


COUNCIL COMMUNICATION

	Number:	26-102	Meeting:	March 23, 2026
	Agenda Item:	35	Roll Call:	26-0389
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Public Hearing for approval of the 2025 Consolidated Annual Performance and Evaluation Report (CAPER) for Submission to the US 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 results are for the timeframe January 1, 2025 through December 31, 2025.

FISCAL IMPACT:

<u>2025 HUD Allocations:</u>	CDBG:	\$3,760,013.00
	HOME:	\$924,960.35
	ESG:	\$328,836.00

Funding Source: HUD provided CDBG, HOME, and ESG funds to The City of Des Moines for program year 2025.

ADDITIONAL INFORMATION:

- The number of rental units constructed exceeds the yearly goal. One (1) project was completed with twenty (20) total units, all of which are expected to be affordable. There are two (2) City of Des Moines HOME assisted units. There are four (4) other new-construction rental projects utilizing HOME funds in different stages of construction with a total of 106 units. These will be reported in future CAPERs.
 - There were three (3) new-construction rental projects completed utilizing tax increment financing (TIF) with a total of 261 total units, of which 53 are affordable. These are not counted in the CAPER because they did not utilize CDBG, HOME, or ESG funds.
- The number of rental units rehabbed exceeds the yearly goal. A total of 49 units were rehabbed, of which at least 21 are affordable, including 11 City of Des Moines HOME assisted units. There are

five (5) other rental rehab projects utilizing HOME and CDBG funds in different stages of rehab with a total of 89 units. These will be reported in future CAPERs.

- There was one (1) rental rehab project completed utilizing HOME-ARP funds with a total of 40 units, all of which are affordable. There is another rental rehab project, currently in-progress, utilizing HOME-ARP funds with a total of 18 units, all of which are expected to be affordable. These are not counted in the CAPER because they did not utilize CDBG, HOME, or ESG funds.
- The number of owner-occupied units constructed exceeds the yearly goal. 19 owner-occupied units, and therefore 19 homebuyer assistance activities, were completed by Habitat for Humanity and Home Inc. Also, an additional 10 owner-occupied units built in 2024 by Habitat for Humanity were officially closed-out in 2025.
- IMPACT Community Action Agency, a local nonprofit that provides energy, food, and housing assistance and connects residents to other vital resources, served 58,044 clients which exceeds the yearly goal of 20,000 for public services.

2025 Annual Action Plan Goals with Entitlement Funds		
Indicator	2025 Goal	2025 Actual
Affordable Housing		
Rental Units Constructed	1	2 ^a
Rental Units Rehabbed	8	21 ^b
Homeowner Units Constructed	12	29 ^c
Direct Financial Assistance to Homebuyers	12	29
Homeowner Units Rehabbed	8	6 ^d
Housing for Homeless Added	0	0
Housing Code Enforcement/Foreclosed Property Care	3,000	5,510
Homelessness Strategy		
Households Assisted with Rapid Rehousing	10	8
Homeless Persons Assisted with Overnight Shelter	1,200	2,493
Persons Assisted with Homelessness Prevention	10	18
Public Services		
Persons Assisted with Public Service Activities	20,000	58,044
Public Facilities		
Persons Assisted with Public Facility/Infrastructure Activity	5,000	4,913 ^e

^a-- Star Lofts is a new construction rental property that was awarded \$350,000 in HOME funding in 2022. It contains twenty (20) total units. There are two (2) City of Des Moines HOME assisted Units.

-- Alley Landing is a new construction rental property that was awarded \$400,000 in HOME funding in 2024. It contains forty (40) total units. There are five (5) City of Des Moines HOME assisted units. Construction is complete, however, the building is not fully leased yet. These figures will be reported in the next CAPER.

-- Townhall Food Hall and Apartments is a new construction and rehab rental property that was awarded \$750,000 in HOME funding in 2025. It will contain twenty-nine (29) total units. There will be four (4) City of Des Moines HOME assisted units. Construction will continue in 2026.

-- Uptown Commons is a new construction rental property that was awarded \$535,000 in HOME funding in 2025. It will contain nine (9) total units. There will be three (3) City of Des Moines HOME assisted units. Construction will continue in 2026.

-- Goldfinch Lofts is a new construction rental property that was awarded \$500,000 in HOME funding in 2025.

It will contain twenty-eight (28) total units. There will be two (2) City of Des Moines HOME assisted units. Construction will continue in 2026.

