

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> October 8, 2018
	<b>Agenda Item No.</b> MHGB3 <b>Roll Call No.</b> <u>18-1642</u> <b>Communication No.</b> <u>18-501</u> <b>Submitted by:</b> Phillip Delafield, Community Development Director, Assistant City Manager

**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 2019 FMR’s were published on August 31, 2018. The results of this change show a sufficient increase in the FMRs for this metropolitan area. The 2012 – 2016 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) 2019. For FY2018 the 2011 – 2015 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	2018 FMR	2019 FMR	Current Payment Standards	Proposed Payment Standards	% of FMR
0	597	614	540	555	90.39
1	708	736	650	665	90.39
2	875	910	790	820	90.11
3	1181	1226	1065	1105	90.13
4	1304	1357	1175	1225	90.27
5	1500	1561	1355	1405	90.03
6	1695	1764	1530	1590	90.13
7	1891	1968	1705	1775	90.21

- The revised payment standards are to be effective no later than three (3) months from the effective date of the published Fair Market Rent of October 1, 2018, per HUD requirements. The DMMHA is recommending approval of an effective date of January 1, 2019.

**PREVIOUS COUNCIL ACTION(S): NONE**

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

Board: Municipal Housing Agency Governing Board Meeting

Date: September 25, 2017

Resolution Number: [17-1624](#)

Action: [Approving](#) Des Moines Municipal Housing Agency revised payment standards. ([Board Communication No. 17-677](#)) Moved by Gatto to approve. Motion Carried 6-1. Absent: Cownie.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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