

AGENDA

DES MOINES CITY COUNCIL
ECONOMIC DEVELOPMENT
City Council Chambers
21630 11th Avenue S, Des Moines, Washington
Thursday, September 26, 2024 - 5:00 PM

Economic Development Committee: Chair Jeremy Nutting; Vice Chair Harry Steinmetz; Traci Buxton

CALL TO ORDER

AGENDA

- Item 1. APPROVAL OF JULY 25, 2024 MINUTES
[07.25.24 ED Committee Minutes Draft](#)
- Item 2. COMPREHENSIVE PLAN UPDATE (CHAPTER 7: HOUSING ELEMENT)
Staff will provide an overview of Chapter 7 of the Des Moines Comprehensive Plan along with proposed amendments for discussion and input by the Committee.
[Comprehensive Plan Update Memo Chapter 7](#)
[Chapter 7 - Housing Element](#)
[Des Moines Housing Appendix Housing Needs Assessment](#)

ADJOURNMENT

DRAFT MINUTES

**Economic Development Committee Meeting
Thursday, July 25, 2024
5:00 p.m. – 5:50 p.m.
Council Chamber**

Council Members

Jeremy Nutting, Chair
Dep Mayor Harry Steinmetz, Vice Chair
Mayor Traci Buxton

City Staff

Tim George – Interim City Manager
Laura Techico – Planning and Development
Services Manager
Alicia Jacobs – Land Use Planner I
Dan Hopp – Building Official
Mike Slevin – Public Works Director
Tommy Owen – City Engineer
Laura Hopp – Admin Coordinator I

Guests: Councilmembers Gene Achziger and Matt Mahoney
Joe Dusenbury

Meeting was called to order at 5:00 p.m.

- 1. Approval of June 27, 2024 Minutes**
Minutes approved as submitted.

- 2. Comprehensive Plan Update – (Chapter 12 Healthy Des Moines Element)**
Planning and Development Services Manager Laura Techico presented the update. Manager Techico provided a memo, mark-up pages of Chapter 12 (Item #2, Attachment #2), and a PowerPoint <https://desmoines.civicweb.net/document/342900/>. Manager Techico explained that Community Development staff have been presenting these updates to the Comprehensive Plan at various council committees over the last few months. Chapter 12 is a result of a 2010 Public Health – Seattle & King County and the U.S. Department of Health and Human Services grant with a goal of creating a *Healthy Eating and Active Living* initiative. Additions to Chapter 12 include SeaTac Airport health impacts and health disparities within underrepresented groups. Manager Techico provided three policy questions for the committee’s review. After discussion it was recommended to create an appendix with the data details and keep Chapter 12 readable. It was also suggested that additional study data from independent sources regarding SeaTac Airport’s health impacts be considered and referenced. A couple of suggestions as the document continues to evolve: include details of prior Des Moines Safe Routes to School projects and the goals for 24th Ave S and S 200th; and add specific recommendations regarding healthy food availability throughout the City.

3. Middle Housing Project Introduction and Briefing

Alicia Jacobs, Land Use Planner I offered a Memo, the Public Engagement Plan, and two recent project memos prepared by AHBL to share the work that is underway on the Middle Housing Project, state mandate HB 1110. The City will need to adopt an ordinance by June of 2024. This will address the requirements to increase density with a focus on affordable units. The mapping memo (Item #3 Attachment #3) indicates the Marina District, Central Des Moines and Pacific Ridge may be the best candidates to focus middle housing efforts due to the proximity to services, zoning capacity, and existing density. Ms. Jacobs reviewed the Public Engagement Timeline. The committee discussed:

- Definition of lot counts and how it contributes to maximum units allowed
- Lot coverage and permeable/impermeable surfaces
- Neighborhood characterization and design standards
- Residential height limits contribute to reach maximum units
- Customize the middle housing regulations to best fit Des Moines goals
- Outreach opportunities updated through the website
- Direct email to interested stakeholders
- Design standards and cost of building as barriers to increasing housing density

Adjourned at 5:38 p.m.

Respectfully submitted by, Jodi Grager, Public Works Administrative Coordinator

MEMO

To: City Council Economic Development Committee (EDC)

From: Laura Techico, AICP – Planning & Development Services Manager

CC: Tim George, Interim City Manager
Adrienne Johnson-Newman, Assistant City Manager
Planning & Development Services Staff

Date: September 26, 2024

Re: Comprehensive Plan Update – Housing

Background

The Des Moines Comprehensive Plan is a policy document that describes how the City will manage its growth and provide necessary services and facilities over a 20-year planning horizon (Year 2044). Des Moines is designated as a High Capacity Transit Community and needs to plan for an additional 3,800 housing units, 2,380 new jobs and 726 net new permanent Emergency Housing Units by 2044.

The comprehensive plan includes 12 elements that address community characteristics; land use; transportation; conservation and environment; capital facilities, utilities and public services; parks, recreation and open space; housing; economic development; neighborhoods (North Central, Marina District and Pacific Ridge); and health. Each element includes a general summary of existing conditions along with goals and policies, and implementation strategies that indicate how the city, programs, and priorities will implement the Plan’s goals and policies.

The periodic update requires a thorough review of each element of the Plan to ensure it reflects new laws and requirements, demonstrates capacity to meet our growth targets, responds to changing conditions within the community and addresses agency, tribal and community’s interests expressed via our public outreach efforts.

To help frame the scope of our update, our consultant AHBL completed a review of the existing comprehensive plan and development regulations for consistency with the Washington State Department of Commerce’s update checklists, legislative amendment to the Growth Management Act (GMA), Vision 2050 and Countywide Planning Policies (CPPs), and identified updates needed to comply with these requirements.

March 28, 2024 Council Economic Development Committee Meeting

Staff presented *Chapter 1: Introduction* and *Chapter 2: Land Use Element* to the Council EDC. Key policy direction provided by the committee related to adding a tribal acknowledgement to Chapter 1 and weaving goals, policies and implementation strategies throughout the plan versus adding a separate Tribal Element.

The other item related to the style of language (e.g., "our City" vs. "the City") and whether that should be maintained. The EDC saw rationale for both.

April 11, 2024 Council Environment Committee Meeting

Staff presented the Chapter 4: Conservation and Environment Element to the Committee. The Committee had questions related to HB 1181 (Climate Change bill), tree preservation and replacement ratios, tribal interests, bioswales, cross-jurisdictional coordination and overall timeline for planning.

April 25, 2024 Council Economic Development Committee Meeting

Staff presented proposed changes to Chapter 8: Economic Development Element, Chapter 9: North Central Neighborhood Element, Chapter 10: Marina District Element and Chapter 11: Pacific Ridge Element. The committee discussed the creation of an Economic Development Plan for the Marina District and whether Chapter 10 should be expanded, defining high impact and low impact uses with relation to the Innovation District Zone, high density and transit community zones in Pacific Ridge, and a suggestion for an Economic Development Plan to focus on the Pacific Ridge Zone and the Pacific Highway South corridor. Given the breadth of this information, follow-up discussion at future committee meetings may be required.

May 9, 2024 Council Transportation Committee Meeting

Staff presented an estimated timeline and framework for Chapter 3: Transportation Element with consultant assistance. The committee inquired about Metro’s Last Mile Plan relating to the Link Light Rail Extension project. Director Owen stated that in his last meeting with Metro staff it was suggested constituents complete the South Link Connections survey which will be used for collecting data to plan Last Mile connectivity.

June 27, 2024 Council Economic Development Committee Meeting

Staff presented proposed changes to Chapter 5: Capital Facilities, Utilities and Public Services Element and Chapter 6: Parks, Recreation and Open Space Element. For Chapter 5, the committee recommended clearly distinguishing between those utility and service provider plans that are adopted by reference and those that the City reviews but does not formally adopt. For Chapter 6, the goals and policies in this element have been replaced with those in the 2022 Parks, Recreation, and Senior Services Master Plan.

July 25, 2024 Council Economic Development Committee Meeting

Staff presented proposed changes to Chapter 12: Healthy Des Moines Element. The committee recommended creating an appendix with the data details to keep the chapter readable. It was also suggested that additional study data from independent sources regarding SeaTac Airport’s health impacts be considered and referenced. Additional suggestions: include details of prior Des Moines Safe Routes to School projects and the goals for 24th Avenue South and South 200th Street, and specific recommendations regarding healthy food availability throughout the City.

Discussion

Tonight’s discussion will focus on proposed changes to Chapter 7: Housing (Attachment 1).

Framework

“VISION 2050 and the Regional Economic Strategy emphasize the interconnectedness of planning in our region – decisions made on land use, transportation, public services, housing, the environment, health, and other areas all play important roles in meeting the economic goals of the region and local communities.” (PSRC, 2022) Comprehensive Plan elements also provide an opportunity to address racial disparities in the community and access to opportunity through education, economic health, housing and neighborhood quality, mobility and transportation, and health and environment.

Our work includes the integration of numerous changes that have occurred across agencies and in the state law that must be incorporated into the local plan. A few of the most significant topics which have driven the revisions are:

1. **Housing Action Plan** - Edits have also been made in consideration of the city's history, goals, recent developments, and recommendations. This includes information from the Housing Action Plan (HAP) and the accompanying Housing Needs Assessment (HNA) as adopted by Council in 2023.
2. **Public Input and Engagement** - Feedback gained from the various public meetings that have been held to date for this project, and feedback from the City's survey, has been incorporated into suggested changes.
3. **Equity Considerations per King County** - The recent update to the CPPs added a new guiding principle, "centering social equity and health," to help address the racial inequities that emerged from historical land use and housing policies. Centering equity in the CPPs requires ongoing improvements to policies and resource allocation amount King County jurisdictions that explicitly address and remedy disparities in determinants of equity. The intent is that the new CCPs should help respond to the legacy of discriminatory housing and land use policies and practices (such as exclusionary zoning, etc.) that have led to significant racial and economic disparities in access to housing.
4. **State Requirements are Expanded** - The GMA requirements that set out what must be included in a Housing Element have dramatically changed since the city last performed a periodic update to its plan. Looking back to 2017, [RCW 36.70A.070\(2\)](#) then only stated:

A housing element ensuring the vitality and character of established residential neighborhoods that:

- (a) Includes an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth;*
- (b) includes a statement of goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing, including single-family residences;*
- (c) identifies sufficient land for housing, including, but not limited to, government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, and group homes and foster care facilities; and*
- (d) makes adequate provisions for existing and projected needs of all economic segments of the community.*

Now, these requirements have been significantly expanded. The RCW is now much longer and more detailed and requires in-depth analysis of many factors, such as the identification of local polies and regulations that result in result in racially disparate impacts, displacement, and exclusion in housing. As you read through the updated draft Element we have prepared, you will see that we have had to significantly expand the level of detail and discussion in this Element.

5. **Additional GMA Legislative Changes** - A lot of new legislation addressing the housing crisis (which is a big problem at the regional level and is also occurring nationwide) came out of the 2022-2023 session. There is a lot of work to be done in response to the new legislation passed into law in our State. Some changes need to be made to the city's Comprehensive Plan (in particular the Housing Element) while other changes will need to be made to the city's **development codes** or **SEPA regulations**.

6. **Growth Target Revisions** - King County’s Growth Management Planning Council (GMPC) convenes elected officials from King County and its corresponding cities to develop and recommend countywide policy changes to the King County Council. New updates to the King County Countywide Planning Policies (CPPs) were recently ratified on November 30, 2023 (referred to as the 2021 King County CPPs). These policies provide an aligned framework for growth management planning for all the local jurisdictions within King County, in accordance with PSRC’s VISION 2050 and RCW 36.70A.210 (a state statute requiring that “the legislative authority of a County...shall adopt a Countywide planning policy in cooperation with the cities located in whole or in part within the County”).

7. **King County Affordable Housing Committee (AFH)** - One new requirement which we have coordinated for is review by the AFH. Under the newly formed “Housing-focused Draft Comprehensive Plan Review Program” (established as part of the revised King County Countywide Planning Policies) we have submitted the draft Housing Element. The committee’s goal is to review each jurisdiction’s draft comprehensive plan for alignment with the CPP Housing Chapter goals and policies prior to plan adoption. This is a new requirement, and there is limited staff and timing available at the County for these reviews to occur. We expect a draft letter from that group in late October, and the committee will schedule a review in November.

The City is also engaged in a separate effort to update the zoning regulations to accommodate Middle Housing; the project is moving forward with public involvement and the key project information is available online at <https://engage.ahbl.com/des-moines-middle-housing>.

Policy Questions:

1. Does the Council subcommittee support inclusion of the Housing Needs Assessment (the appendix to the Housing Action Plan) as a part of the Housing Element?
2. Does the discussion about “Affordable Housing” seem too light? Too much? Just right? How do you think the City Council as a whole (including new members over the next ten years or so) will be able to use this section?
3. Do you have any concerns about the proposed policy language regarding partnerships and collaboration with outside agencies and partners?

General Questions:

1. Does the Housing Element accurately capture Council’s goals and expectations?
2. Does the Committee have any recommended changes or additions to this element?

CHAPTER 7: Housing Element

BACKGROUND AND CONTEXT

This Housing Element contains the goals and policies that identify steps the City of Des Moines can take in response to housing issues found within the community. These steps, or "implementation measures," are intended to ensure the vitality of the existing residential stock, estimate current and future housing needs, and provide direction to implement programs that satisfy those needs consistent with the goals and requirements of the Growth Management Act (GMA). Specifically, the housing goal stated in the GMA is to:

"Plan for and accommodate ~~encourage the availability of affordable 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."

The Puget Sound Regional Council's (PSRC's) ~~VISION 2040~~ VISION 2050 contains multi-county planning policies that provide a policy framework ~~and numeric guidance~~ for local growth management planning. ~~The plan also sets out specific growth projections (for housing and employment) for the cities to accommodate and plan for in the future and target setting.~~

One of the overarching goals of VISION 2050 is for the region to preserve, improve, and expand its housing stock to provide a range of affordable, healthy, and safe housing choices to every resident, with fair and equal access to housing for all people.

The King County Countywide Planning Policies (CPPs) require all cities to share the responsibility for achieving a rational and equitable distribution of affordable housing and provide for a variety of housing types and opportunities for all economic segments in King County.



Accessory Dwelling Unit



Cottage Housing



Townhomes



Mixed Use



Senior Housing

Commented [NS1]: Update per state/ regional/ county requirements: GMA was Revised in 2021 (ESSHB 1220) as shown

Commented [NS2]: Housekeeping item We have updated all instances of "VISION 2040" to now say "VISION 2050"

IMAGINE DES MOINES 2044

The Des Moines Housing Needs Assessment (HNA)¹ provides useful data and analysis relating to the housing needs in Des Moines and the HNA is adopted into this plan by reference and included at Appendix X to this Plan. The City's Housing Action Plan (AHBL and ECONorthwest, 2023) is also an important document outlining steps and approaches that the city can take to improve conditions.

HOUSING TARGETS

In conjunction with the 2011-2021 King County Countywide Planning Policies² on housing, each jurisdiction-City within the County was assigned a set of targets for future accommodation of affordable housing. The targets are assigned in accordance consistent with the regional geographies established per PSRC's Regional Growth Strategy and represent a proportion of the City's overall housing growth target (see Exhibit 7-1). Des Moines is classified as a High Capacity Transit Community (HCT), which means that it's one of the 34 cities and unincorporated areas in the region that are connected to the regional high-capacity transit system, but are organized below the classifications of Metropolitan City or Core City which are allocated the greatest distribution of growth. PSRC targets growth within communities having transit assets in order to help support mobility and reduce the number and length of vehicle trips.

These targets are intended for planning purposes and as broad quantitative guidance to the County and cities in:

1. Establishing a mix of future land use and zoning designations sufficient to accommodate housing affordable to low-, very-low, extremely-low and moderate-income households, and
2. Implementing a range of regulations and programs designed to achieve the targets over the planning period.

The affordable housing targets shown in Exhibit 7-1 assume a 2035 planning horizon versus year 2031 established in the CPPs. This is not expected to result in significant differences in housing supply or demand given Des Moines has experienced minimal growth over the past 10 years.

Exhibit 7-1: City of Des Moines Affordable Housing Targets 2015-2035	
Moderate-Income Housing-Growth-Target	Low-Income Housing-Growth-Target
16% (557 units)	24% (835 units)
Source: Table H-2: King County Jurisdiction Affordable Housing Targets 2006-2034	

The housing / household targets shown in Table 7-1 assume a 2044 planning horizon. King County's GMPC (Growth Management Planning Council) further specifies that the 3,800 net new housing units that are needed by 2044 should be supplied in order to accommodate a wide variety of household incomes as shown in Table 7-2. Additionally, the jurisdictional emergency housing need is 726 beds.

Commented [NS3]: General Note: Reviewers at the King County Affordable Housing Committee will need a copy of the document for their assessment. Per Countywide Planning Policy (CPP) #H-4 the city must "Evaluate the effectiveness of existing housing policies and strategies to meet the jurisdiction's housing needs. Identify gaps in existing partnerships, policies, and dedicated resources for meeting housing needs and eliminating racial and other disparities in access to housing and neighborhoods of choice." and the HNA provides the information.

Commented [NS4]: General Note: Metropolitan Cities in King County are Seattle and Bellevue. The Core Cities which are in King County include Auburn, Bothell, Burien, Federal Way, Issaquah, Kent, Kirkland, Redmond, Renton, SeaTac, and Tukwila. The other High Capacity Transit Communities in King County are Federal Way PAA, Kenmore, Lake Forest Park, Mercer Island, Newcastle, North Highline PAA, Renton PAA - East Renton, Renton PAA - Fairwood, Renton PAA - Skyway / West Hill, Shoreline, and Woodinville.

Commented [NS5]: Update per state/ regional/ county requirements: The GMA and County-wide planning policies require all these categories to be addressed (This is a recent change)

¹ Des Moines Housing Needs Assessment (November 2022) by ECONorthwest was Appendix B to the City's Housing Action Plan (adopted June 8, 2023) and it contains data and analysis on a variety of topics relating to population and household characteristics, housing characteristics and costs/ affordability, housing production, and so on.

² As amended in 2023 via King County Ordinance 19660.

IMAGINE DES MOINES 2044

Table 7-1: King County Housing Unit Growth Target and PSRC Household Projection for 2044

Projections for the Year 2044	
GMPC Targets ³	17,022 Housing Units <i>(comprised of a baseline supply of 13,222 units plus 3,800 additional units)</i>
PSRC Forecasted Households ⁴	16,096 Households

Table 7-2: Current Housing Units and Estimated Housing Needed by Area Median Income⁵ Bracket Groups

	Total Future Need Forecasted <small>(Total Future Need by 2044)</small>	Current Number of Housing Units <small>(Baseline Supply 2019)</small>	Number of New Housing Units To be Added to Meet the Need <small>(Net, new need 2019-2044)</small>
0 to ≤30% AMI: Not PSH	1,246	456	790
0 to ≤30% AMI: PSH	415	0	415
>30 to ≤50% AMI	2,857	2,626	231
>50 to ≤80% AMI	3,537	3,310	227
>80 to ≤100% AMI	2,933	2,652	281
>100 to ≤120% AMI	1,948	1,630	318
>120% AMI	4,086	2,548	1,538
TOTAL	17,022	13,222	3,800

Based on Des Moines' current household income distribution, 1,663 new housing units (or 43.7% of Des Moines housing growth target) are needed for households earning 80% or less of the area median income.

