

COUNCIL ACTION FORM

SUBJECT: ACCEPTING ADDITIONAL SECTION 8 HOUSING VOUCHERS

BACKGROUND:

On March 11, 2008 staff received a communication from HUD requesting the City to consider administering thirteen (13) additional vouchers that would be coming available for families affected by HUD's conversion action of the contract to the Sheldon Munn Apartments. Upon agreement by the City to accept the administration of the additional Vouchers, HUD would send a formal Letter of Request. The letter would confirm that HUD would provide sufficient funds to support the rental cost for the 13 units affected. Also, if the City accepted the administration, a special **one-time** fee of \$200 would be reserved for the City to cover any specific cost that would be needed to ensure the transfer of these additional Vouchers into the City's system.

ANALYSIS:

The additional 13 Vouchers would increase the **City's total Vouchers to 235**, which is a **6% increase to the City's Voucher Program**. The present staff capacity is adequate to handle this increased workload and to maintain an adequate lease-up rate without making adjustments to the Housing Division Staff. It is anticipated that the City will receive, annually, approximately \$60,700 in additional Housing Assistance Payments and approximately an additional \$6,100 in administrative fees. Although the funding for the Voucher Program fluctuates annually, after consultation with the Finance Department, staff is confident that this will not cause any additional financial burden on the program's operating cost and/or to the program fund balance. Accepting the additional Vouchers will allow us to spread our cost over a larger number of units and will help us to reduce the waiting time on our waiting list (which is currently approximately 20-24 months). At present, HUD has informed us that 7 of the 13 Vouchers are already occupied by current residents living at the Sheldon Munn Apartments.

Staff is recommending that the City accept these additional 13 Vouchers and authorize staff to submit a Funding Application to HUD, once HUD sends an official Letter of Request. HUD will then proceed with ordering and reserving the funds and then provide the City with an Amendment to our Consolidated Annual Contributions Contract (CACC) and funding exhibit.

ALTERNATIVES:

1. The Governing Board can approve a resolution to accept the thirteen (13) additional Vouchers from the Sheldon Munn Conversion Project and authorize staff to submit a funding application to HUD to accept the administrative responsibilities once HUD sends an official Letter of Request. Approval of this request will allow additional Vouchers for the City of Ames to serve very low-income citizens with their housing needs.

2. The Governing Board can deny approval of a resolution to accept the thirteen (13) additional Vouchers from the Sheldon Munn Conversion Project and authorize staff to submit a funding application to HUD to accept the administrative responsibilities once HUD sends an official Letter of Request if it finds that accepting the additional Vouchers will be an administrative and financial burden to the current program.

MANAGER'S RECOMMENDED ACTION:

The City has been a very active participant in providing housing assistance through the Voucher Program to very low-income families in the City of Ames. Accepting of these additional Vouchers will allow staff to be able assist more very-low income families and individuals with their housing needs and help to reduce the amount of time on our waiting list (which currently ranging from 20-24 months). Also the additional administrative fees would help to spread our cost over a larger number of Vouchers. If the Governing Board chose not to accept the responsibility to administer these additional Vouchers, HUD would seek the next closest Housing Authority outside of the Ames jurisdiction to administer the program. Staff is currently familiar with the remaining residents at the Sheldon Munn and therefore would help to make their transition to the Voucher Program much smoother.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1. This action will approve a resolution to accept the thirteen (13) additional Vouchers from the Sheldon Munn Conversion Project and authorize staff to submit a funding application to HUD to accept the administrative responsibilities once HUD sends an official Letter of Request.

COUNCIL ACTION: