordability.

While interest rates may be starting to moderate, some observers are skeptical about seeing much price relief ahead.



Do local zoning and land use policies contribute to higher housing costs?

As prices rise, interest in the relationship between zoning and land use policy and rising housing prices has grown.

Our new report explores builder and developer feedback on how to make attainable housing easier to build.



Welcome to **Carlisle**



Carlisle Commons

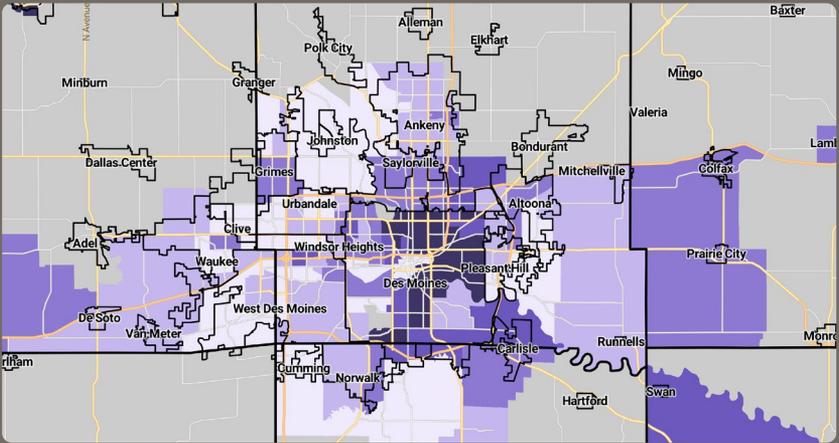


30 homes | 1-4BR | 800-1200ft² | From \$289-\$340k | Available now

Progressive Builders, a Kimberley Development company, is offering new, maintenance-free homes in Carlisle featuring full five-year tax abatement. All homes are on 50' lots and include basements (which are fully finished in ranch floor plans) and 2-car garages. Scan the code for more at kimdev.com.

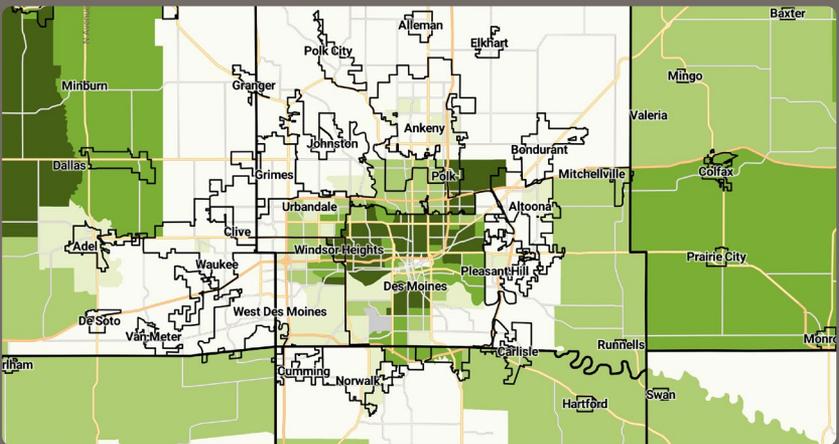


Across our region, the more affordable homes tend to be older and concentrated in Des Moines.



In our region, homes that are affordable for the 80% AMI buyer to purchase are concentrated on the north, east, and south sides of the city of Des Moines.

Darker shading = Higher share of homes affordable to 80% AMI buyer.



At the same time, the more affordable homes in our region overlap substantially with older neighborhoods.

Darker shading = Homes in that census tract are older on average

Source: 2022 5-year American Communities Survey; 80% affordability includes additional analysis by PolicyMap

America builds fewer entry level homes today

As American home sizes have grown and the country faces an overall shortage of homes, the share of homes built under 1400 ft² has declined dramatically, according to an analysis by Freddie Mac.



The decline in the production of starter homes is raising alarm as the nation faces a challenge of a shortage of 3.8 million homes by the end of 2020, according to Freddie Mac. The shortage is most severe in coastal and sunbelt markets.



Welcome to Cumming



Great Western Cottages at Middlebrook Farm



30 homes | 2BR | ~1000ft² | From the low \$300s | Expected Spring 2026

Diligent Development presents modern, minimalist homes in Cumming's new Middlebrook Farm community. Designed by Slingshot Architects, these slab-on-grade homes feature a simple form, space-saving features like an eat-in kitchen, and sit on lots around 35 feet wide. The development benefits from Iowa's Workforce Housing Tax Credit program, and enjoys a great location – walkable to Wilson's orchard and right next to the Great Western Bike Trail and Middlebrook's Main Street district. Middlebrook is a master-planned community that benefits from extensive development standards collaboration with the City of Cumming. Learn more at middlebrookfarm.com.

Our community is working to ensure homeownership opportunity is open to all

Greater Des Moines' reputation for housing affordability stands in contrast to the large racial and ethnic gaps that exist in our community, suggesting that work remains until homeownership opportunity is within reach for every local household. (Data shows the 6-county MSA.)