Affordable housing is a significant need that shapes the quality of life for our community. Current and future residents of Des Moines, like people throughout the region, need housing affordable at a variety of income levels. The U.S. Census 2009-2013 American Community Survey data indicate that 15.2 percent of Des Moines' population lives at or below the poverty level (very low income). The per capita income was reported at \$27,056 while the median household income was \$59,799. In 2013, the U.S. Census defined the poverty level as households earning 30 percent or less of the median income which was \$23,707 for a family of four.

³ The Growth Management Planning Council (GMPC) targets are documented in the 2021 King County Countywide Planning Policies Amended August 15, 2023 (King County Ordinance 19660) and Ratified November 30, 2023.

⁴ The Puget Sound Regional Council's Forecasted Households figure is sourced from the LUV-it City Summaries database, Updated May 30, 2023.

⁵ As of 2024 the Area Median Income (AMI) for King County is \$137,700. This means that approximately half of households earn less than this figure and approximately half earn above this figure. A household is considered "low income" if it earns between \$70,227 and \$110,150. "Extremely low-income households" earn less than \$41,310 and "very low income" households earn between those two brackets.

IMAGINE DES MOINES 2044

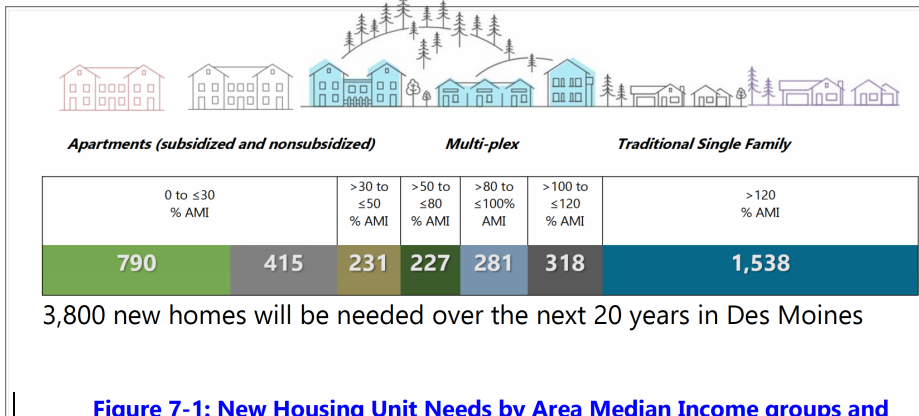


Figure 7-1: New Housing Unit Needs by Area Median Income groups and Examples of the Spectrum of Housing Types Needed⁶

AFFORDABLE HOUSING

[Affordable housing is a significant need that shapes the quality of life for our community. Current and future residents of Des Moines, together with people throughout the region, need housing which is affordable and available to accommodate a variety of income levels.](#)

[The term Affordable Housing is often conflated with “Low-income housing” \(typically referred to as “subsidized housing” in this element\) but should not be confused:](#)

- [Affordable housing: Housing is typically considered to be affordable if total housing costs \(rent, mortgage payments, utilities, etc.\) do not exceed 30 percent of a household’s gross income.](#)
- [Cost-burdened household: A household that spends more than 30 percent of their gross income on housing costs. \(A household that spends more than 50 percent of their gross income on housing costs is called “Severely cost-burdened.”\)](#)
- [Subsidized housing: Public housing, rental assistance vouchers like Section 8, and developments that use Low-Income Housing Tax Credits are examples of subsidized housing. Subsidized housing lowers overall housing costs for people who live in it.](#)

⁶ [Graphic adapted from and inspired by Exhibit 3 in Washington Dept. of Commerce Book 2: Guidance for Updating your Housing Element \(August 2023\).](#)

IMAGINE DES MOINES 2044

The U.S. Census 2022 American Community Survey 5-year estimates data indicate that 11.8 percent of Des Moines' population lives at or below the poverty level⁷. According to data reported by King County⁸, in the year 2020 the median sales price of a single-family home in Des Moines was \$467,000, a significant increase over the figure of \$186,000 from 2012.

According to the GMA, housing is considered to be "affordable housing" when the total housing costs, including basic utilities, does not exceed 30% of the income limit (for renters, 50% or less of the County median family income, adjusted for family-size, and for owners, 80% or less of the County median family income, adjusted for family size for owners). In accordance with WAC 365-196-410(2)(e)(iii), planning for affordable housing should be done on a regional basis. Using the general assumption that market factors will guarantee adequate housing for those in the upper economic brackets, it is important to recognize that some combination of appropriately zoned land, regulatory incentives, financial subsidies, and innovative planning techniques will be necessary to ensure adequate provisions for the needs of the entire population.

The City of Des Moines Buildable Lands Report (Appendix A) provides an inventory and analysis of existing and projected housing needs in the City and identifies developed and undeveloped land appropriate for housing. The Housing Inventory and Needs Assessment (Appendix C) documents the City's housing supply and provides an assessment of housing affordability by "Area Median Income (AMI)" and demonstrates that the City has existing housing stock that meets the vast majority of housing that is affordable to low and moderate income families in Des Moines. In King County's Urban Growth Capacity Report⁹, it is evident that Des Moines retains ample land supply – or "capacity" – to accommodate its projected housing expansion. Most of this capacity is accounted for in Des Moines' high- and medium high-density zones¹⁰.

Though nearly all of the City's supply of housing is priced below the top of the moderate (middle) income rental range (81-100% AMI), there is a deficiency in rental and ownership housing that is affordable to very low income households. In addition, nearly half of the City's renters, and especially those with low and very low incomes, now pay more than 35 percent of their incomes for rent. To meet the housing needs, higher density housing and affordable housing will be targeted near transit stations/stops and in areas that provide a range of public services.

The availability of diverse housing choices and affordable housing for all income groups is essential to a stable, healthy, and thriving community. Demographic trends indicate a shift in future market demand towards

Commented [NS6]: NEW AUG 1, 2024

We have added the footnote that provides additional detail confirming that Des Moines is well situated to provide affordable housing based on adequate volumes of high-density zoned lands.

⁷ The percentage of people under 18 years of age in poverty is 13.9 percent.

⁸ 2021 King County Urban Growth Capacity Report (also known as the Buildable Lands Report) was adopted December 14, 2021 by King County Ordinance 19369) and Ratified on April 6, 2022.

⁹ Ibid.

¹⁰ The County's Urban Growth Capacity Report identified there was available capacity for 8,386 housing units as of 2018; over 6,000 of which were tallied for "high density" zones. Des Moines has seen an increase of 889 housing units between April 1, 2018 and April 1, 2024 (OFM). According to the Department of Commerce's "Guidance for Updating Your Housing Element," the highest density zones are assumed to be available for persons in the low income (>50-80% AMI) category without market interventions and to extremely low and very low income (>50-80% AMI) households with subsidies and/or incentives (in addition to the "higher" categories, of course). There is no question that Des Moines meets the capacity requirement (with a future surplus) and no changes are needed to the city's zoning map at this time.

IMAGINE DES MOINES 2044

~~smaller housing units, rental housing units, and mixed-use housing in a lively, amenity-rich environment. The City must adapt to these market trends and preferences to be successful.~~

HOUSING TYPES

~~One approach the City will take to address shifts in market demands and potential constraints is to broaden the availability of "middle housing" opportunities in the City. Middle housing encompasses a diverse range of residential structures with multiple units, designed to harmonize in scale and form with single-family homes¹¹. By allowing middle housing, Des Moines aims to provide a broader array of housing choices that cater to different lifestyles and income levels while fostering infill development opportunities and supporting multi-modal transportation choices by focusing increased density in ~~focused~~ certain areas.~~

While the City does not control private sector investment, which is necessary for the development of quality housing and neighborhoods, the City should take the steps within its power to facilitate development of the types of housing that will create the best opportunity for success. Steps that can be taken (and in most cases already have) include ~~creating the creation of~~ development regulations that allow these types of products, establishment of incentives for certain development types, evaluation of current codes for barriers to certain housing types, and creation of public-private partnerships.

~~Finally, additional Special Needs Housing is needed in Des Moines. Special Needs Housing is defined as housing arrangements for populations with special physical or other needs; the populations needing special housing may include the elderly, disabled persons, people with medical conditions, homeless individuals and families, and displaced people.~~

Commented [NS7]: **Housekeeping item:** We noticed that Special Needs Housing is discussed in the Goals and Policies but not defined within the element. We have added some information, here, to provide clarity. The source of the definition is the KC CWPPs.

GOALS

Goal HOU 1 Encourage the development, preservation, or replacement of housing stock that is affordable to all economic segments of the community.

Goal HOU 2 Encourage and support a variety of housing opportunities for those with special-needs, particularly those with challenges related to age, health, or disability.

Goal HOU 3 Protect existing and planned residential areas from adverse impacts associated with incompatible land uses.

Goal HOU 4 Encourage the development of ~~an appropriate mix~~ a suitable mix of housing choices through innovative land use and well-crafted regulations.

Commented [NS8]: **Housekeeping:** This is a bit of wordsmithing: "Appropriate" tends to imply a choice is proper and acceptable. "Suitable" tends to focus more on the ability to fulfill a specific function or purpose.

