



Agenda Item:

M.H.G.B.4

MHGB COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 11/21/05
Agenda Item Type: Resolution

Communication No.: 05-647
Roll Call No.:

Submitted by: Chris Johansen, Housing Services Director

SUBJECT—

Authorizing Submission of the Des Moines Municipal Housing Agency's Revised Utility Allowance Schedules.

SYNOPSIS—

Requesting approval to submit to the U.S. Department of Housing and Urban Development (HUD) the Des Moines Municipal Housing Agency's proposed utility allowance schedules for Section 8 and Public Housing Programs.

FISCAL IMPACT—

The proposed utility allowance schedules for Section 8 will increase the amount of Housing Assistance Payments (HAP) made by the Agency on behalf of clients. This increase can impact the total number of families our HAP subsidy can provide assistance to during the next calendar year.

Public Housing anticipates that rental income will reduce by approximately \$15,000 – \$25,000. This equates to a monthly reduction of approximately 2% in rent.

RECOMMENDATION—

Approval

BACKGROUND—

The Des Moines Municipal Housing Agency (DMMHA) is required by the HUD to provide utility allowances for Section 8 and Public Housing residents who pay their own utilities. Federal Regulations governing these programs require that Housing Agencies review their utility allowances annually and

make adjustments to the schedules if there is a change in the utility rate of 10% or more from the rate on which the allowance is based.

Each year staff sends correspondence to the utility companies requesting information on recent and proposed increases in monthly utility rates. The responses from these inquiries are reviewed and adjustments in the utility allowance schedules are made accordingly.

This year's response from MidAmerican Energy indicates an estimated 31% increase in natural gas utilities and no change in the electric utilities.

This year's response from the Des Moines Water Works indicates an increase in water rates of 2.8% per month. In addition, the City of Des Moines Public Works Department reported an increase in storm water rates from \$5.55 to \$5.83 per month and an increase in sewer rates of 8% per month. Therefore, an increase in the utility allowances for these charges is being recommended at this time. The effective date of these increases will be December 1, 2005, for both the Section 8 Housing Choice Voucher Program and Public Housing Program.

The Public Housing Program does not provide an allowance for air conditioning and does not include mobile home units; therefore, the Des Moines Municipal Housing Agency has separated the utility allowance schedules for the Section 8 Programs and the Public Housing Program to reflect these differences.

Based on the information received from the utility companies and the Public Works Department, the following changes to the utility allowance schedules will be proposed: increase the utility allowance for natural gas utilities by 31%, increase the allowance for water by 2.8%, sewer by 8% and increase the allowance for storm water to \$5.83 per month.