

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: September 25, 2017
	Agenda Item No. MHGB4 Roll Call No. <u>17-1624</u> Communication No. <u>17-677</u> Submitted by: Jackie J. Lloyd, Interim Housing Services Director

AGENDA HEADING:

Approving Des Moines Municipal Housing Agency's (DMMHA) revised payment standards for the Section 8 Housing Choice Voucher program.

SYNOPSIS:

Approval of DMMHA’s revised payment standards for the Section 8 Housing Choice Voucher program as required by the U.S. Department of Housing & Urban Development (HUD).

FISCAL IMPACT: NONE

ADDITIONAL INFORMATION:

- HUD provides an annual review of fair market rents (FMR) for geographical locations throughout the United States. The final 2018 FMR’s were published on September 1, 2017. The results of this change show a sufficient increase in the FMRs for this metropolitan area. The 2011 – 2015 American Community Survey (ACS) estimates of 2-bedroom adjusted standard quality gross rents calculated for each FMR area were used as the new basis for fiscal year (FY) 2018. For FY2017 the 2010 – 2014 ACS data was used, which resulted in the increases in the fair market rents.
- Public Housing Agencies, which receive funding from HUD, are required to set their payment standards for the Section 8 Housing Choice Voucher program between 90% and 110% of the HUD established FMRs. The payment standard is used to calculate the monthly housing assistance payment (HAP) for a family under the Housing Choice Voucher Program. The HAP for the family is the lower of the payment standard minus 30% of the family’s monthly-adjusted income or the gross rent for the unit (contract rent plus utilities) minus 30% of the family’s monthly-adjusted income.
- Staff recommends establishing DMMHA’s payment standards at 90% of the revised FMRs. The DMMHA believes setting the payment standards at 90% of the new FMR would allow voucher holders to find additional affordable housing opportunities. Increasing the payment standards to a higher percentage would increase the amount of subsidy provided for each assisted family, which, in turn, would decrease the number of families DMMHA would be able to assist.

The recommended revised payment standards are:

Bedroom Size	2017 FMR	2018 FMR	Current payment standards	Proposed payment standards	% of 2018 FMR
0	566	597	520	540	90.45
1	669	708	614	650	91.81
2	824	875	760	790	90.29
3	1117	1181	1035	1065	90.18
4	1216	1304	1125	1175	90.11
5	1398	1500	1293	1355	90.33
6	1581	1695	1492	1530	90.27
7	1763	1891	1630	1705	90.16

The revised payment standards are to be effective October 2, 2017, per HUD requirements.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

Board: Municipal Housing Agency Governing Board Meeting

Date: January 11, 2016

Resolution Number: [16-0002](#)

Action: [Approving](#) Des Moines Municipal Housing Agency revised payment standards. ([Board Communication No. 16-001](#)) Moved by Gatto to approve. Motion Carried 7-0.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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