Goal HOU 5 Implement policies and strategies to meet housing needs equitably.

Commented [NS9]: **Suggested update per state/ regional/ county requirements:** There are many requirements for policies that address equity and a myriad of related topics. This is a suggested new goal to set the stage for such policies. The language is taken from the King County County-Wide Planning Policies.

¹¹ "Middle housing" means buildings that are compatible in scale, form, and character with single-family houses and contain two or more attached, stacked, or clustered homes including duplexes, triplexes, fourplexes, fiveplexes, sixplexes, townhouses, stacked flats, courtyard apartments, and cottage housing. (RCW 36.70A.030).

IMAGINE DES MOINES 2044

POLICIES AND IMPLEMENTATION STRATEGIES

Housing Supply

HOU 1.1 Zone sufficient buildable land, create adequate usable development capacity and allow for ~~an appropriate~~ a suitable mix of housing types to accommodate Des Moines' projected share of King County population growth over the next 20 years.

HOU 1.1.1 Continue to provide opportunities and incentives through the Planned Unit Development (PUD) process for a variety of housing types and site planning techniques that can achieve the maximum housing potential of the site.

HOU 1.1.2 Promote and foster, where appropriate, innovative and non-traditional housing types such as live/work housing, ~~and~~ attached and detached accessory dwelling units, as well as other "middle housing" types, as alternative means of accommodating residential growth and providing affordable housing options.

HOU 1.1.3 Encourage infill development on vacant or underutilized sites.

HOU 1.1.4 Incorporate the Housing Action Plan implementation strategies to overcome the lack of access to affordable housing options.

Mixed Income Housing

HOU 1.2 Continue to assist regional, multi-jurisdictional efforts to address the region's need for ~~low and moderate income~~ low-, very low-, extremely low-, and moderate-income housing, and special-needs housing.

HOU 1.2.1 Work cooperatively with other King County cities/agencies to address regional housing issues, including the South King County Housing and Homeless Partners group.

HOU 1.2.2 Encourage affordable housing availability in all neighborhoods throughout the City, particularly in proximity to future or existing high-capacity transit, employment, and/or educational opportunities.

HOU 1.2.3 Consider mandating an affordability component or requiring minimum density requirements for build out in areas within walking distance to light rail stations ~~station areas or other transit-oriented communities~~.

HOU 1.2.4 Support programs and strategies aimed at providing housing that is affordable to all income groups, such as regional, state and federal housing programs, housing trust fund, inclusionary zoning, development incentives, fee waivers, fast-track processing or assistance to housing agencies.

Commented [NS10]: General Note: This relates to Resolution No.1456 "Approving the South King Housing and Homelessness Partners 2024 Work Plan and 2024 Operating Budget"

Commented [NS11]: Suggested update per state/ regional/ county requirements: Suggested edits are per CWWs H-16 and H-17

Commented [NS12]: Suggested update per state/ regional/ county requirements: Suggested edits are per CWW H-16

IMAGINE DES MOINES 2044

HOU 1.2.5 Review all requirements related to the construction of single-family homes to identify where the cost of construction may be reduced, in an effort to make housing more affordable.

Commented [NS13]: Updates per state/ regional/ county requirements. This policy should be broadened to include all residential construction, not just single-family homes (Furtherance of HB 1110 and others. **However, we wonder if the city wants to keep this policy moving forward?**

HOU 1.2.6 Consider inclusionary zoning tools which require developers to include a certain percentage of affordable housing units in each development.

Commented [NS14]: Updates per state/ regional/ county requirements; CPP H-18

Housing Preservation

HOU 1.3 Promote the preservation, repair, and maintenance of existing housing stock in Des Moines to retain the availability of keep healthy, safe, sanitary, and affordable units.

HOU 1.3.1 Coordinate with neighborhood-based groups and other organizations to promote preservation and rehabilitation of existing residential areas.

HOU 1.3.2 Consider a housing program to encourage landlords to retain and repair rental housing as affordable.

Commented [NS15]: Updates per state/ regional/ county requirements; CPP H-23

HOU 1.3.3 Publicize King County's Minor Home Repair Program available to low-, very low-, extremely low-, and moderate income residents of Des Moines.

HOU 1.3.4 Consider forming partnerships, implementing regulatory changes, and offering financial assistance programs to assist residents to remain in their homes.

Commented [NS16]: housekeeping item - This is a way to address HAP Goal 2 Mitigate displacement

HOU 1.3.5 Establish policies and procedures to mitigate displacement if and when new development occurs, with specific considerations for low-, very low-, extremely low-, and moderate-income housing options.

Special Needs Housing

HOU 2.1 Assist the private sector, non-profit agencies, and public entities in the planning and development of special-needs housing within and near Des Moines.

HOU 2.1.1 Assist social service organizations, non-profit housing providers, and community organizations that provide housing for low income and special needs populations, operate emergency shelters, or provide other housing-related services available to Des Moines residents.

Commented [AC17]: As per HAP Goal 1

Commented [NS18]: General Note: We have made some changes to be consistent with the HAP Goal 1

HOU 2.1.2 As required by state law, remove-do not impose regulatory barriers to the siting of group homes, foster care facilities, and facilities for other special populations. -Strive for equitable distribution of special-needs housing within the City of Des Moines and among neighboring jurisdictions.

Commented [NS19]: housekeeping item The current wording seems to suggest a change needs to be made. However, this can be shifted to recognize the city is compliant and needs to remain compliant.

HOU 2.1.3 Coordinate with housing partners to 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.

Commented [NS20]: General Note: We have made some changes to be consistent with the HAP Strategy 1

IMAGINE DES MOINES 2044

HOU 2.1.4 [Implement programs to identify gaps in partnerships with underrepresented groups and build those relationships into city housing policy.](#)

Commented [NS21]: Suggested update per state/ regional/ county requirements: Suggested edits are per CWW H-20 and H-21

HOU 2.1.5 [Remove potential barriers to housing access.](#)

Commented [NS22]: Suggested update per state/ regional/ county requirements: Suggested edits are per CWW H-22.

HOU 2.1.6 [As required by state law, allow and regulate the development of permanent supportive housing and transitional housing in all zoning districts where residential dwellings \(and / or hotels\) are permitted, and allow and regulate emergency housing and emergency shelter in all zoning districts where hotels are permitted.](#)

Commented [NS23]: **Housekeeping item** This relates to ESSHB 1220 (2021 state leg.) and to Ordinance 1750 passed by the City in 2021 (which resulted in code changes including the addition of DMMC Ch 18.182 Supportive Housing Standards).

HOU 2.2 **Encourage equitable distribution of low-income and special-needs housing throughout King County.**

HOU 2.2.1 Promote compatible residential development that is affordable to all economic segments of the Des Moines community. Ensure City codes and development regulations do not create unnecessary barriers to affordable housing.

Commented [AC24]: **GENERAL:** Seems very similar to 2.1.2 Perhaps something like accommodate the appropriate share of e/v/low income and special needs housing as required by GMA and King County.

HOU 2.2.2 Encourage the development of mixed-income projects and communities.

Commented [NS25R24]: Laura noted the same - look at organization, etc.

HOU 2.2.3 [Ensure the City allows and has capacity for government-assisted housing, group homes, foster care facilities, emergency housing, emergency shelters, and permanent supportive housing.](#)

HOU 2.2.4 [Encourage the acquisition and preservation of income-restricted rental housing by housing partners.](#)

Commented [NS26]: Suggested update per state/ regional/ county requirements: Suggested edits are per CWW H-2 and this also aligns with HAP Goal 2.

HOU 2.2.5 [Ensure conditions for affordable housing to be built in the future through proper zoning and development regulations and maintain a sufficient supply of land capacity to address housing needs; the city must ensure there are lands available to accommodate 1,944 new units to be built for households earning below the Area Median Income.](#)

Land Use

HOU 3.1 **Protect residential areas from adverse impacts associated with incompatible land uses or nearby transportation facilities/activities.**

HOU 3.1.1 Protect existing and planned residential areas from unmitigated adverse impacts that may be generated by nearby incompatible land uses or transportation facilities or activities.

HOU 3.1.2 [Strongly advocate to ~~ensure that the Port of Seattle \(POS\) and the Federal Aviation Administration \(FAA\) for proper mitigation~~ mitigate the impacts of environmental noise impacts upon Des Moines' residential areas.](#)

Commented [NS27]: **Housekeeping item** - Rephrasing for accuracy

HOU 3.1.3 Avoid siting ~~future~~ housing in close proximity to Sea-Tac Airport pursuant to RCW 36.70.547 and the Washington State Department of Transportation Airports and Compatible Land Use Guidebook, M3074.00 (January 2011, as amended).

IMAGINE DES MOINES 2044

HOU 4.1 Promote consistency with the Land Use Element's residential policies regarding density, population, housing mix, and siting criteria.

HOU 4.1.1 Implement the residential policies of the Land Use Element regarding dispersion of housing types, unit mix, and future population [and encourage the construction of middle housing](#).

HOU 4.1.2 Maintain a ~~strong consistent~~ code enforcement program to maintain neighborhood quality and reduce the potential for nuisance properties and housing.

HOU 4.1.3 ~~Consider regulations that would allow~~ [Allow middle housing types](#) ~~cottage housing~~ in single family [zoning districts](#) and ~~multi-family zones~~ when appropriate criteria can be met.

HOU 4.1.5 Allow mobile/manufactured and modular homes within Des Moines when such structures satisfy all applicable health and safety codes.

