



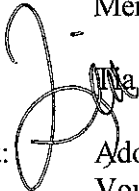
**Berkeley Housing Authority**

1901 Fairview St., Berkeley, CA 94703  
Telephone: (510) 981 5470 Fax: (510) 981 5480

Office of the Executive Director

Item 8A  
ACTION CALENDAR  
March 11, 2010

To: Honorable Chairperson and  
Members of the Housing Authority Board

From:  J. M. Ingram, Executive Director

Subject: Adopting a Revised Utility Allowance Schedule for the Section 8 Housing Choice Voucher Tenant and Project Based Programs effective June 1, 2010; and a revised Utility Allowance schedule for the Low Income Public Housing Program effective April 1, 2010.

RECOMMENDATION

Approve a resolution adopting a revised Utility Allowance schedule for the Section 8 Housing Choice Voucher Tenant and Project Based Programs effective June 1, 2010; and a resolution approving a revised Utility Allowance schedule for the Low Income Public Housing Program effective April 1, 2010.

BACKGROUND

“Family rent” in the Section 8 and Public Housing programs is the sum of rent to the owner and the allowance for tenant paid utilities. BHA is required to review the Utility Allowances at least annually, and if there has been an increase in rates of 10% or more, make an appropriate adjustment in the Allowances.

How Allowances are Determined

In the **Section 8 Program**, the utility allowance schedule must be determined based on the typical cost of utilities and services paid by *energy-conservative households that occupy housing of similar size and type in the locality*; in the **Low Income Public Housing Program** the Housing Authority must consider *average utility cost for families of limited means in the community*. The State has its own utility allowance schedule that must be used for the **14-Rental Housing Construction Program (RHCP)** units. The RHCP utility allowance schedule has two rates including one that rewards families that participate in programs offered by the utility company for financially disadvantaged families. We have shared information with the State about the “city assessment” and requested approval to modify the current schedule.

For the third consecutive year, BHA contracted with the Nelrod Company for a comprehensive analysis of our utility allowances. With the current analysis we stressed the importance of factoring in the various special assessments unique to the City of Berkeley. Nelrod, recognized by HUD for its expertise in utility research utilizes a HUD-approved engineering approach to analyzing changes in

utility cost. They report testing their method against actual consumption data, where the variance was generally less than 10%. Based upon their analysis, there has been a decrease in gas, and an increase in water and sewer rates. The analysis confirmed an increase in utility cost in most areas; the most significant increase is in the sewer rate, which now includes the various local assessments. The full analysis is available at the BHA office for review.

The *actual* utility allowance a family receives is dependent upon the appliances and source(s) of energy in the unit, and the assigned responsibility for utilities (owner versus tenant). Under the new allowance, a family occupying a two-bedroom apartment will see a \$6 increase in the monthly allowance; a family occupying a two-bedroom house, and paying for water and sewer, will see an increase of \$40 per month. The allowance for a three-bedroom Authority-owned public housing unit will increase by \$27, and \$33 for a four-bedroom unit.

#### Energy Efficiency Buildings

HUD rules also provide for a special utility allowance schedule for buildings that meet certain criteria for designation as an "energy efficient building." This issue has been raised by some local non-profit housing developers who have projects with tax credits and Section 8 project based assistance. We are working with our consultant (Nelrod Company) to develop an appropriate utility allowance schedule, and procedure for certification.

#### Implementation Schedule

To meet HUD requirements for recertifications, staff begins processing required annual recertifications between 90-120 days in advance of the contract anniversary date. Thus, we propose that the Section 8 Schedules be effective June 1, 2010, to avoid having to revise work that has already been completed. The Public Housing program is considerably smaller, and staff is processing annual recertifications currently. Making the changes effective April 1, 2010 will allow us to provide the higher allowance immediately, and eliminate the need for residents to submit requests for reimbursement of the "city assessment" on their water/sewer bills.

#### FINANCIAL IMPACTS OF RECOMMENDATION

An increase in utility allowance reduces the amount of rent paid by the family, and in the Section 8 Programs, increases the monthly rental assistance payment by the Housing Authority. In the public housing program, the increased utility allowance decreases the tenant rent payment, and increases the amount BHA will request from HUD for utility expense in the next budget revision.

