

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> December 5, 2011
	<b>Agenda Item No.</b> [                    ] <b>Roll Call No.</b> [                    ] <b>Communication No.</b> <u>11-743</u> <b>Submitted by:</b> <b>Doug Romig, Housing Services Director</b>

**AGENDA HEADING:**

Approving utility allowance schedules for Public Housing and Section 8 programs to be effective December 1, 2011.

**SYNOPSIS:**

Recommendation from Housing Services Board to approve the utility allowance schedules for Public Housing and Section 8 programs to be effective December 1, 2011.

**FISCAL IMPACT:**

Amount: \$461,549; Expense decrease of approximately \$452,520 for Section 8; Expense decrease of approximately \$9,029 for Public Housing; Expense decrease will be realized over time as annual updates of clients are processed.

Funding Source:

FY12 Operating Budget, Housing Services Department, Section 8, SP350, HSG190000, page 143; FY12 Operating Budget, Housing Services Department, Disposed Homes, SP350, HSG021500, page 140; FY12 Operating Budget; Housing Services Department, 5h Homeownership, SP350, HSG021600, page 141.

**ADDITIONAL INFORMATION:**

On November 16, 2011, by Roll Call Number 11-15, the Housing Services Board approved a recommendation to adjust the Des Moines Municipal Housing Agency’s (DMMHA) utility allowance schedules. The DMMHA is required by the U.S. Department of Housing and Urban Development (HUD) to provide utility allowance for Section and Public Housing residents who pay their own utilities. Federal Regulations governing these programs require that Housing Agencies review their utility allowance annually and make adjustments to the fee schedules if there is a change in the utility rate of 10% or more from the rate on which the allowance is based.

The DMMHA used the HUD Utility Schedule Module to figure the annual utility allowance amounts. Staff sent correspondence to the utility companies requesting information on current rates as HUD’s Utility Schedule Module accounts for summer/winter differences. Overall there was an 11% decrease from last year. An increase in water of 10% and a decrease in gas by 31.5%, resulting in the allowance for a typical three bedroom single-family home to decrease from approximately \$272 (2010) to \$243 (2011). The Public Housing Program does not provide for an allowance for air conditioning and does not include mobile home units; therefore, the DMMHA has separated the utility allowance schedules for

the Section 8 Programs and the Public Housing Program to reflect these differences.

As the utility allowance amount calculated for a type of utility decreased by more than 10%, a revision to the utility allowance schedules is being recommended to become effective retro-active to December 1, 2011. The utility schedules are attached to the Roll Call as "Exhibit A". The cost savings, which will be realized over the course of the next year will reduce operational expense and ultimately allow the Agency to issue additional Section 8 vouchers to maximize the financial utilization formula established by HUD.

**PREVIOUS COUNCIL ACTION(S):**

Date: November 22, 2010

Roll Call Number: 10-1907

Action: [Approval](#) of Des Moines Municipal Housing Agency proposed Utility Allowance Schedules effective December 1, 2010. ([Board Communication No. 10-696](#)) **Moved by Coleman to adopt. Motion Carried 6-1.**

**BOARD/COMMISSION ACTION(S):**

Board: Housing Services Board

Date: November 16, 2010

Resolution Number: 11-15

Action: Approved recommendation to the Municipal Housing Governing Board to adjust the Des Moines Municipal Housing Agency's utility allowance schedules.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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