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|  <p style="text-align: center;"><b>Council<br/>Communication</b><br/>Office of the City Manager</p> | <b>Date:</b> March 10, 2014  |
|  | <b>Agenda Item No.</b> MHGB6<br><b>Roll Call No.</b> <u>14-0343</u><br><b>Communication No.</b> <u>14-089</u><br><b>Submitted by:</b> Douglas C. Romig,<br>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 the Significant Amendment to Chapter 5 of the current DMMHA’s Section 8 Administrative Plan including revisions to the subsidy standards.

**FISCAL IMPACT:**

Amount: Estimate: \$235,000 (Head of Household) - \$27,000 Section 8 Administrative Fees  
or  
\$700,000 (Two (2) People per Bedroom) Rental Assistance - \$80,000 Section 8 Administrative Fees

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 (changes to Subsidy Standards within the Section 8 Program) 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. During the February 10, 2014 Governing Board Meeting, the Council requested staff to research the opportunity to establish an exception “hardship” policy related to the proposed Subsidy Standards language.

The subsidy standards set forth in the policy must be applied consistently for all families of like size and composition. Exceptions for a particular family may be granted only if justified by some basis set forth in the policy (e.g., health, handicap, etc.). Based on discussions during the public meetings, the concerns were raised related to single parent families whereby under the Housing Services Board’s recommended language a single father with a daughter or a single mother with a son would receive a

one-bedroom subsidy. In order to alleviate this concern staff is providing alternative language for the Subsidy Standards from the formal recommendation made by the Housing Services Board:

Two (2) People per Bedroom Option (Housing Services Board Recommendation):

The Subsidy Standards established the maximum rent subsidy for which the household is eligible. The following standards will determine the number of bedrooms to be placed on the voucher to determine the subsidy standard the household is eligible for:

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

Head of Household Option (Staff Recommendation):

The Subsidy Standards establish the maximum rent subsidy for which the household is eligible. The following standards will determine the number of bedrooms to be placed on the voucher to determine the subsidy standard the household is eligible for:

- A. One-bedroom subsidy standard will be assigned to the head of household (including a married couple or head of household with a significant other);
- B. An additional bedroom subsidy will be provided for up to two (2) additional household members thereafter unless the household has one (1) biological child less than six (6) years of age. Said household shall be afforded an additional bedroom subsidy once the child reaches age six (6) within single parent families.

Exceptions to the Subsidy Standards:

The criteria and standards prescribed within Chapter 5 apply to all families applying for housing; however, reasonable exceptions to the standards listed above may be made in emergency situations, and in some cases, relationship, age, gender, health, or disability of family members may warrant assignment of a larger or smaller unit by DMMHA staff or at the request of the applicant family. Written approval of such cases will be made by the Housing Voucher Administrator or his/her designee.

The necessity for an exception to the Subsidy Standards must be verified and documented. Requests for exceptions to Subsidy Standards must be in writing, presented to the Housing Voucher Administrator within 10 days of the DMMHA's determination of appropriate unit size. The granting of an exception shall be at the discretion of the DMMHA.

If a request for an exception to the Subsidy Standards is made, the Housing Choice Voucher will not be permitted to expire while the request is being considered. The Housing Choice Voucher will be automatically extended by the number of days involved in reaching a decision on the request for exception.

As stated above, the subsidy standards must be applied consistently for all families of like size and composition. Granting of exceptions for anything other than unique circumstances creates issues as once a decision is made regarding a particular household, that decision sets a precedent that effectively changes the established policy as all similar situations would require the same action. Implementation of exceptions would be based on third party verification of the need from a medical professional (physician, psychiatrist, mental health professional, etc.).

Implementation:

The recommended implementation of the approved Subsidy Standards would be to make these changes effective June 1, 2014 for all new entries and relocations. Existing Section 8 clients would be grandfathered until July 1, 2016, providing approximately 2.5 years of notice to plan for these changes.

Both options (head of household or two (2) people per bedroom subsidy) would impact families with children of opposite genders based on the family composition. The current Subsidy Standard language allows separate bedrooms for children over six (6) years of age to have separate bedrooms.

Impact (Two (2) People per Bedroom Subsidy):

The original recommendation (Two (2) People per Bedroom) would provide assistance to an estimated 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. Based on a sample of 10% of the families within the Section 8 program the above recommended language would impact approximately 970 families.

Impact (Head of Household Option):

The revised recommendations (Head of Household) would provide assistance to an estimated additional 47 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. Based on a sample of 10% of the families within the Section 8 program the above recommended language would impact approximately 320 families.

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 do 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.

The complete tracked changes to Chapter 5 of the current Administration Plan for the Section 8 program are attached to the Roll Call.

**PREVIOUS COUNCIL ACTION(S):**

Date: February 10, 2014

Roll Call Number: [14-0185](#)

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, continued from January 27, 2014. ([Board Communication No. 14-058](#)) Moved by Moore to continue to the February 24th Board meeting, to incorporate suggested changes to the plan and create a process for hardship exceptions. Motion Carried 7-0.

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 10th. 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:**

Approval of FY16 Administrative Plan eliminating the grandfather clause.

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