^b-- BTB Investments 2 is rehabbing forty (40) total rental units, all of which will be affordable. It was awarded \$1,000,000 in CDBG funding in 2023. Rehab was completed on seven (7) units in 2025. Rehab will continue in 2026.

-- 36th on 6th completed the rehab of four (4) total rental units, three (3) of which are affordable. It was awarded \$500,000 in CDBG funding in 2023.

-- Ingersoll Park completed the rehab of thirty-eight (38) total rental units. There are eleven (11) City of Des Moines HOME assisted units. It was awarded \$33,000 in HOME funding in 2024.

-- Ellipsis is converting an office building into housing with eighteen (18) total units and offering Qualified Residential Treatment Programming (QRTP) and Supportive Apartment Living (SAL) for girls in foster care. It was awarded \$1,000,000 in CDBG funding in 2024. The rehab is complete and programming has started but this project is not officially closed out, yet. These figures will be reported in the next CAPER.

-- Community Housing Initiative, Inc is rehabbing twenty-six (26) total rental units. It was awarded \$280,000 in HOME funding in 2023. There will be six (6) City of Des Moines HOME assisted units. Rehab will continue in 2026.

-- Professor Holdings is rehabbing seven (7) total units, five (5) of which will be affordable. It was awarded \$160,000 in CDBG funding in 2024. Rehab will continue in 2026.

-- Des Moines Film Center is rehabbing six (6) total rental units, four (4) of which will be affordable. It was awarded \$700,000 in CDBG funding in 2024. The rehab is complete, however, the building is not fully leased yet. These figures will be reported in the next CAPER.

-- The Beacon Village II is converting a motel into housing with thirty-two (32) total rental units, seventeen (17) of which will be affordable. There will also be one (1) City of Des Moines HOME assisted unit. It was awarded \$650,000 in CDBG funding and \$100,000 in HOME funding in 2025. Rehab will continue in 2026.

^c-- Habitat for Humanity constructed sixteen (16) new affordable owner-occupied housing units and HOME Inc. constructed three (3) new affordable owner-occupied housing units in 2025. Homebuyer assistance was also provided for these units. There were also ten (10) closings in 2025 from affordable owner-occupied housing units that were built by Habitat for Humanity in 2024.

^d-- The Improving Our Neighborhood (ION) program allocated over \$466,000 in CDBG funding to complete six (6) owner-occupied rehab projects in 2025, all of which were low- or moderate-income households. There are currently four (4) projects in different stages of the application, review, and rehab process. To date, ION has allocated \$2,209,607.87 in CDBG funding to complete the rehab of thirty (30) owner-occupied housing units.

^e-- Birdland Sports Park was allocated \$500,000 in CDBG funding for park upgrades in 2024. The project was completed in 2025. The estimated population assisted is approximately 2,588.

-- The sidewalks along Fremont St and Euclid Ave were allocated \$224,090 in CDBG funding for upgrades in 2024. The projects were completed in 2025. The estimated population assisted is approximately 2,325.

- 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. Below is an outline of the progress made towards multiple goals from that report.

Theme: Advance equity with education.

Goal 2: Encourage program partners to provide financial literacy, rental, and homebuyer education and counseling and resources.

Strategy C: Develop a Landlord and Property Manager Best Practices Toolbox, with course competencies concerning landlord/tenant laws, rental property condition responsibilities, tenant notices, options for ending tenancy.

Progress: HOME, Inc. provided monthly educational training opportunities for landlords and property managers to strengthen knowledge of landlord-tenant responsibilities and promote consistent, fair housing practices in the rental market.

Theme: Implement other policies and practices that address disparate impacts.

Goal 9: Promote current and research new creative financing or ownership tools.

Strategy A: Develop and promote non-traditional homeownership programs that work with people to improve their financial base while moving toward homeownership, such as Community Land Trust.

Progress: The Community Land Trust (CLT) expands access to homeownership opportunities for income-qualified households in neighborhoods where market prices may otherwise limit affordability. It lowers the purchase price and monthly housing costs while applying resale provisions that preserve affordability for future buyers. By combining the CLT model with available homebuyer assistance resources, the Central Iowa Community Land Trust (CICLT) helps reduce financial barriers to entry for households seeking homeownership. The CICLT completed its first year of board operations, including approval of the organization's Articles of Incorporation and Bylaws, holding its first membership meeting, and initiated the process to obtain 501(c)(3) nonprofit status. The first homes are anticipated to enter the CICLT portfolio in 2026.

