



**MUNICIPAL
HOUSING
GOVERNING
BOARD
COMMUNICATION:**

ITEM - MHGB _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

02-349

SYNOPSIS -

Requesting approval to submit to the U.S. Department of Housing and Urban Development (HUD) the proposed utility allowance schedules for the Section 8 and Public Housing programs.

AGENDA:

JULY 8, 2002

FISCAL IMPACT -

SUBJECT:

Up to \$265,000 annually in forgone revenue.

AUTHORIZING
SUBMISSION OF
REVISED UTILITY
ALLOWANCE
SCHEDULES

RECOMMENDATION -

Approval.

TYPE:

BACKGROUND -

RESOLUTION
RECEIVE/FILE

The Des Moines Municipal Housing Agency (DMMHA) is required by HUD to provide utility allowances for Section 8 and Public Housing residents who pay their own utilities. Federal regulations governing these programs require that Housing Agencies review their utility allowances annually for revisions as necessary. In the past, these have been included in the Admissions and Continued Occupancy Policy (ACO) for Public Housing and the Administrative Plan for the Section 8 program.

SUBMITTED BY:

MIKE MATTHES
ACTING HOUSING
SERVICES
DIRECTOR

Each year staff sends correspondence to the utility companies requesting information on recent or proposed increases in monthly utility rates. The responses from these inquiries are reviewed and adjustments in the utility allowance schedules are made accordingly.

This year's responses from the Des Moines Water Works and MidAmerican Energy indicate there are no proposed increases in utility rates. Therefore, no change in the allowance for these utilities is being recommended at this time.

However, at the direction of HUD's Kansas City Office, we are including the cost of air conditioning in the proposed utility allowance schedule. Currently, there are 2,150 Section 8 residents and 370 Public Housing residents who pay their own utilities. Based on the information received from MidAmerican Energy, the average monthly costs for electricity to operate window units and central air were \$6.25 and \$11.25 respectively.

When added to our current total dollar amount (costs and revenue losses) for utility allowances, this increase will result in an estimated \$446,000 loss in revenue for Public Housing and \$1,541,874 in Housing Assistance Payment (HAP) costs for the Section 8 program.
