

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> October 22, 2018
	<b>Agenda Item No.</b> MHGB3 <b>Roll Call No.</b> <u>18-1715</u> <b>Communication No.</b> <u>18-532</u> <b>Submitted by:</b> Phillip Delafield, Assistant City Manager

**AGENDA HEADING:**

Authorization to execute 28E agreement with the City of Bondurant to receive payment for administration of Housing Choice Voucher Program (Section 8 Program).

**SYNOPSIS:**

Recommend authorization to execute 28E agreement with the City of Bondurant to receive payment for administration of Section 8 Program.

The City provides administrative services and funding for the U.S. Department of Housing and Urban Development (HUD) Section 8. This is a vital program that helps subsidize housing for over 3,000 families in the metro area.

Many of the vouchers are for locations outside of the City, resulting in neighboring municipalities receiving the benefit of the City’s services and funding. As a result, the City has requested and several municipalities have agreed to pay a portion of the City’s annual deficit to administer the Section 8 Program.

**FISCAL IMPACT:**

Amount: This will partially offset deficits in the Section 8 Program. The amount will vary depending on several factors. In Fiscal Year (FY) 2017, the amount billed was \$23,037.

Funding Source: Housing Services Department – S350 HSG120125- Section 8, page 117

**ADDITIONAL INFORMATION:**

- The Section 8 Program is the federal government's major program for assisting very low-income families, the elderly and the disabled to afford decent, safe and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses and apartments. A family that is issued a voucher is responsible for finding suitable housing of the family’s choice where the owner agrees to rent under the Section 8 Program. The amount of the voucher is paid directly to the landlord by the public housing authority. The family then pays the difference between the actual rent charged and the amount subsidized by the Section 8 Program.

- In Polk County, the Section 8 Program is administered by the Des Moines Municipal Housing Agency (DMMHA).
- The 28E agreement provides a detailed definition of a deficit:

“An annual deficit of administering the Section 8 Program occurs when the funding received by the City from HUD for the Section 8 Program is less than the costs incurred by the City to administer the Section 8 Program. These costs include, but are not limited to, salary and benefit costs of the personnel who administer the program; contractual costs including auditing fees and indirect costs; management and bookkeeping fees; advertising expenses; administrative and general expenses; travel expenses; and insurance premiums.”
- The amount of the payment from each municipality is defined as follows:
  - 50% based on the relative population of the municipality in Polk County
  - 25% based on the relative number of vouchers held by the municipality at the midpoint of the FY
  - 25% based on the relative number of vouchers held by the municipality at the end of the FY
- In FY 2017, there was a deficit of \$62,244. Of this, \$23,027 was billed to other municipalities.
- As of June 30, 2018, there were 3,006 vouchers issued by the DMMHA in Polk County. Of these, 2,434 were in the City.
- The proposed 28E agreement is with Bondurant. Agreements have already been signed with Altoona, Clive, Grimes, Johnston, Mitchellville, Pleasant Hill, Urbandale, West Des Moines and Windsor Heights.

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

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

Board: Des Moines Municipal Housing Agency Governing Board

Date: August 20, 2018

Resolution Number: [18-1378](#)

Action: [Approving](#) 28E Agreements for payment of administration costs of Section 8 Program with the Cities of Grimes, Mitchellville, Altoona, Pleasant Hill, Clive, Urbandale, Windsor Heights, West Des Moines and Johnston. ([Board Communication No. 18-421](#)) Moved by Gatto. Passed 7-0.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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