

COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	24-472	Meeting:	November 18, 2024
	Agenda Item:	22	Roll Call:	24-1570
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Approval of grant agreements with the U.S. Department of Housing and Urban Development (HUD) for funding of the City's 2024 Action Plan, which is the fifth year of the 2020-2024 Consolidated Plan.

SYNOPSIS:

HUD designates annual formula funding, also known as entitlement funds, to the City of Des Moines. Grant programs under the formula funding include Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME) Program, and Emergency Solutions Grant (ESG). This action is to execute the annual agreements for HOME and ESG only, which enables the City to access the grant funds. The CDBG agreement will come at a later Council date.

FISCAL IMPACT:

Amount: \$913,894 (HOME) and \$328,988 (ESG)

Funding Source: HUD

ADDITIONAL INFORMATION:

- Each program mentioned above—HOME and ESG—has a different focus. See below for more details.
- The HOME Program is the primary Federal tool of States and local governments to produce affordable rental and owner-occupied housing for low-income families. HOME funds a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership to low-income people. HOME projects leverage non-federal funds including, in many cases, tax credits for affordable rental housing. In 2024, the local program is projected to help create 18 affordable homeownership units and create or preserve between two (2) and eight (8) HOME rental units, leveraged by 38 other rental units.
- ESG provides funds for homeless shelters, assists in the operation of local shelters, and funds related social service and homeless prevention programs. Subrecipients enable people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. ESG funds may be used for street outreach, emergency shelter, homelessness prevention, and rapid re-housing assistance. In 2024, ESG is proposed to connect more than 1,000 people to emergency shelter as they transition to permanent housing.

- Updates to the allocations approved on November 6, 2023, which were based on estimates, are below.

2024 HOME Activities	2024 Amount
2024 HOME Administration (10%)	\$ 91,389.00
2024 Habitat Single Unit New Construction - 10 units	\$ 301,815.00
2024 Habitat Homebuyer Assistance - 10 Homebuyers	\$ 35,000.00
2024 HOME, Inc. Single Unit New Construction - 2 units	\$ 399,998.00
2024 HOME, Inc. Homebuyer Assistance - 2 Homebuyers	\$ 39,998.00
2024 Community Housing Development Operation (CHDO) Operating	\$ 45,694.00
Total 2024 HOME Funding	\$ 913,894.00

2024 ESG Activities	2024 Amount
Admin	\$ 24,674.00
HMIS	\$ 9,869.00
Centralized Intake	\$ 48,925.00
Rapid Rehousing	\$ 27,580.00
Shelter/Essential	\$ 197,390.00
Street Outreach	\$ -
Homeless Prevention	\$ 20,550.00
Total 2024 ESG Funding	\$ 328,988.00

- Any development agreements that are a result of this funding will be subject to certain building material requirements as outlined in Article H of the Fourth Restated Urban Revitalization Plan for the City-wide Urban Revitalization Area, as amended, by Roll Call No. 24-1113.

PREVIOUS COUNCIL ACTION(S):

Date: November 6, 2023

Roll Call Number: [23-1577](#)

Action: [On](#) proposed 2024 Action Plan for the HUD 2020-2024 Consolidated Plan. ([Council Communication No. 23-488](#)) Moved by Boesen to adopt. Second by Voss. Motion Carried 6-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

The CDBG grant agreement with HUD will be on a future agenda.

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