	White non Hispanic	Black/African American	Hispanic/Latino
Percentage who own	74%	30%	55%
Median home value	\$241,600	\$188,700	\$158,200

Check out our homeownership resource guide and partnerships to help close these gaps at [AffordableHomeownershipDSM.org](https://www.affordablehomeownershipdsm.org).

Welcome to **Norwalk**



Sunset Estates



20 homes | 3-4BR | 1200-1500+ft² | \$307-\$364k | Available now

Greenland Homes offers new homes in Norwalk in a new 80-acre Stanbrough Realty development located just south of Legacy Golf Club across the street from new Orchard Hills Elementary School. Homes offer smaller lots and smaller square footage with vinyl siding and typical 2-car garage to enhance affordability. Scan code for more at [greenlandhomesiowa.com](https://www.greenlandhomesiowa.com).





Hughes Century Crossing



130 homes/30 townhomes | 3-4BR | 1000-2082ft² | \$315-\$400k | Available now

Tanzanite Homes and **KRM Development** offer new homes in Norwalk in a booming location near a new sports complex, Fareway, Starbucks and more. Smaller lots and pre-selected design packages enhance affordability. Tax abatement available on homes permitted by year-end. 12 homes under construction; 31 lots available. Scan code for more at tanzanitehomes.com.



The Legacy



62 homes | 3BR | ~1250ft² | From \$278k-\$282k | Available now

Hubbell Homes with **Hubbell Realty** offers new attached and detached homes in Norwalk, part of a development with a pool, clubhouse and nearby golf course. These slab-on-grade homes sit on ~40' lots with a 30' wide plan. A slightly smaller garage and efficient design keep costs down. Homeowners Association fees apply for access to community amenities. For a limited time, graduated tax abatement is available. Scan the code for more at hubbellhomes.com.



Next steps in workforce housing

Here are some of the projects and efforts we're looking forward to

As we continue to explore the relationship between **zoning and land use policy** and housing cost, we are looking forward to a new Iowa Zoning Guide being developed by Iowa State University that will provide a statewide zoning map and yielding new insights about what housing is allowed in different parts of our communities.

The Here We Grow team is collaborating with Hubbell Realty Company and Hubbell Homes to bring forward specific best practice recommendations for zoning and land use policies and development practices that are compatible with creating more attainable single family homes.

We will continue to offer new insights about **assessing and preserving our region's supply of affordable housing**. The Polk County Housing Trust Fund is preparing a new report on the region's supply of federally-backed affordable housing properties – including properties we passed today AHEPA 192-IV in Des Moines, Cedarbrook Apartments in Norwalk, and about 200 other properties in our region. This project aims to increase regional awareness of affordable homes in the region including information about the programs that made them possible, ownership details, and how long their affordability will last.

We're also embarking on a new analysis of land available for affordable housing development and how cities can be part of a land bank strategy to create affordable housing options in places that need them. This project aims to analyze existing land use in our region focusing on tax-exempt and underutilized commercial properties to prompt innovative approaches to land acquisition and housing development.

You'll be able to find updates on all of these projects and more on our initiative's website, [herewegrow.city](https://www.herewegrow.city).

A greeting from our partners

Much of today's tour is set in Warren County, which is served by the Central Iowa Housing Trust Fund (CIHTF), a 501(c)3 organization founded in 2019.

CIHTF funds programs and projects that improve affordable housing in Boone, Jasper, Marion, and Warren Counties. As a designated Housing Trust Fund by the Iowa Finance Authority (IFA), the CIHTF works within the IFA framework and reporting requirements.

CIHTF provides funds to projects in its region that benefit households at or below 80% Area Median Income. The organization's 2025 funding application is currently available at cihtf.org/applications and is due January 10, 2025.

Questions about CIHTF can be directed to the Mid Iowa Planning Alliance at 515-304-3524 or Andrew Collings at acollings@mid-iowaplanning.org or Lucas Young at lyoung@mid-iowaplanning.org.

The Starter Home Shortage: A Growing Deficit



Overall fewer homes are on the market

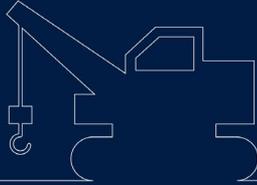
Between 2018 and 2020, the housing supply shortage increased from

2.5 million to 3.8 million units

Declining construction of starter homes is driving the shortage

40% of all homes built
were starter homes in the 1980's

7% of homes built
were starter homes in 2019



Increased demand has pushed the shortage even further



72 million millennials
are entering the market

But from 2018-2020, the pandemic and other factors caused a

52% supply decrease

Home prices are on the rise

In the last year, low supply and high demand have resulted in a

12% price increase



We're in it for the long haul

Younger cohorts will continue to enter the market and demand for starter homes will rise. We believe that affordability will become an issue—especially when it comes to down payments. We don't expect the shortage to slow down in the

next 10 years