HOU 4.1.6 Continue to allow accessory ~~housing dwelling~~ units ~~within single-family neighborhoods~~ in a way that ~~protects residential character, maintains specific design standards,~~ and complies with all applicable laws.

HOU 4.2 Initiate and encourage equitable and inclusive community involvement that fosters civic pride and positive neighborhood image.

HOU 4.2.1 Establish regulations and procedures that provide a high degree of certainty and predictability to applicants and the community at-large and minimize unnecessary time delays in the review of residential permit applications, while still maintaining opportunities for public involvement and review.

HOU 4.2.2 Encourage the establishment of [Block Watch / Neighborhood Watch](#) programs in all residential areas.

[HOU 4.2.3 Encourage private reinvestment in residential neighborhoods and private rehabilitation of housing by providing information, technical assistance, and referrals to appropriate agencies and organizations.](#)

[HOU 4.2.4 Coordinate with housing partners to 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.](#)

HOU 4.3 Integrate and coordinate construction of public infrastructure with private development to minimize housing costs wherever possible or practicable.

HOU 4.3.1 Use funds from local Capital Improvement Program, grants, and other sources to provide needed capital improvements, such as sidewalks, street lighting, and neighborhood parks in existing residential neighborhoods.

Commented [NS28]: ~~Housekeeping item~~ - We think this language is better (both in terms of how it sounds and for applicability purposes)

Commented [NS29]: ~~Updates per state/ regional/ county requirement~~ We have modified the language to conform to HB 1110 (2023 leg. session) requirements.

Commented [NS30]: ~~Updates per state/ regional/ county requirements~~ It is important to amend this policy to align with new state law (HB 1337 - 2023 leg. session). Having specific design standards can result in features which add to a project's cost as well as slowing permitting timelines. Additionally, statements about "preserving residential character" are rather ambiguous and could be used to block ADUs.

HB 1337 requires cities (and counties within urban growth areas) to allow at least two ADUs on all lots zoned for single-family homes.

Commented [NS31]: ~~Housekeeping item~~ - The city's website has information about Neighborhood Watch (and does not call the program Block Watch) yet the City Magazine uses the term Block Watch

Commented [NS32]: General note: Concerns about safety and security was a common theme we observed in our surveys.

Commented [NS33]: General Note: Proposed language consistent with HAP Strategy 1

IMAGINE DES MOINES 2044

HOU 4.3.2 Continue to require on-site recreation areas (or fee-in-lieu) within new ~~single family~~ subdivisions and multifamily developments. Consider if the City should adopt a procedure to provide relief from this requirement in certain cases, such as reductions or exemptions for below market-rate housing development.

HOU 4.3.3 Consider if the city should provide reductions or exemptions for parking requirements for certain housing development such as infill projects or housing which is provided below market-rate.

HOU 4.4 Provide design guidelines that encourage flexibility in housing types while ensuring compatibility of housing with the surrounding neighborhood.

HOU 4.4.1 Encourage site and building designs that promote the safety and security of residents; and visitors, and that create effective transitions between substantially different land uses and densities.

HOU 4.4.2 Use ~~design~~ guidelines to ensure that new and infill developments ~~have aesthetic appeal and~~ minimize impacts on surrounding development.

HOU 4.4.3 Encourage middle housing and accessible design that provides seniors the opportunity to remain in their own neighborhood as their housing needs change.

Land Use

HOU 5.1 Implement, promote, and enforce fair housing policies and practices so that every person in the county has equitable access and opportunity to thrive in their communities of choice, regardless of their race, gender identity, sexual identity, ability, use of a service animal, age, immigration status, national origin, familial status, religion, source of income, military status, or membership in any other relevant category of protected class.

HOU 5.1.1 Promote zoning and development regulations that are non-exclusionary, and which avoid racially disparate impacts and/or disinvestment. Action against disparate impacts should include review of existing policies, codes, and procedures.

HOU 5.1.2 Promote fair housing for all persons and ensure that no City policies, programs, regulations, or decisions result in housing discrimination.

Commented [NS34]: General note: This requirement as currently written could lead to increased project costs, potentially preventing affordable housing from being built or implemented as a segment of a larger development.

Commented [NS35]: NEW 8/1/2024
Suggested update per state/ regional/ county requirements:
This helps fulfill CPP H-13 which describes that the city is required to implement strategies to overcome cost barriers to housing affordability.

Commented [AC36]: HAP/ Middle Housing: "design guidelines" can be too vague, consider removing.

Commented [NS37]: General note:
As currently written, this item could lead to increased project costs, potentially preventing affordable housing from being built. **HB 1110** has narrow provisions for design review, and the process for reviewing compliance with middle housing design standards is limited to an administrative, objective process.

Commented [AC38]: HAP/ Middle Housing: Sometimes design guidelines can be used to block perfectly acceptable (and perhaps more affordable) developments.

Commented [AC39]: HAP/ Middle Housing: Smaller units with less yard maintenance is desirable to seniors (according to Dept of Commerce), and this would be a bi-product of constructing some types of middle housing- notable fourplexes and courtyard apartments.

TECHNICAL APPENDIX: Housing

REGIONAL AND COUNTY REQUIREMENTS

The Puget Sound Regional Council (PSRC) and King County have set out specific requirements for the City of Des Moines to address in this element. This includes several documents:

- ◆ The **PSRC VISION 2050** document is a regional plan which sets out a Regional Growth Strategy, focusing growth in “centers” and near transit, and addresses how jurisdictions should work together to increase housing choices and affordability on a regional level. VISION 2050 stresses that strategies and actions to promote distributional equity, cross-generational equity, process equity and reparative policies are needed to equitably meet housing needs.



- ◆ The **2021 King County Countywide Planning Policies** (as amended in 2023 via King County Ord. 19660) are policies set forth to “support a range of affordable, accessible, and healthy housing choices for current and future residents.” In addition, the policies were developed to “respond to the legacy of discriminatory housing and land use policies and practices (e.g. redlining, racially restrictive covenants, exclusionary zoning, etc.) that have led to significant racial and economic disparities in access to housing and neighborhoods of choice. These disparities affect equitable access to well-funded schools, healthy environments, open space, and employment.” There are 25 housing policies, many of which are very detailed, organized around five primary themes:



- 1- Plan for and Accommodate Housing Needs
- 2 - Conduct a Housing Inventory and Analysis
- 3 - Collaborate Regionally
- 4 - Implement Policies and Strategies to Meeting Housing Needs Equitably
- 5 - Expand Housing and Neighborhood Choices for all Residents

HOUSING STOCK

Documentation and analysis of prevailing housing conditions in Des Moines involves a comprehensive assessment encompassing various factors. This includes meticulously examining housing types, age of units, vacancy rates, property values, occupancy rates, tenure status, household size, and land capacity. Such a detailed scrutiny offers a foundational understanding of the current state of housing supply within the City

EQUITY AND RACIALLY DISPARATE IMPACTS

CWW H-5 requires the City of Des Moines to

- Document the local history of racially exclusive and discriminatory land use and housing practices, consistent with local and regional fair housing reports and other resources;
- Explain the extent to which that history is still reflected in current development patterns, housing conditions, tenure, and access to opportunity;
- Identify local policies and regulations that result in racially disparate impacts, displacement, and exclusion in housing, including zoning that may have a discriminatory effect, disinvestment, and infrastructure availability; and
- Demonstrate how current strategies are addressing impacts of those racially exclusive and discriminatory policies and practices.

The *Racial Restrictive Covenants Project for Washington State*¹² is a project of University of Washington and Eastern Washington University researchers who are identifying and mapping racial restrictions in property records, which were used in American communities to prevent people who were not white from buying or occupying property. The project has identified such documents covering about 50,000 properties and the work is ongoing. As of June 10, 2024 a limited number of records for properties in the City of Des Moines have been posted to the project website at <https://depts.washington.edu/covenants/>.

- Three subdivisions are identified as having racially restrictive language (restrictions recorded in a plat, in covenants, or on a deed) on record: The Frankford Tracts (1948), the Marine View Homes Addition (1943), and the Milwaukee Park subdivision (1936).
- The website indicates that a portion of the Woodmont Beach neighborhood was noted in a newspaper ad as being restricted.
- It is also possible that Des Moines was a “sundown town” given that census records indicate that in the year 1970 (just two years after the passage of the Fair Housing Act of 1968) the population was 3,871 persons, yet there was only 1 black household.

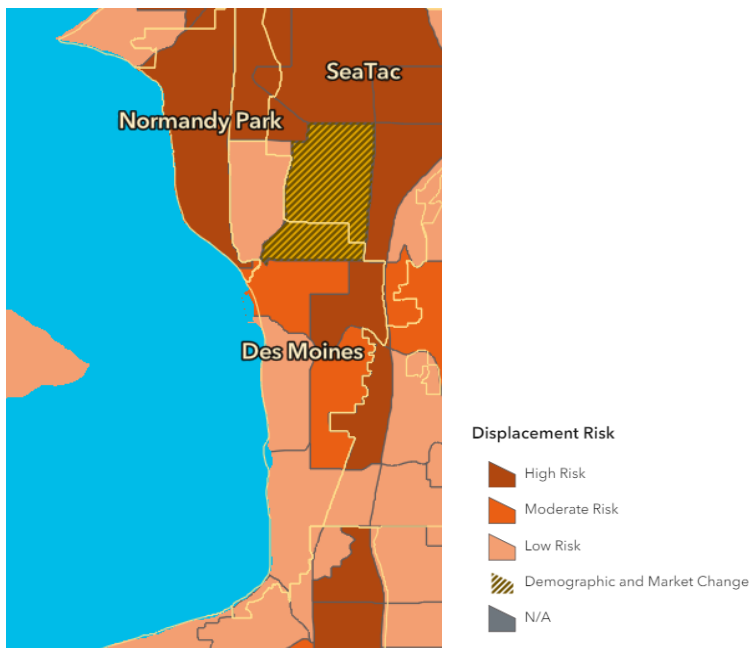
The enduring impact of discriminatory housing and land use policies, such as redlining, racially restrictive covenants, and exclusionary zoning, has perpetuated profound racial and economic disparities in housing access and neighborhood opportunities. As highlighted in VISION 2050, historical practices have been instrumental in both shaping and upholding racial inequities. Presently, these disparities continue to impede equitable access to quality education, healthy environments, open spaces, and employment opportunities.

