

Meeting Agendas/Info

CITY COUNCIL
COMMUNICATION:

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

01-046

SYNOPSIS -

AGENDA:

JANUARY 22, 2001

It is recommended to the City Council to approve increase of payment standards, for the Section 8 Voucher Program, to 110 percent of current fair market rent.

SUBJECT:

SECTION 8
VOUCHER
PROGRAM
PAYMENT
STANDARDS

FISCAL IMPACT -

N/A

RECOMMENDATION -

Approval.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

BACKGROUND -

SUBMITTED BY:

RUSSELL C.
UNDERWOOD
ACTING HOUSING
DIRECTOR

The payment standard is the amount used to calculate the housing assistance a family will receive on the Section 8 Housing Voucher Program. Fair market rent is the standard for rent and utilities to obtain privately owned, existing, decent, safe, and sanitary rental housing of a modest nature. On July 1, 1999, the payment standard was increased to 97 percent of the fair market rent. The payment standards were set at:

Bedroom Size of Unit	Payment Standard
0	\$354
1	\$447
2	\$551
3	\$715
4	\$751

Based on the Administrative Plan and the U.S. Department of Housing and Urban Development (HUD) guidelines, the Housing Agency may increase the payment standard annually for each bedroom size to ensure that families can continue to afford units under the program. The payment standards must be between 90-110 percent of the fair market rents. We are requesting an increase in the amount of 110 percent. The payment standards will be:

Bedroom Size of Unit	Payment Standard
0	\$399
1	\$503
2	\$621
3	\$806
4	\$847

A higher payment standard will make more units available to Section 8 families, increase the number of families who successfully lease units with their vouchers, and relieve the rent burden the families will experience (keeping the burden to 30 percent of income for rent and utilities).