

COUNCIL COMMUNICATION

	Number:	25-409	Meeting:	November 3, 2025
	Agenda Item:	37	Roll Call:	25-1505
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Public hearing for approval of the proposed 2026 Action Plan as part of the U.S. Department of Housing and Urban Development (HUD) 2025-2029 Consolidated Plan.

SYNOPSIS:

As a recipient of federal grant funding from HUD, the City of Des Moines is required to submit an Annual Action Plan as an update to its five (5)-year Consolidated Plan. The Annual Action Plan details how the City of Des Moines intends to use its federal funds. The HUD funding includes Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Emergency Solutions Grant (ESG). This Council action is for the City of Des Moines regular federal funding allocation; it does not include any additional funds or special programming. At this time, funding estimates are utilized until final allocations are provided by HUD.

One (1) requirement before submitting the Annual Action Plan is to obtain public input about the plan. This public hearing is one (1) opportunity for the public to submit comments.

FISCAL IMPACT:

Amount: \$3,760,000 in CDBG; \$920,000 in HOME; and \$328,774 in ESG

Funding Source: This funding will come from HUD.

ADDITIONAL INFORMATION:

- The estimated funding breakdown for proposed projects is below. It includes anticipated program income.

2026 Projects	CDBG Funding	HOME Funding	ESG Funding	Total
Affordable Housing	\$1,091,811	\$414,000		\$1,505,811
Neighborhood-Based Service Delivery (NBSD)	\$1,616,189			\$1,616,189
Administration	\$ 752,000	\$ 92,000		\$ 844,000
Public Services	\$ 500,000			\$ 500,000
Community Housing Development Organization (CHDO)Activities		\$444,000		\$ 444,000
ESG Program & Administration			\$328,774	\$ 328,774
Total	\$3,960,000	\$950,000	\$328,774	\$5,238,774

- Affordable Housing includes funding towards rental and owner-occupied housing for low- and moderate-income households. Some of the expected projects include rehabbing eight (8) rental housing units, rehabbing eight (8) owner-occupied housing units, and constructing 12 housing units. These proposed outcomes may change once the actual allocation from HUD is known, which is expected to be known in spring 2026.
- NBSD includes funding for code enforcement activity delivery costs. NBSD is a community outreach effort that coordinates multiple City departments to focus efforts in distressed neighborhoods. Code enforcement officers address land use issues.
- Public Services includes funding for homebuyer education and counseling programs for tenants moving into homeownership. Funding will also be allocated to homelessness operations to assist low- and moderate-income clients with a range of services such as the Low-Income Heating and Energy Assistance Program (LIHEAP), food assistance, and other housing assistance. Finally, public services funding will include operational support for Central Iowa Shelter and Services (CISS).
- CHDO Activities is the funding allocation to HOME, Inc. to develop two (2) rental or owner-occupied housing units for low-income households as well as providing homebuyer assistance. Similar to the Affordable Housing projects, proposed outcomes may adjust once the actual allocation from HUD is known in spring 2026.
- The ESG Program and Administration includes funding to address homelessness, such as rapid rehousing and emergency shelter. Funds are allocated to service providers by a local competitive grant process, facilitated by City staff and Homeward. The 2025 ESG application cycle was in the summer of 2025, and those subrecipients will receive a similar allocation in 2026, adjusting by percentage for any changes in the funding once it has been finalized by HUD.
- Each program mentioned in the Consolidated Plan (CDBG, HOME, and ESG) has a different focus. CDBG funding is the most diverse funding stream. It provides decent housing and suitable living environments and expands economic opportunities, principally for low- and moderate-income persons. The HOME program funds housing projects, often in partnership with local nonprofit groups, which includes building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. ESG is intended to assist people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness.

PREVIOUS COUNCIL ACTION(S):

Date: September 29, 2025

Roll Call Number: [25-1292](#)

Action: [On](#) proposed 2026 Action Plan as part of the 2025-2029 Consolidated Plan for HUD (11-3-25). Moved by Gatto to adopt. Second by Voss. Motion Carried 7-0.

Date: June 9, 2025

Roll Call Number: [25-0863](#)

Action: [On](#) the proposed 2025-2029 Consolidated Plan, which includes the 2025 Action Plan, for HUD and reprogramming of prior years' unspent CDBG. ([Council Communication No. 25-237](#))
Moved by Gatto to adopt. Second by Westergaard. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- The federal funding amounts for each program above are estimates. Once Congress determines next year's budget, HUD will announce the City of Des Moines' allocation, and City staff will return to Council to reaffirm proposed plans with final allocations. In the past, this often occurred in early spring.
- City staff will also return to Council to approve grant agreements with HUD. This usually occurs in late summer.

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