#### CONTACT PERSON

Tia M. Ingram, Executive Director, 981-5471

#### Attachments:

1. Resolution for Section 8 Programs
2. Resolution for Low Income Public Housing Program
3. Section 8 Utility Allowance Schedules (3 unit types)
4. Low Income Public Housing Allowance Schedule

BHA RESOLUTION NO. 10-\_\_\_\_\_

ADOPTING A REVISED UTILITY ALLOWANCE SCHEDULE FOR THE LOW INCOME PUBLIC HOUSING PROGRAM EFFECTIVE APRIL 1, 2010.

WHEREAS, the Berkeley Housing Authority is required to grant assisted households a deduction from rent for tenant paid utilities; and

WHEREAS, HUD regulations require the Housing Authority to examine the utility allowance schedule at least annually, and to make modifications if utility rates have changed by 10% or more; and

WHEREAS, the former utility allowance schedule did not recognize the "city assessment" included in the bill for water service; and

WHEREAS, the BHA has contracted with the Nelrod Company to conduct a HUD compliant study of the current utility allowance schedule, including all the current assessments.

NOW, THEREFORE BE IT RESOLVED, that the proposed utility allowance schedule for the Low Income Public Housing Program adopted effective April 1, 2010, attached hereto and identified as Exhibit B, and incorporated by reference.

The foregoing Resolution was adopted by the Board of the Berkeley Housing Authority on March 11, 2010 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Attest: \_\_\_\_\_  
Tia M. Ingram, Secretary

**Allowances for Tenant  
Furnished Utilities and other  
Services**

U.S. Department of Housing and Urban  
Development  
Office of Public and Indian Housing

OMB Approval No. 2577-0169

Locality: <b>City of Berkeley Housing Authority, CA</b>		Unit Type: <b>Apartment/ Walk-Up</b>				Date (mm/dd/yyyy)	
Utility or Service		Monthly Dollar Allowances					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	a. Natural Gas	\$11.00	\$12.00	\$13.00	\$16.00	\$17.00	\$19.00
	b. Bottle Gas						
	c. Electric	\$12.00	\$18.00	\$23.00	\$29.00	\$35.00	\$36.00
	d. Oil / Other						
Cooking	a. Natural Gas	\$4.00	\$6.00	\$8.00	\$9.00	\$11.00	\$12.00
	b. Bottle Gas						
	c. Electric	\$7.00	\$9.00	\$12.00	\$14.00	\$17.00	\$19.00
	d. Coal / Other						
Other Electric		\$19.00	\$28.00	\$37.00	\$50.00	\$71.00	\$91.00
Air Conditioning		\$1.00	\$1.00	\$1.00	\$2.00	\$2.00	\$3.00
Water Heating	a. Natural Gas	\$7.00	\$11.00	\$15.00	\$18.00	\$22.00	\$26.00
	b. Bottle Gas						
	c. Electric	\$12.00	\$18.00	\$25.00	\$32.00	\$39.00	\$46.00
	d. Oil / Other						
Water		\$23.00	\$24.00	\$29.00	\$34.00	\$39.00	\$44.00
Sewer		\$29.00	\$30.00	\$38.00	\$45.00	\$53.00	\$54.00
Trash Collection		\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00
Range / Microwave (Tenant-purchased)		\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Refrigerator (Tenant-purchased)		\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00
Other-specify:							
<b>Actual Family Allowances</b>				Utility or Service		per month cost	
To be used by the family to compute allowance. Complete below for the actual unit rented.				Heating		\$	
				Cooking		\$	
Name of Family				Other Electric		\$	
				Air Conditioning		\$	
Address of Unit				Water Heating		\$	
				Water		\$	
				Sewer		\$	
				Trash Collection		\$	
				Range / Microwave		\$	
				Refrigerator		\$	
				Other		\$	
Number of Bedrooms				Other		\$	
				Total		\$	

**Allowances for Tenant  
Furnished Utilities and other  
Services**

U.S. Department of Housing and Urban  
Development  
Office of Public and Indian Housing