DISPLACEMENT RISK

The City has a critical responsibility to evaluate and identify areas that might face heightened vulnerability to displacement due to market shifts that can occur do to zoning regulations and capital investments. Resources

¹² The project is in support of HB 1335, passed by the state legislature in 2021

provided by PSRC and the Washington State Department of Commerce (such as Commerce’s Risk of Displacement maps tools) indicate that the majority of Des Moines faces low to moderate risk. Nevertheless, ongoing vigilance is imperative, as market dynamics and other variables are subject to change, warranting ongoing monitoring of this concern over time. Displacement risk is “high” due to gentrification occurring in census tract 289.02 and the census tract is also identified as having “social vulnerability.”



Source: Washington State Department of Commerce Displacement Risk Map

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

Table of Contents

EXECUTIVE SUMMARY	2
Demographic and Economic Top Trends	2
Housing Top Trends	3
Housing Need in Des Moines	4
1. INTRODUCTION	6
1.1 Data and Methods	7
1.2 Organization of this Report	7
2. COMMUNITY PROFILE	8
2.1 Introduction	8
2.2 Population Characteristics	8
2.3 Household Characteristics	11
2.4 Income and Employment	14
2.5 Housing Characteristics	20
2.6 Housing Cost and Affordability	24
2.7 Housing Production	29
2.8 Assisted Housing	30
2.9 Subsidized and Public Affordable Housing	31
3. HOUSING NEEDS IN DES MOINES	34
3.1 Residential Land Supply and Capacity	34
3.2 Growth Targets	35
3.3 Housing Need by Income Level	36

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/mop7xrkzh170th1w51ezbag3pmne9adz>

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:

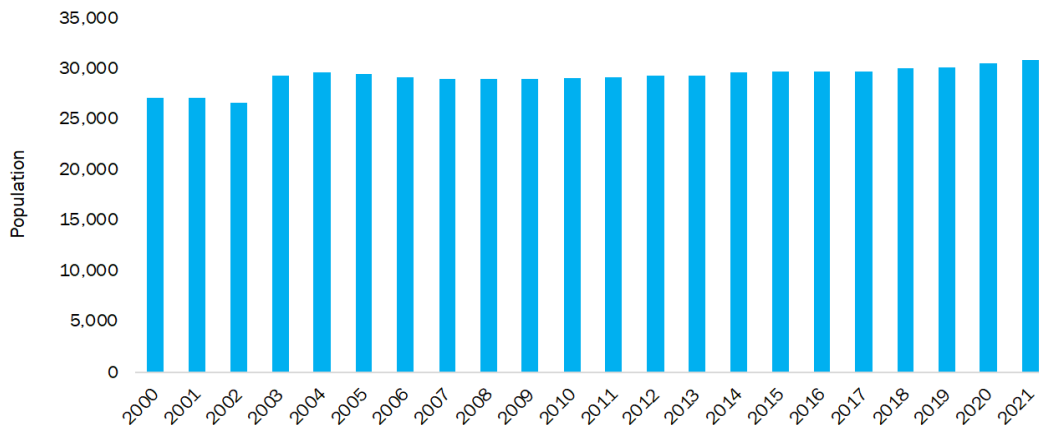
- Population and Household Characteristics
- Income and Employment
- Housing Characteristics
- Housing Costs and Affordability
- Housing Production

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%

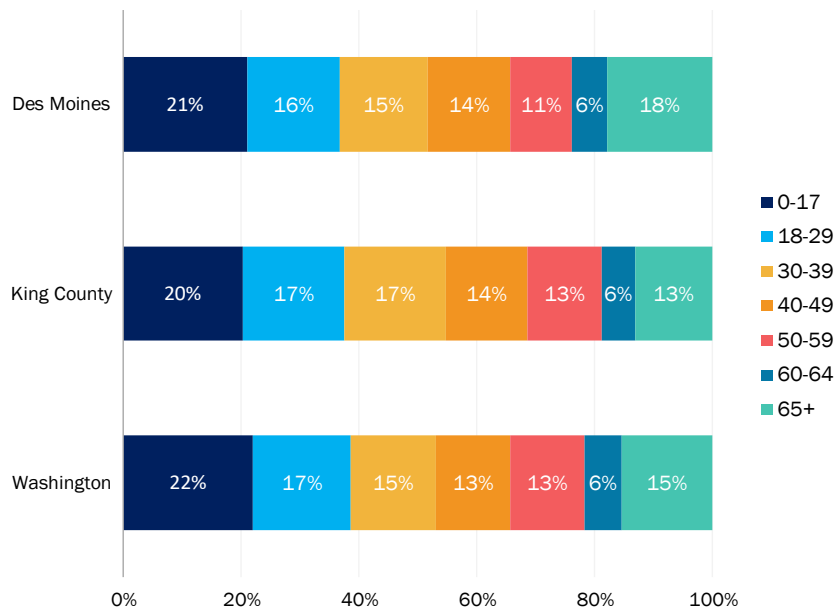
2.2.1 Age Distribution

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

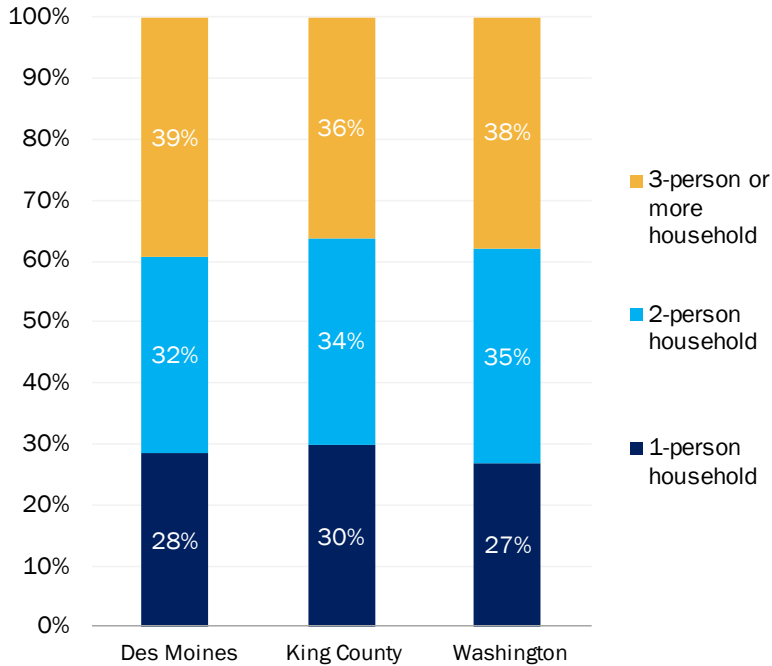
Source: American Community Survey (ACS) 2020 5-year estimates

	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%

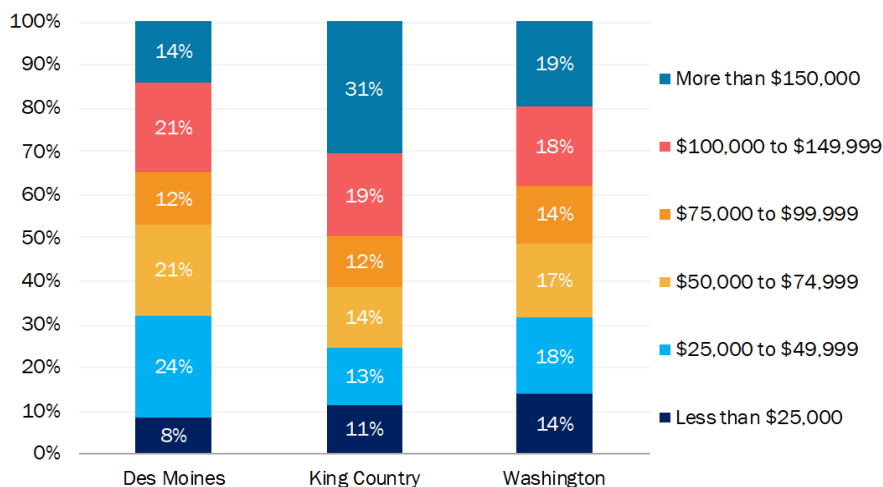
Note: Nominal dollars.

