


## COUNCIL COMMUNICATION

	Number:	<b>20-423</b>	Meeting:	<b>October 5, 2020</b>
	Agenda Item:	<b>MHGB3</b>	Roll Call:	<b>20-1536</b>
	Submitted by:	<b>Chris Johansen, Community Development Director</b>		

### 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 and 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 2021 FMR's were published on August 14, 2020. The results of this change show a sufficient increase in the FMRs for this metropolitan area. The 2014 - 2018 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) 2021, which resulted in the increases in the fair market rents for bedroom sizes one (1), two (2), and three (3) and decreases in bedroom sizes four (4), five (5), six (6), and seven (7).
- 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 approximately 92% to 93% of the revised FMRs. The DMMHA believes setting the payment standards at this percentage 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 provide greater access to affordable housing opportunities as contract rents continue to rise in the jurisdiction.
- The recommended revised payment standards are:

Number of bedroom(s)	2020 FMR in dollars	2021 FMR in dollars	Current payment standards in dollars	Proposed payment standards in dollars	% of 2021 FMR
0	603	608	555	555	91.2
1	730	738	665	685	92.8
2	900	902	820	835	92.5
3	1215	1232	1105	1130	91.7
4	1323	1313	1225	1225	93.2
5	1521	1510	1405	1405	93.0
6	1720	1707	1590	1590	93.1
7	1918	1904	1775	1775	93.2

- The revised payment standards are to be effective no later than three (3) months from the effective date of the FMR effective October 1, 2020, per HUD requirements. The DMMHA is recommending approval of an effective date to increase the one (1), two (2), and three (3) bedroom payment standards of December 1, 2020.

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

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

Board: Municipal Housing Agency Governing Board Meeting

Date: October 8, 2018

Resolution Number: [18-1642](#)

Action: Approving Des Moines Municipal Housing Agency Revised Payment Standards. ([Board Communication No. 18-501](#)) Moved by Gatto to adopt. Motion Carried 7-0.

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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