

## Iowa housing needs

*Tim Yaggi, president and CEO, Pella Corp.*

Iowa's population increases have consistently trailed the national average. Without accelerated population growth, our long-term prosperity will be constrained by the lack of people to fill jobs. For businesses (and arguably for states and cities), growth is a critical indicator of health, and even their odds of survival. Growth is imperative, and if growth cannot be supported in Iowa because of the lack of an available and qualified workforce, investment priorities will shift increasingly toward other states with deeper labor pools.

In our efforts to recruit talented workers to Iowa and increase our labor pool, one of the advantages we tout is affordable housing. However, the availability of homes suitable for our recruits is shrinking, especially more affordable homes in the \$250,000 range often sought by first-time buyers. The lack of home inventory is partly driven by the lack of construction labor to build new homes, and it is difficult to recruit the labor without suitable places for them to live – a vicious circle.

The need for talent to support our growth and places for them to live is so important to Pella Corp. that we have taken on a role in housing development (along with day care, restaurants and other amenities). Among the projects we have driven is a development called Prairie Ridge, on the west edge of our town, which is targeting a \$225,000 price point for townhomes and \$250,000 to \$275,000 for single-family homes. The first phase of the development will include over 100 new homes, and it is off to a fast start with 20 lots already under contract.

We are trying to fill the gap in available housing, but we can't do it alone. Our recommendations: We need to make it easier and more attractive for developers and builders to build homes. We should review zoning requirements and regulations that excessively restrict developers or builders and ultimately drive construction costs unnecessarily high. A recent study concluded that nearly 25% of the cost of a new home is driven by regulations, mostly created at the local level.

We support the expansion of existing funding mechanisms to help families (especially seniors and lower-income families), such as the Workforce Housing Tax Credit program and the State Housing Trust Fund. However, programs that assist buyers or renters without an increase in the inventory of homes will only exacerbate housing price inflation, which is already climbing significantly.

Iowa needs more people to fill jobs and create new ones. If we are to attract and retain talented people to Iowa, we need to ensure that we have available, affordable housing, housing that enables Iowans to live comfortably and safely, and to raise wonderful families. Let's support population growth by encouraging and enabling housing growth.