Theme: Preserve and promote affordable housing.

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.

Strategy C: Implement priorities identified in the 2019 Des Moines Regional Workforce Housing Strategy to inventory and monitor the affordability of rental and homebuyer units with government subsidy. Implement strategies to adjust programs as changes to our local and regional economy occur concerning job wages and availability of affordable units.

Progress: Polk County Housing Trust Fund (PCHTF) developed a regional preservation inventory of federally assisted rental properties located in Polk, Dallas, and Warren Counties. The inventory compiles data including subsidy types and projected expiration dates of affordability restrictions. This information provides a basis for coordination with property owners and housing stakeholders to maintain the supply of affordable housing for low- and moderate-income households.

Goal 4: Encourage development or preservation of affordable housing units with consideration to the needs of protected classes.

Strategy A: Modify development/funding agreements for City or County-funded new construction or rehabilitation rental projects to include provision that improve the quality, accessibility, safety, and affordability of units, including design requirements and stipulated tenant lease terms and fees that can be changed by the landlord.

Progress: The City provided CDBG funding for infrastructure of a development that includes fifteen (15) single-unit detached homes designed to be consistent with the surrounding neighborhood and sold to income-qualified households below 80% area median income (AMI). Construction of an access road was required as a condition of receiving assistance which helped ensure the development met neighborhood connectivity and safe access for emergency vehicles.

Strategy B: Fund homebuyer housing units for households below 80% AMI, with a goal of developing 30- 3+ bedroom units for homeownership across all participating jurisdictions.

Progress: The City supported the construction and sale of nineteen (19) single-unit homes for income-qualified homebuyers through partnerships with HOME Inc. and Habitat for Humanity. Of the 19 homes completed, 13 contain three bedrooms, five contain four bedrooms, and one contains six bedrooms.

Strategy C: Fund the construction or renovation of 50 rental units per year in structures with 5+ units for households below 60% AMI, with a minimum of 5% of the rental units containing 3+ (three) bedrooms across all jurisdictions.

Progress: Townhall Food Hall and Apartments, Uptown Commons, and Goldfinch Lofts were awarded City of Des Moines HOME funding in 2025. There will be 56 total units constructed with more than five units reserved for households below 60% AMI. Alley Landing received City of Des Moines HOME funding in 2024. Construction was completed in 2025. The building has 40 total units, including 15 with three-bedrooms.

Goal 5: Support more service-enriched housing models.

Strategy A: Increase the number of permanent housing units with supportive services for the chronically homeless, those with episodic homelessness, and those at risk of homelessness.

Progress: Monarch Apartments is a 40-unit Permanent Supportive Housing (PSH) development created through the conversion of a former Days Inn hotel on Merle Hay Road by Anawim Housing. Rehab was completed in 2025. The project provides permanent housing and 24-hour onsite supportive services. It represents an innovative approach to expanding the supply of supportive housing and address the housing needs of individuals experiencing homelessness by providing safe, stable housing paired with services using trauma-informed and person-centered practices.

Strategy B: Implement housing-focused case management.

Progress: The Polk County Housing Solutions Alliance (HSA) was formally established as a cross-sector leadership body responsible for guiding implementation of the Blueprint to Address Homelessness and aligning public, private, and nonprofit resources to address identified system gaps. The HSA Board hired an executive director, approved organizational Bylaws, and confirmed the initial board structure and appointments, formalizing the oversight body responsible for guiding strategy, supporting funding alignment, and monitoring progress toward Blueprint priorities.

Strategy D: For youth ages 18-24 who are experiencing housing insecurity, research and identify funding sources for the expansion of service-enriched housing models that are facilitated by close proximity between housing, social services, and youth clients, including the provision of housing facilities with health, social, educational, and emotional enrichment programs to help students, especially those youth with limited-English speaking parents.

Progress: Ellipsis acquired a 14,442-square-foot building at 5525 Meredith Drive and completed renovations in 2025 to create 10 Qualified Residential Treatment Program (QRTP) beds and 8 Supervised Apartment Living (SAL) efficiency units. The program provides residential treatment services and a transition to supervised independent living for youth aging out of foster care who face elevated risk of homelessness.

Theme: Encourage social equity and mitigate disparate impacts through local government policies and practices.

