



MHGB

COMMUNICATION

Item No

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GENERAL INFORMATION

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Roll Call

Submitted by: Chris Johansen, Housing Services Director

SUBJECT—

Authorizing Submission of Payment Standards

SYNOPSIS—

Requesting approval to submit the proposed Payment Standards for the Section 8 Housing Choice Voucher Program to the U.S. Department of Housing and Urban Development (HUD).

FISCAL IMPACT—

Not Applicable

RECOMMENDATION—

Approval

BACKGROUND—

The Des Moines Municipal Housing Agency (DMMHA) is required by the U.S. Department of Housing and Urban Development (HUD) to establish payment standards by bedroom size for the Section 8 Voucher Program. Further, the Federal regulations require that Housing Agencies review their payment standards annually. The payment standard is used to calculate the monthly housing assistance payment for a family under the Section 8 Voucher program. The range of

possible payment standard amounts is based on HUD's published fair market rent (FMR) schedules.

In an effort to ensure the payments standard amounts are high enough to allow families a reasonable selection of housing opportunities within Polk County, the DMMHA has set its payment standards at 110% of the published FMR.

HUD published an increase in the FMR for the Des Moines Metropolitan area on October 1, 2003. DMMHA has since reviewed its current payment standards, the current success rate of Section 8 voucher holders in finding a suitable unit to lease, and the rent burdens of our current participants. The results of this review revealed that DMMHA current payment standards represent 109% of the revised FMR and are within the HUD guidelines (payment standards must be between 90% and 110% of the FMRs). The review also revealed that current DMMHA payment standards are high enough to ensure that Section 8 households are able to find suitable housing (85% of voucher holders in search of housing find units and lease up). Finally, the DMMHA found that its current payment standards are sufficient to ensure low rent burdens as only 9.6% of participating families are paying more than 30% of their income for rent (regulations permit families to pay between 30% and 40% of their income for rent at the time of lease renewal.)

Based on the results of its reviews, the DMMHA is not proposing an increase in current payment standards at this time.