

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> February 10, 2014
	<b>Agenda Item No.</b> MHGB2 <b>Roll Call No.</b> <u>14-0185</u> <b>Communication No.</b> <u>14-058</u> <b>Submitted by:</b> Douglas C. Romig, Housing Services Director

**AGENDA HEADING:**

Approving Significant Amendment to the Des Moines Municipal Housing Agency’s (DMMHA) 2013 Section 8 Administrative Plan; Chapter 5 to change the subsidy standards in conjunction with the Section 8 Housing Choice Voucher Program.

**SYNOPSIS:**

Approval of Chapter 5 of the DMMHA’s Section 8 Administrative Plan including revisions to the subsidy standards.

**FISCAL IMPACT:**

Amount: \$140,000 - \$700,000

Funding Source: Reduction in subsidizes based on household composition. Section 8: SP350 HSG190000, page 124.

**ADDITIONAL INFORMATION:**

On January 27, 2014, by Roll Call No. 14-0098, the Municipal Housing Governing Board delayed voting on the recommended Significant Amendment to the Des Moines Municipal Housing Agency’s Section 8 Administrative Plan. The Governing Board requested more time to discuss the impacts of these recommendations and alternatives for consideration to be presented at their next morning workshop. A presentation was made on the morning of February 10, 2014, whereby the Des Moines Municipal Housing Agency provided information on alternative implementation schedules and the impacts thereof as well as some alternative language for the Board’s consideration. Alternative Roll Calls have been provided based on the options presented at the morning workshop.

The Housing Services Board recommendation is:

- A. One-bedroom subsidy standards will be assigned to every two (2) household members regardless of age, gender or familial status.

Alternative language to the original recommendation could include:

- B. One-bedroom subsidy standards will be assigned to the head of household and every two (2) household members thereafter regardless of age, gender or familial status.
  - a. Children shall be required to share a bedroom with a biological parent until the age of six (6).

In addition to the subsidy standard language, the Municipal Housing Governing Board discussed options for implementation of the subsidy standard changes and the fiscal impact for each scenario. The options below illustrate the fiscal impact and number of additional families that would be served based on the final recommendation.

- I. Full implementation (12 months) of Option A above would generate an estimated \$700,000 in rental assistance income allowing an additional 140 families to be served.
- II. If current participants were grandfathered whereby they would only be impacted if they voluntarily moved, an estimated \$130,000 in rental assistance income allowing an additional 26 families would be served annually. Staff estimates the limited full impact would take between five (5) to six (6) years.
- III. If Option B above is approved, the total estimated impact would generate \$140,000 in rental assistance income allowing an additional 28 families to be served.

In an effort to provide subsidized housing to more families, the Housing Services Board held a Public Hearing regarding a Significant Amendment to the Des Moines Municipal Housing Agency's 2013 (current) Administrative Plan which governs the administration of the Agency's Section 8 Housing Choice Voucher Program. The major change within this chapter is a change to the Subsidy Standard (how much subsidy a household receives based on the size of the household).

This action would be a service level change as household subsidies would be reduced to provide a one-bedroom subsidy for every two (2) household members regardless of age, gender or familial status. For example, a single parent who currently is receiving a two-bedroom subsidy would be eligible for a one-bedroom subsidy under this new policy; a family of five (5) currently receiving a four-bedroom subsidy would be eligible for a three-bedroom subsidy, etc.

Over the past 45 days, the Des Moines Municipal Housing Agency has had the section of Chapter 5 from the Administrative Plan out for public comment. Additionally, two (2) public meetings were held (January 6<sup>th</sup> and 8<sup>th</sup>, 2014) to present changes to the FY14 Agency Plan and take comment on this Significant Amendment. Approximately 30 people showed up for both public meetings respectively. At the Public Hearing approximately 75 people were in attendance.

The recommendations approved by the Housing Services Board would provide assistance to an additional 140 families on the Section 8 waiting list once fully implemented. The impact to existing families could result in the need to relocate to a smaller unit depending on their household composition (number of members in the household) or they may choose to remain in place paying more towards their portion of the rent. Within the Section 8 program Agency funds cannot be used to pay relocation costs.

The Housing Services Board voted to approve the below recommendations 4 – 1, with three (3) members absent. If approved by the Municipal Housing Governing Board, these changes would become effective May 1, 2014 for all new entries and July 1, 2014 for all existing Section 8 clients at their next annual reexamination.

Numerous Public Housing Authorities use similar Subsidy Standard language in their Agency Plans which is being recommended by the Housing Services Board. For example, Central Iowa Regional Housing Authority which serves the surrounding county's outside of Polk County uses identical language with one exception; which states that they provide a zero (0) bedroom subsidy for single households. This language was incorporated in the initial Public Notice that was published but was removed prior to the Housing Services Board Public Hearing based on comments received by the

Agency in writing and at both public meetings. Variances within subsidy standards from jurisdiction to jurisdiction does impact portability where a Section 8 client can relocate to another Public Housing Authority's jurisdiction and was one of the factors considered when creating this Significant Amendment.

**PREVIOUS COUNCIL ACTION(S):**

Date: January 27, 2014

Roll Call Number: [14-0098](#)

Action: [Approving](#) significant amendment to the Des Moines Municipal Housing Agency's 2013 Section 8 Administrative Plan, Chapter 5, to change the Subsidy Standards in conjunction with the Section Housing Choice Voucher Program. ([Board Communication No. 14-033](#)) Moved by Coleman to discuss this topic at a workshop on February 10th and for possible consideration at the Council meeting on February 10<sup>th</sup>. Motion Carried 6-1. Absent: Hensley.

Date: April 8, 2013

Roll Call Number: [13-0524](#)

Action: [Approving](#) revisions to Section 8 Administrative Plan and Public Housing Admissions and Continued Occupancy (ACO) Policy. ([Board Communication No. 13-180](#)) Moved by Hensley to approve. Motion Carried 7 – 0.

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

Board: Housing Services Board

Date: January 15, 2014

Resolution Number: Public Hearing

Action: Recommended approval of Significant Amendment to Chapter 5 of the Administrative Plan.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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