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



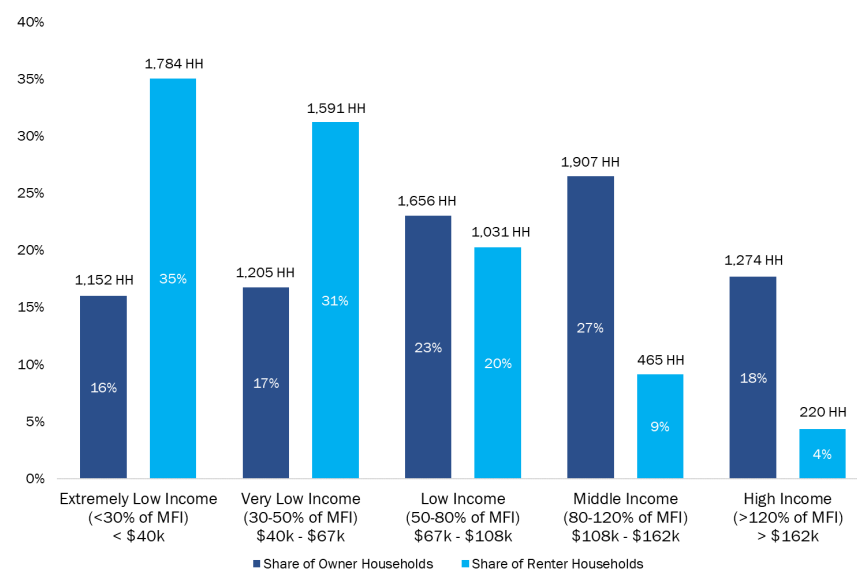
Household incomes in Des Moines have substantially changed since 2010. From 2010 to 2020, there was a steep increase in households making more than \$100,000, connoting a growth in wealthier residents. To supplement this point, there was a 49% decrease in households making less than \$25,000 and a 24% 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.

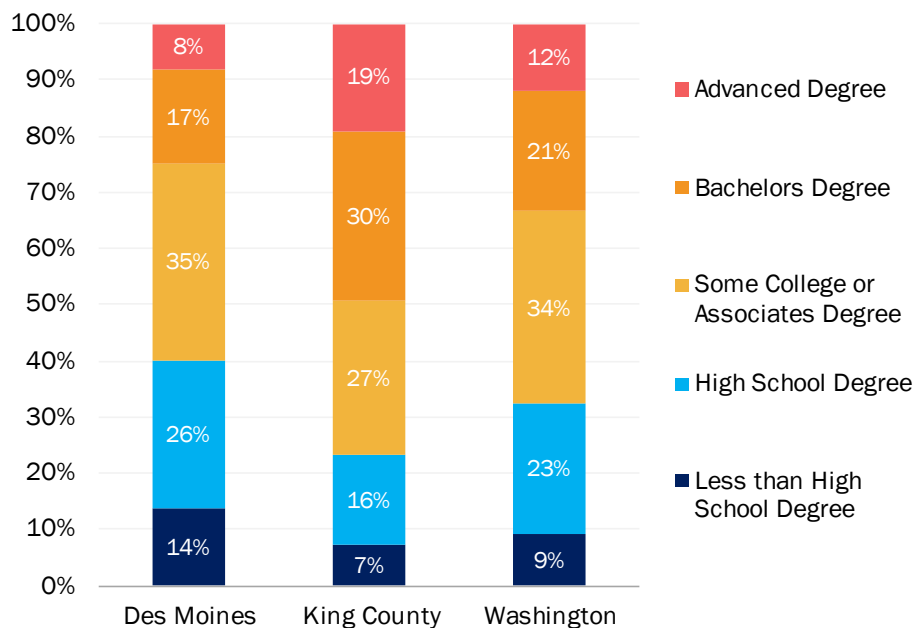


2.4.4 Educational Attainment

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

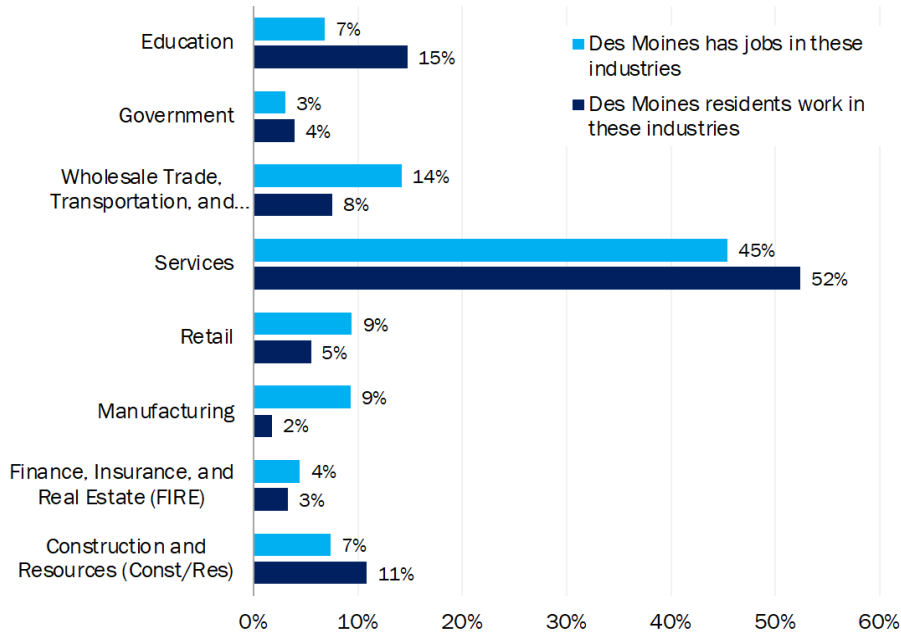
Industry	2010		2019		Percent Change 2010-2019
	Number	Percent	Number	Percent	
Good Producing Sector	283	6%	661	13%	134%
Construction and Resources (Const/Res)	267	6%	567	11%	112%
Manufacturing	16	0%	94	2%	488%
Service Producing Sector	4,184	94%	4,586	87%	10%
Finance, Insurance, and Real Estate (FIRE)	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

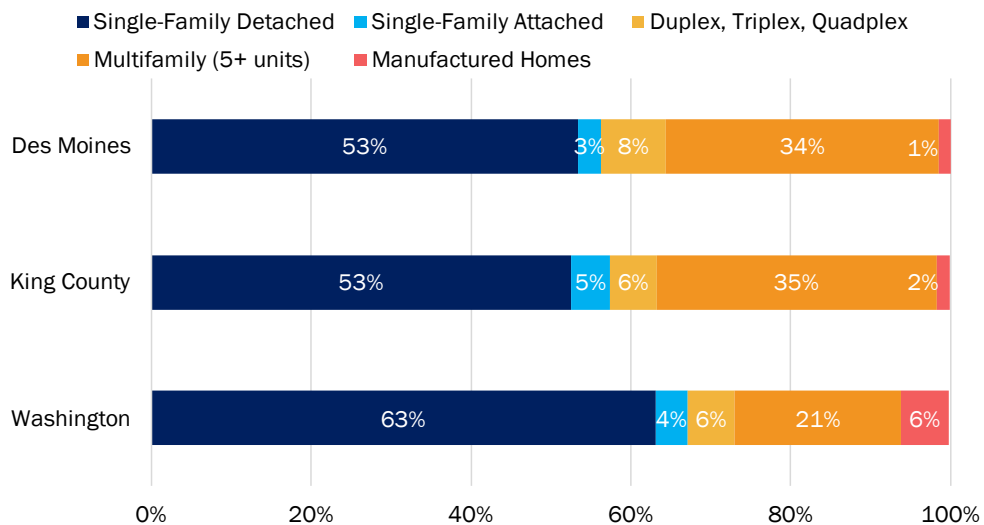
Source: American Community Survey (ACS) 2020 5-year estimates