OMB Approval No. 2577-0169

Locality: <b>City of Berkeley Housing Authority, CA</b>		Unit Type: <b>Row House/ Townhouse &amp; Semi-Detached/ Duplex</b>				Date (mm/dd/yyyy)	
Utility or Service		Monthly Dollar Allowances					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	a. Natural Gas	\$24.00	\$29.00	\$36.00	\$43.00	\$49.00	\$56.00
	b. Bottle Gas						
	c. Electric	\$18.00	\$24.00	\$31.00	\$36.00	\$45.00	\$48.00
	d. Oil / Other						
Cooking	a. Natural Gas	\$4.00	\$6.00	\$8.00	\$9.00	\$11.00	\$12.00
	b. Bottle Gas						
	c. Electric	\$7.00	\$9.00	\$12.00	\$14.00	\$17.00	\$19.00
	d. Coal / Other						
Other Electric		\$19.00	\$30.00	\$43.00	\$77.00	\$105.00	\$144.00
Air Conditioning		\$0.00	\$1.00	\$1.00	\$2.00	\$3.00	\$3.00
Water Heating	a. Natural Gas	\$7.00	\$11.00	\$15.00	\$18.00	\$22.00	\$26.00
	b. Bottle Gas						
	c. Electric	\$12.00	\$18.00	\$25.00	\$32.00	\$39.00	\$46.00
	d. Oil / Other						
Water		\$26.00	\$27.00	\$32.00	\$37.00	\$42.00	\$47.00
Sewer		\$28.00	\$29.00	\$36.00	\$43.00	\$50.00	\$56.00
Trash Collection		\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00
Range / Microwave (Tenant-purchased)		\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Refrigerator (Tenant-purchased)		\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00
Other-specify:							
<b>Actual Family Allowances</b>				Utility or Service		per month cost	
To be used by the family to compute allowance. Complete below for the actual unit rented.				Heating		\$	
				Cooking		\$	
Name of Family				Other Electric		\$	
				Air Conditioning		\$	
				Water Heating		\$	
				Water		\$	
Address of Unit				Sewer		\$	
				Trash Collection		\$	
				Range / Microwave		\$	
				Refrigerator		\$	
				Other		\$	
				Other		\$	
Number of Bedrooms				Other		\$	
				Total		\$	

**Allowances for Tenant  
Furnished Utilities and other  
Services**

U.S. Department of Housing and Urban  
Development  
Office of Public and Indian Housing

OMB Approval No. 2577-0169

Locality: <b>City of Berkeley Housing Authority, CA</b>		Unit Type: <b>Detached House</b>				Date (mm/dd/yyyy)	
Utility or Service		Monthly Dollar Allowances					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	a. Natural Gas	\$16.00	\$25.00	\$35.00	\$44.00	\$53.00	\$64.00
	b. Bottle Gas						
	c. Electric	\$22.00	\$29.00	\$36.00	\$46.00	\$49.00	\$79.00
	d. Oil / Other						
Cooking	a. Natural Gas	\$4.00	\$6.00	\$8.00	\$9.00	\$11.00	\$12.00
	b. Bottle Gas						
	c. Electric	\$7.00	\$9.00	\$12.00	\$14.00	\$17.00	\$19.00
	d. Coal / Other						
Other Electric		\$26.00	\$39.00	\$61.00	\$100.00	\$142.00	\$184.00
Air Conditioning		\$1.00	\$1.00	\$2.00	\$2.00	\$3.00	\$3.00
Water Heating	a. Natural Gas	\$7.00	\$11.00	\$15.00	\$18.00	\$22.00	\$26.00
	b. Bottle Gas						
	c. Electric	\$12.00	\$18.00	\$25.00	\$32.00	\$39.00	\$46.00
	d. Oil / Other						
Water		\$26.00	\$27.00	\$32.00	\$37.00	\$42.00	\$47.00
Sewer		\$28.00	\$29.00	\$36.00	\$43.00	\$50.00	\$56.00
Trash Collection		\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00
Range / Microwave (Tenant-purchased)		\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Refrigerator (Tenant-purchased)		\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00
Other-specify:							
<b>Actual Family Allowances</b>				Utility or Service		per month cost	
To be used by the family to compute allowance. Complete below for the actual unit rented.				Heating		\$	
				Cooking		\$	
Name of Family				Other Electric		\$	
				Air Conditioning		\$	
				Water Heating		\$	
				Water		\$	
Address of Unit				Sewer		\$	
				Trash Collection		\$	
				Range / Microwave		\$	
				Refrigerator		\$	
				Other		\$	
				Other		\$	
				Total		\$	
Number of Bedrooms				Other		\$	

## City of Berkeley Housing Authority, CA

### PROPOSED MONTHLY UTILITY ALLOWANCES

#### Chart 1

Update 2010

A monthly average cost of the summer and winter adjustments were used for the electric costs.

#### Building Type: Row House/Townhouse

Utility Type	0BR	1BR	2BR	3BR	4BR	5BR
Electricity				\$45.00	\$54.00	
Natural Gas				\$44.00	\$50.00	
Water				\$33.00	\$39.00	
Sewer				\$48.00	\$55.00	
<b>Totals</b>				<b>\$170.00</b>	<b>\$198.00</b>	