

COUNCIL COMMUNICATION

	Number:	25-119	Meeting:	March 24, 2025
	Agenda Item:	45	Roll Call:	[]
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Public Hearing for approval of the 2024 Consolidated Annual Performance and Evaluation Report (CAPER) for Submission to the U.S. Department of Housing and Urban Development (HUD).

SYNOPSIS:

As a condition of receiving federal entitlement funds, such as Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Emergency Solutions Grant (ESG), the City must annually report how those funds were used via the CAPER. HUD also requires the City to publish and allow the public to comment on the activities and programs funded. After the public hearing, the CAPER will be submitted to HUD for final review and approval. All accomplishments or results are for the timeframe January 1, 2024 through December 31, 2024.

FISCAL IMPACT:

<u>Amount:</u>	CDBG:	\$3,741,544
	HOME:	\$ 913,894
	ESG:	\$ 328,988

Funding Source: HUD provided CDBG, HOME, and ESG entitlement funds to the City of Des Moines for Program Year 2024

ADDITIONAL INFORMATION:

- Rental units constructed included Star Lofts. Construction of Star Lofts, which contains 20 total affordable rental units, was completed in 2024 but not officially closed in the online reporting system for HUD until early 2025. These units will be counted in the 2025 CAPER.
- Six (6) new homeowner housing units were constructed and therefore six (6) homebuyers received direct financial assistance. All of the units were constructed by Habitat for Humanity and utilized HOME funds. Ten (10) other homeowner housing units were also constructed in 2024 but not officially closed in the online reporting system for HUD until early 2025. These units will be counted in the 2025 CAPER.

- The 2024 yearly goal for public service activities was exceeded. IMPACT Community Action Agency, a local nonprofit that provides energy, food, and housing assistance along with connecting residents to other vital resources, served 65,164 clients.

2024 Annual Action Plan Goals with Entitlement Funds		
Indicator	2024 Goal	2024 Actual
Affordable Housing		
Rental Units Constructed	5	0 ^a
Rental Units Rehabbed	0	8 ^b
Homeowner Units Constructed	12	6 ^c
Direct Financial Assistance to Homebuyers	12	6
Homeowner Units Rehabbed	20	19 ^d
Housing for Homeless Added	0	0
Housing Code Enforcement/Foreclosed Property Care	5,000	5,275
Homelessness Strategy		
Households Assisted with Rapid Rehousing	35	27
Homeless Persons Assisted with Overnight Shelter	1,000	2,703
Persons Assisted with Homelessness Prevention	0	32
Public Services		
Persons Assisted with Public Service Activities	20,000	65,164
Public Facilities		
Persons Assisted with Public Facility/Infrastructure Activity	1,600	1,493 ^e

^a Star Lofts is a new construction rental property that was awarded \$350,000 in HOME funding in 2022. It contains 20 total units, all of which are affordable, and two (2) will be monitored under the HOME Program. Construction is complete and figures will be included in the 2025 CAPER.

^b Professor Holdings rehabbed seven (7) total rental units, four (4) of which are affordable. It was awarded \$80,000 in CDBG funding in 2022. BTB Investments 2 is rehabbing 40 total rental units, all of which will be affordable. It was awarded \$1,000,000 in CDBG funding in 2023. Construction is complete on four (4) units and will continue over the next two (2) years.

^c Habitat for Humanity constructed 16 new affordable homeowner housing units but only six (6) were officially closed within the HUD reporting system in 2024. Figures for the remaining houses will be included in the next CAPER.

^d Improving Our Neighborhood (ION) program expended over \$775,000 in CDBG funding on 10 owner-occupied rehab projects in 2024, all of which were low- or moderate-income households. Construction is complete on all 10 properties. ION also completed an additional eight (8) properties that began construction in previous years. To date, ION has completed 26 owner-occupied residential rehab projects for a total of \$1,882,480.31 in CDBG funding since 2023. There are still seven (7) properties in different stages of the application, review, and construction process. The City also collaborated with Home Inc. to rehab one (1) owner-occupied property for a multi-generational low- or moderate-income household that was no longer habitable due to fire damage.

° Cohen Park was allocated \$500,000 in CDBG funding in 2023 and upgrades were completed in 2024. It is located in a low- or moderate-income block group with a population of 1,493. New amenities include a half basketball court, bouldering area, interactive ball wall, landscaping, storm water retention, benches, and multi-use paths.

- The City of Des Moines, in collaboration with The City of West Des Moines and Polk County, completed an Analysis of Impediments to Fair Housing in 2024 after extensive research and community engagement. Within the first few months, progress has already started towards meeting Goals 3 and 5 outlined in the report:

- **Goal 3:** Promote the preservation of affordable housing units in locations that improve health and quality of life with consideration to the needs of protected classes.

Progress: An agreement is in place for HOME Inc. to assist with starting the Community Land Trust (CLT). They will file for 501c3 status and begin populating the first properties in 2025. The CLT board has been created with approved by laws and articles of incorporation. Polk County, City of Des Moines, and City of West Des Moines have provided funding necessary to assist with starting the CLT.

- **Goal 5:** Support more service-enriched housing models.

Progress: The Monarch is an adaptive reuse permanent supportive housing property that was awarded \$1,000,000 in HOME Investment Partnerships American Rescue Plan Program (HOME-ARP) funding in 2023. It contains 38 permanent supportive housing units. Construction was completed in early 2025.

- The programs and services demonstrated here are only a small portion of the overall affordable housing development projects or services occurring in Des Moines. Other resources from the City, county, state, nonprofit partners, and private investment result in a greater impact than the figures demonstrated in the CAPER. For example, Des Moines requires affordable units to be included in projects that receive Tax Increment Financing (TIF). In 2024, two projects were completed with assistance from TIF that created 12 affordable units.

PREVIOUS COUNCIL ACTION(S):

Date: February 24, 2025

Roll Call Number: [25-0269](#)

Action: [On](#) 2024 HUD CAPER, (3-14-25). Moved by Gatto to adopt. Second by Voss. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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