

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: November 4, 2013
	Agenda Item No. MHGB2 Roll Call No. <u>13-1699</u> Communication No. <u>13-529</u> Submitted by: Douglas C. Romig, Housing Services Director

AGENDA HEADING:

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

SYNOPSIS:

Approving payment standards per U.S. Department of Housing and Urban Development (HUD) regulations for 0, 1, 2, 3, 5, 6 and 7 bedroom units effective November 1, 2013, for new entries and January 1, 2014 for annuals.

FISCAL IMPACT:

Amount: \$548,000 additional Housing Assistance Payments (this required action is estimated to reduce the number of Section 8 Housing Choice Vouchers by approximately 110 families through attrition).

Funding Source: Housing Services Department: Section 8; SP350; HSG190000; page 124

ADDITIONAL INFORMATION:

HUD provides an annual review of Fair Market Rents for geographical locations throughout the United States. Public Housing Agencies which receive funding from HUD must set their payment standards between 90% and 110% of the HUD established Fair Market Rents (FMR). The 2014 FMR have been published and approved by HUD. This approval was received in mid October with an effective date of October 1, 2013.

The Housing Services Director is recommending that all new applicants be effective November 1, 2013 and all existing clients be effective January 1, 2014. This action will save staff time as all tenant files are processed three (3) months in advance and therefore staff will not have to readjust processed tenant files. Additionally, new tenants coming onto the program will have a little more flexibility in finding a unit due to the increased payment standards.

DMMHA has reviewed the proposed payment standards and is recommending a revision to these standards for all bedroom sizes excluding the four (4) bedroom units which falls within HUD's guidelines.

The following table illustrates unit size, current payment standard, approved FMR (HUD determined), proposed payment standard and change (estimated decrease to tenant's portion of the rent), and the payment standard as a percentage of HUD's FMR.

Bedroom Size	Current Payment Standards (Subsidy Limit)	Fair Market Rents (FRM)	Proposed Payment Standard	\$ Change to Tenant	Payment Standard as % of FMR
0	\$457	\$525	\$475	-\$18	90.48%
1	\$560	\$631	\$570	-\$10	90.33%
2	\$675	\$783	\$710	-\$35	90.68%
3	\$940	\$1,090	\$985	-\$45	90.37%
4	\$1,050	\$1,161	\$1,050	0	90.44%
5	\$1,200	\$1,335	\$1,210	-\$10	90.63%
6	\$1,350	\$1,509	\$1,365	-\$15	90.44%
7	\$1,500	\$1,683	\$1,520	-\$20	90.31%

Historical data has shown that the previously approved payment standards have allowed 76% of the Section 8 Housing Choice Voucher recipients to find suitable housing. Staff anticipates no significant changes to qualified participants locating an affordable unit under the new payment standards.

PREVIOUS COUNCIL ACTION(S):

Date: April 9, 2012

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

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

BOARD/COMMISSION ACTION(S):

Board: Housing Services Board

Date: October 16, 2013

Resolution Number: N/A

Action: Received and Filed

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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