



Date April 10, 2023

**PUBLIC HEARING FOR REPROGRAMMING OF PRIOR YEARS' UNSPENT COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS, A SUBSTANTIAL AMENDMENT TO THE 2023 ANNUAL ACTION PLAN, AND APPROVAL OF RELATED GRANT AGREEMENTS WITH THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) UNDER THE 2020-2024 CONSOLIDATED PLAN**

**WHEREAS**, on November 4, 2019, by Roll Call No. 19-1792, the City Council held a public hearing regarding the proposed 2020-2024 Consolidated Plan, which outlines the City's five-year strategy for use of its entitlement funds such as Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME) Program, and Emergency Solutions Grant (ESG) from the U.S. Department of Housing and Urban Development (HUD), and authorized the City Manager to submit the 2020-2024 Consolidated Plan to HUD; and

**WHEREAS**, on November 7, 2022, by Roll Call No. 22-1760, the City Council held a public hearing regarding the proposed 2023 Action Plan, as part of the 2020-2024 Consolidated Plan, and authorized and directed the City Manager to submit the 2023 Action Plan with the required SF-424 application forms and required certifications to HUD; and

**WHEREAS**, on February 9, 2023, HUD's Office of Community Planning and Development issued notice 23-01 instructing entitlement communities, such as the City of Des Moines, to delay submission of their Annual Action Plans until after HUD announces the Fiscal Year (FY) 2023 allocations; and

**WHEREAS**, on February 27, 2023, Congress passed the Consolidated Appropriations Act, 2023, which included HUD's Fiscal Year 2023 appropriations in Public Law 117-164; and

**WHEREAS**, the City has 60 days from HUD's allocation announcement to submit its 2023 Annual Action Plan, which will be on or around April 28, 2023; and

**WHEREAS**, the City's 2023 Annual Action Plan requires a Substantial Amendment, reallocating previous years' CDBG funding into affordable housing projects, primarily owner-occupied housing repair; and

**WHEREAS**, pursuant to Title 24 in the Code of Federal Regulations (CFR) Part 91, the City must provide residents with reasonable notice and an opportunity to comment on substantial amendments, providing at least 30 calendar days to receive comments before the substantial amendment is submitted to HUD and implemented; and

**WHEREAS**, on March 6, 2023, by Roll Call No. 23-0301, in compliance with the HUD regulations, the City Council set a public hearing for April 10, 2023 at 5:00 p.m. to obtain citizen comments regarding the Substantial Amendment to the Annual Action Plan for the 2023 Program Year; and

**WHEREAS**, due notice of the public hearing was published in the Des Moines Register on March 10, 2023, and hard copies of the proposed Substantial Amendment for the 2023 Program Year were available at all of the Des Moines Public Library branches and a virtual copy was posted on the city's web site, dsm.city, in order to provide citizens with the opportunity to participate in the hearing; and



Date April 10, 2023

WHEREAS, the public hearing on this date has been opened and those seeking to comment on the Substantial Amendment for the 2023 Annual Action Plan have been afforded the opportunity to do so.

WHEREAS, the City Manager has reviewed unspent prior year CDBG funding and is recommending that these funds be utilized as set out in the attached council communication and simultaneously administered with the proposed 2023 Annual Action Plan activities; and

WHEREAS, once HUD has received and approved the 2023 Annual Action Plan with the actual grant amounts, HUD will forward three Grant Agreements for \$3,743,198 (CDBG), \$1,120,883 (HOME), and \$336,226 (ESG), which will be on file with the City Clerk and by this reference made a part hereof, which represent grant awards for use in the City's 2023 CDBG, HOME, and ESG programs.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of Des Moines, Iowa, that:

