

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b>	October 8, 2012
	<b>Agenda Item No.</b>	MHGB2
	<b>Roll Call No.</b>	<u>12-1530</u>
	<b>Communication No.</b>	<u>12-524</u>
	<b>Submitted by:</b>	<b>Douglas C. Romig, Housing Services Director</b>

**AGENDA HEADING:**

Approving Des Moines Municipal Housing Agency’s (DMMHA) payment standards.

**SYNOPSIS:**

Approving recommendation of Housing Services Board regarding DMMHA’s payment standard recommendation for three (3) bedroom units.

**FISCAL IMPACT:**

Amount: \$91,000 estimated increase in Housing Assistance Payments from DMMHA.

Funding Source: U.S. Department of Housing and Urban Development (HUD); Housing Services Department Operating Budget; Section 8; SP350 HSG190000; page 143.

**ADDITIONAL INFORMATION:**

HUD provides an annual review of Fair Market Rents for geographical locations throughout the United States. Public Housing Agencies which receive their funding from HUD, must set their payment standard between 90% and 110% of the HUD established Fair Market Rents (FMR). The 2013 proposed payment standards have been published and approved by HUD.

DMMHA staff has reviewed the proposed payment standards and is recommending a revision to these standards for three (3) bedroom units, as they have fallen under the 90% minimum payment standard threshold. The recommendation will change the payment standard from \$920.00 to \$940.00, thereby increasing the tenant’s ability to find affordable three (3) bedroom units within the housing market. The other payment standards fall within the HUD established parameters and are not being recommended to be adjusted.

The following table illustrates unit size, Average Gross Rent (rent + utility allowance of the current units within the program), Current Payment Standard, Current Fair Market Rent (HUD determined), Proposed Payment Standard and Change (estimated increase to tenant’s portion of rent).

<b>BR size</b>	<b>Average Gross Rent (rent + utilities)</b>	<b>Current Payment Standard (subsidy limit)</b>	<b>Proposed Fair Market Rents</b>	<b>Proposed Payment Standard (subsidy limit)</b>	<b>% of FMR</b>
<b>0</b>	<b>\$481</b>	<b>\$457</b>	<b>\$503</b>	<b>\$457</b>	<b>90.85%</b>
<b>1</b>	<b>595</b>	<b>560</b>	<b>605</b>	<b>560</b>	<b>92.6%</b>
<b>2</b>	<b>719</b>	<b>675</b>	<b>750</b>	<b>675</b>	<b>90.0%</b>
<b>3</b>	<b>944</b>	<b>920</b>	<b>1,044</b>	<b>940</b>	<b>90.04%</b>
<b>4</b>	<b>1,038</b>	<b>1,050</b>	<b>1,112</b>	<b>1,050</b>	<b>94.4%</b>
<b>5</b>	<b>1,126</b>	<b>1,200</b>		<b>1,200</b>	

*The proposed payment standard as a percentage of current Fair Market Rents would be between 90% and 94%. Currently this percentage is between 90% and 100%.*

Since the inception of the previously approved payment standards, the DMMHA has determined that Section 8 households are able to find suitable housing (76% of voucher holders in search of housing find units and lease up).

#### **PREVIOUS COUNCIL ACTION(S):**

Date: April 9, 2012

Roll Call Number: [12-0501](#)

Action: Approving Des Moines Municipal Housing Payment Standards Recommendation. ([Board Communication No. 12-170](#)). Moved by Hensley to approve. Motion Carried 5-2.

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

Board: Housing Services Board

Date: September 19, 2012

Resolution Number: N/A

Action: Approved recommendation to adjust three-bedroom payment standard.

#### **ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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