Goal 8: Address zoning, city codes, and policies that limit housing choices.

Strategy C: Improve condition of rental properties and require landlords to provide higher quality rental units through inspection enforcement.

i: Identify and implement ways to strengthen City inspection's ability to enforce rental code with landlords who don't maintain suitable living environments in rental properties.

ii: Increase inspection staff training to ensure the provision of consistent inspection services that include clear expectations for staff and property owners, improved accuracy of inspections, and more efficient enforcement.

Progress: City Council approved an amendment to Chapter 60 of the City's Rental Property Housing Code, which took effect in 2025. The revisions focused on administrative enforcement procedures related to rental complaints, penalties for noncompliance, and fines. The City adopted a structured rental complaint process that allows tenants to submit complaints and establishes a clear escalation pathway to City enforcement if issues are not addressed. The amendment also allows staff to impose administrative fines and refer cases directly to the City's Legal Department without prior approval from the Housing Appeals Board. In addition, the maximum fine was increased from \$5 to \$10 per violation per day. The Neighborhood Services Department also conducted a series of staff trainings in 2025. Training topics included rental code enforcement procedures, certified notice and administrative hearing processes, corrective action documentation, deficient property case management, emergency structure board-up procedures, and border area (right-of-way) enforcement. Staff received guidance on legal case communication, customer service coordination across departments, rental renovation agreements, inspection scheduling accuracy, and property case tracking within the City's software system. Additional professional development included joint training with the Police Department and attending the Iowa Association of Code Enforcement Annual Conference, where staff received training on code enforcement practices, rental program administration, property maintenance standards, lead and mold enforcement, and effective communication strategies.

- Below outlines the statuses of housing projects receiving City funding assistance. Overall, there were 608 housing units started, in-progress, or completed in 2025, of which 336 are affordable. Many of these are not included in the 2025 CAPER because of reporting requirements from HUD. Most will be reported in future CAPERs.

Rental New-Construction					
Name	Address	Construction Status	Total Units	Affordable Units	Funding Source
Star Lofts	2701 Ingersoll Ave	Completed	20	20	HOME
Alley Landing	2701 Douglas Ave	Completed	40	40	HOME
Townhall Foodhall and Apartments	1601 6 th Ave	Started	29	29	HOME
Uptown Commons	4105 University Ave	Started	9	3	HOME
Goldfinch Lofts	3404 Ingersoll Ave	Started	28	28	HOME
13 th & Mulberry	1301 Mulberry St	Completed	81	31	TIF
The Meridian	425 SW 11 th St	Completed	174	18	TIF
Center @ 6th	1760 6 th Ave	Completed	6	4	TIF
Total			387	173	

Rental Rehab					
Name	Address	Construction Status	Total Units	Affordable Units	Funding Source
Spire Properties	Scattered Sites	Completed	7	7	CDBG
Klein Building	3614 6 th Ave	Completed	4	3	CDBG
Ingersoll Park	4906 Ingersoll Ave	Completed	38	11	HOME
The Monarch	4845 Merle Hay Rd	Completed	40	40	HOME-ARP
Ellipsis	5525 Meredith Dr	Completed	18	18	CDBG
Evergreen Trail	Scattered Sites	In-Progress	26	26	HOME
Professor Holdings	Scattered Sites	In-Progress	7	5	CDBG
Varsity Lofts	1215 25 th St	Started	6	6	CDBG
Starts Right Here	525 E 9 th St	Started	18	5	HOME-ARP
The Beacon Village II	1348 E Euclid Ave	Started	32	17	CDBG & HOME
Total			196	138	

Owner-Occupied New-Construction					
Name	Address	Construction Status	Total Units	Affordable Units	Funding Source
Habitat for Humanity	Scattered Sites	Completed	16	16	HOME
HOME Inc	Scattered Sites	Completed	3	3	HOME
Total			19	19	

Owner-Occupied Rehab					
Name	Address	Construction Status	Total Units	Affordable Units	Funding Source
ION	Scattered Sites	Completed	6	6	CDBG
ION	Scattered Sites	Started	4	4	CDBG
Total			10	10	

PREVIOUS COUNCIL ACTION(S):

Date: February 23, 2026

Roll Call Number: [26-0238](#)

Action: [On](#) approval of the 2025 U.S. Department of Housing and Urban Development (HUD) Consolidated Annual Performance and Evaluation Report, (3-23-26). 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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