- 1. The City Manager's recommendations regarding the utilization of unspent prior years CDBG funding as set out in Council Communication No. 23-170 are hereby approved.
2. The above-referenced Grant Agreements by and between HUD and the City of Des Moines, whereby the City will receive grant awards of \$3,743,198 (CDBG), \$1,120,883 (HOME), and \$336,226 (ESG) funding for the implementation of the Fourth Year (2023) Annual Action Plan of the 2020-2024 Consolidated Plan for the period of January 1, 2023 to December 31, 2023, are hereby approved.
3. The Mayor is hereby authorized and directed to execute the above referenced Grant Agreements and the City Clerk to attest to his signature once those Grant Agreements have been forwarded by HUD. (Council Communication No. 23-170)

Moved by \_\_\_\_\_ to adopt. Second by \_\_\_\_\_.

APPROVED AS TO FORM:

(Council Communication No. 23-170)

/s/ Gary D. Goudelock Jr.
Gary D. Goudelock Jr., Assistant City Attorney

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, BOESEN, GATTO, SHEUMAKER, MANDELBAUM, VOSS, WESTERGAARD, TOTAL, MOTION CARRIED, APPROVED.

Mayor

CERTIFICATE

I, LAURA BAUMGARTNER, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

City Clerk

City of Des Moines  
Proposed Substantial Amendment to the 2023 Annual Action Plan  
Draft for Public Review  
March 10, 2023

**Summary**

The U.S. Department of Housing and Urban Development (HUD) determines the Community Development Block Grant (CDBG) amount that The City of Des Moines receives each year in the form of an entitlement grant based on city population, proportion of low- and moderate-income residents, and other demographic factors. If funds are not expended during the program year for which they are allocated, they must be reallocated to a program in a following year.

The Substantial Amendment is necessary because it meets at least one of the criteria listed in the City’s Citizen Participation Plan as part of the Consolidated Plan.

The Annual Action Plan documents the federally funded objectives, activities, and outcomes for the upcoming program year. The City of Des Moines proposes to amend its 2023 Annual Action Plan by reallocating 2021 and 2022 CDBG funds that were unspent due to staff shortage, slow implementation of the owner-occupied housing rehab program, lack of marketing and underutilization of housing development site preparation funds, slow subrecipient spending for public service contracts, and simultaneous administration of Coronavirus Aid Relief and Economic Security (CARES) and American Rescue Plan (ARP) Acts.

**Fiscal Impact**

The total amount of funds that must be reallocated is \$3,042,340.20.

Reallocation of funding to 2023 Annual Action Plan		
Reprogram Amount	Original Activity	New Activity
\$996,295.68	NID - Code Enforcement/NHBSD (2021)	NID - Code Enforcement/NHBSD (2023)
\$601,470.82	Homeowner Rehab - Casa Vista & ION	Homeowner Rehab - ION
\$14,816.57	IMPACT Community Action Partnership	Homeowner Rehab - ION
\$830,070.00	Housing Development Site Preparation	Homeowner Rehab - ION
\$50,000.00	Housing Counseling - DMMHA	Homeowner Rehab - ION
\$274,957.65	Administration	Homeowner Rehab - ION
\$274,729.48	Revolving Loan Fund Balance (12/31/22)	Homeowner Rehab - ION

Staff recommends \$2,046,044.52 be reallocated to owner occupied repairs. Funding will assist low- and moderate-income homeowners repair their deteriorating properties. The additional funding will greatly increase the expected number of homeowner housing units that can be repaired.

**Eligibility**

Funding will be reallocated to activities that are eligible uses of CDBG funds as permitted under 24 CFR 570.202.

**Public Comment**

In accordance with HUD regulations and the City's Citizen Participation Plan as part of the Consolidated Plan, a public hearing is scheduled for April 10, 2023. A notice of public hearing is posted in the Des Moines Register on March 10, 2023. The Substantial Amendment will be posted to the city's website and distributed to all Des Moines Public Library Locations on March 10, 2023 as well. A summary of public comments received will be attached to the final version of the Substantial Amendment submitted to HUD.

**Contact Information**

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