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

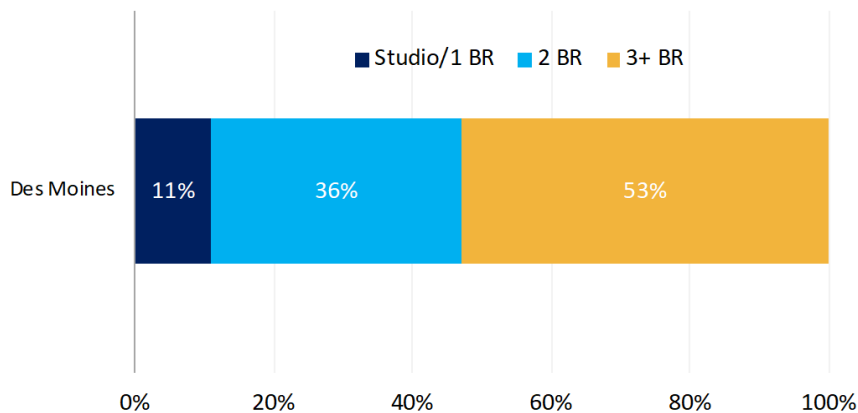


2.5.2 Number of Bedrooms

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



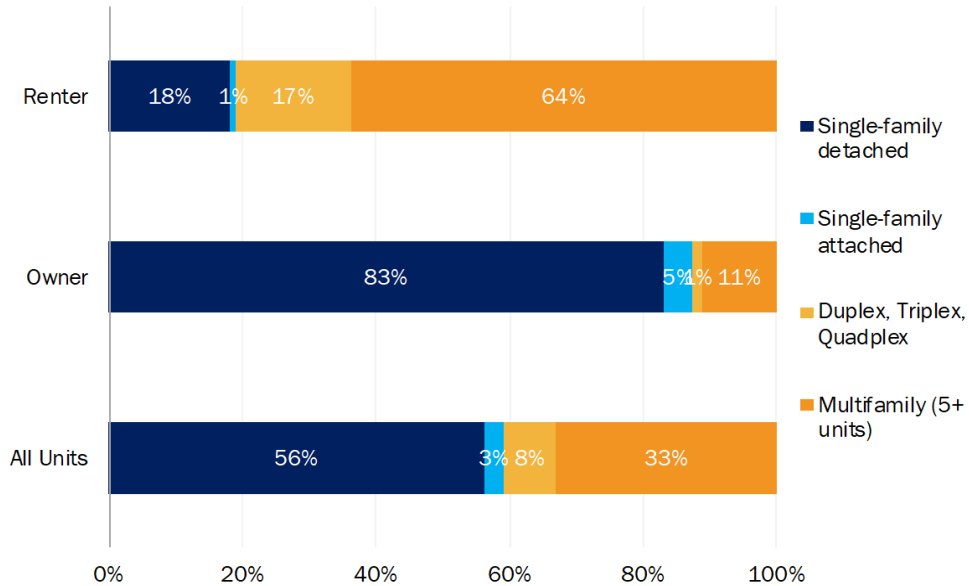
2.5.3 Housing Tenure

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



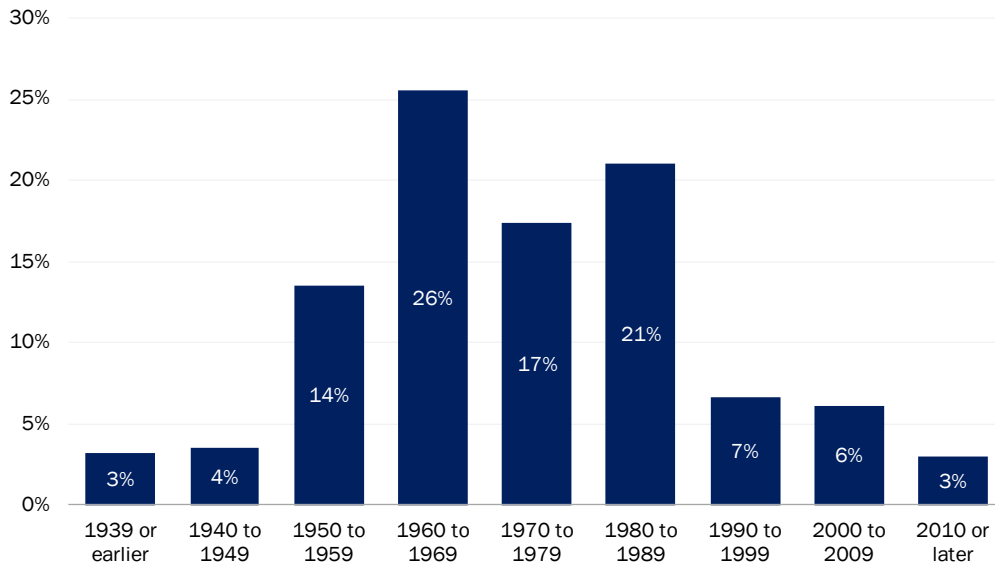
2.5.4 Housing Age

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

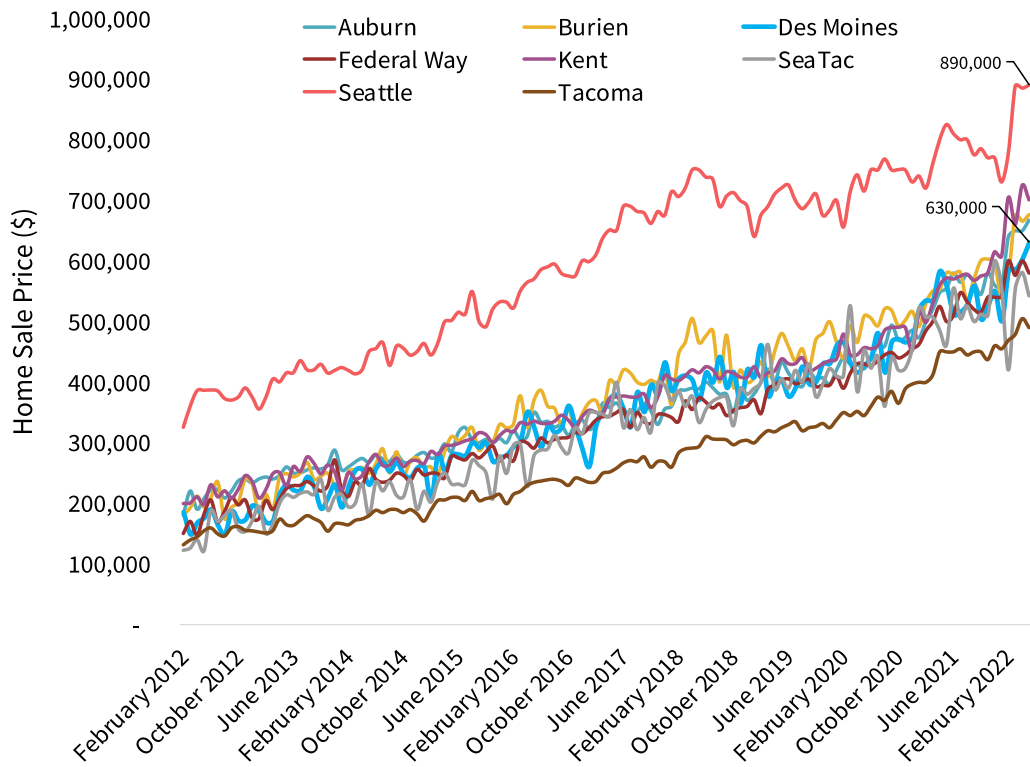


Exhibit 22 shows that since 2012, the median sale price of a home has increased in all comparison cities, with the most significant increase in Des Moines (257%), while SeaTac experienced the second highest increase of 252%.

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.

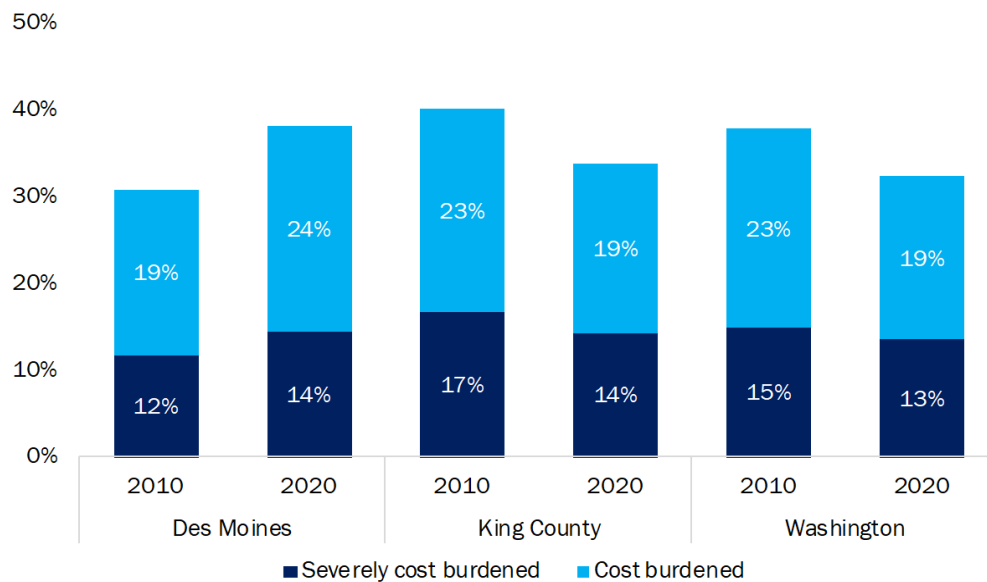
Exhibit 24 shows that in 2020, over a third (38%) of all renters, approximately 4,615 renter households, are cost burdened in Des Moines. Approximately 1,746 renter households (14% of renters) are severely cost burdened, paying more than 50% of their income on housing costs.

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

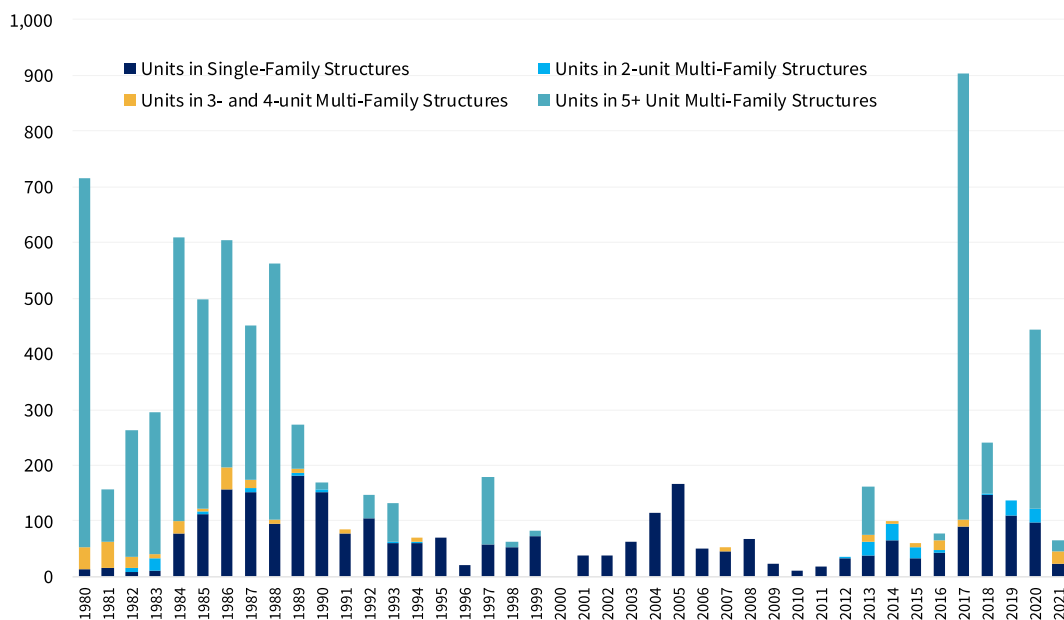
2.7.1 Housing Units Built

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