



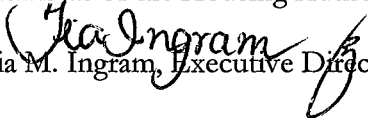
Berkeley Housing Authority

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Office of the Executive Director

Item 5D
NEW BUSINESS
April 14, 2016

To: Honorable Chairperson and
Members of the Housing Authority Board

From: 
Tia M. Ingram, Executive Director

Subject: Utility Allowance Schedule for the Section 8 Housing Choice Voucher Tenant-based and Project-based Programs.

RECOMMENDATION

Approve a resolution adopting a revised Utility Allowance schedule for the Section 8 Housing Choice Voucher Tenant-based and Project-based Programs, effective July 1, 2016 for new and existing contracts.

BACKGROUND

Because basic utilities are essential to safe and decent housing, in the Section 8 program “Family rent” is the sum of rent to the owner and an *allowance* for tenant paid utilities. The idea is to make the family’s rental situation safe, and successful – providing sufficient funds to pay rent plus basic utilities generally at 30% of the family’s adjusted monthly income (total tenant portion may be up to 40% at initial lease up, or greater after the first year of the lease, should the family determine the rent affordable).

All public housing authorities are 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. The analysis performed by independent contractor Alan Fox, confirmed that some rates have increased by the 10% threshold established by HUD, thus, we are proposing changes to the allowance schedule.

Most notably, water rates have gone up greatly, with the increase made even more dramatic by a substantial drought surcharge in effect since July 2015. Even after the 50% discount for low-income consumers the water fixed charge is up 20%, and the volume charge is up 26% for the smallest consumers, and 40-50% for higher-volume consumers. Sewer rates have also risen. Additionally, Alan reports that electric rates are up throughout the distribution—up 9% for the smallest consumers, and up 15% for those in the middle of the consumption distribution.

Because the utility allowance is a predetermined amount (based on bedroom size), it is incumbent that all family members actively conserve energy to the extent possible, and participate in programs offered to low-income households, i.e. PG&E’s CARE program and East Bay MUD’s Customer Assistance Program (CAP). BHA provides, and assists applicants/participants in completing the simple application forms.

A number of factors will determine if the allowance is sufficient to cover the actual utility expense, including but not limited to:

- a. number of people in the household;
- b. number of exterior walls;

- c. energy conservation efforts by household members; and
- d. age and condition of the unit, including any energy efficiency upgrades or appliances.

STATUS

Families benefit from the utility allowance only when contract rent is equal to or less than the applicable Payment Standard.

FINANCIAL IMPACTS OF RECOMMENDATION

For contracts where the owner accepts a rent at Payment Standard (minus) utility allowance, BHA will pay a slightly higher HAP.

CONTACT PERSON

Tia M. Ingram, Executive Director, 981-5471

Jesy, Yturralde, Finance Manager, 981-5488

Attachments:

- 1. Resolution
- 2. Proposed Section 8 Utility Allowance Schedules

BHA RESOLUTION NO. 16-_____

ADOPTING A REVISED UTILITY ALLOWANCE SCHEDULE FOR THE SECTION 8 HOUSING CHOICE VOUCHER TENANT AND PROJECT BASED PROGRAMS EFFECTIVE JULY 1, 2016 FOR NEW AND EXISTING CONTRACTS.

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

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

WHEREAS, BHA’s consultant, Alan Fox has conducted extensive analysis and calculations, and has determined that rates have increased over the past year, specifically for water/sewer charges and electricity; and

WHEREAS, Alan Fox participated in the development of HUD’s Utility Allowance Study methodology which was utilized by Mr. Fox for the first time last year for BHA (among other housing authorities with which he contracts) as well as this year;

NOW, THEREFORE BE IT RESOLVED, that the proposed utility allowance schedule for the Section 8 Tenant-based and Project-based programs adopted effective July 1, 2016 for new and existing contracts, attached hereto and identified as Exhibit A, and incorporated by reference.

The foregoing Resolution was adopted by the Board of the Berkeley Housing Authority on April 14, 2016 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

Locality: Berkeley, CA		Unit Type: Apartment With 5+ Units					Date: 7/1/2016	
		Monthly Dollar Allowances; Number of Bedrooms						
Utility or Service		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
Heating	a. Natural Gas	13	15	17	20	24	28	
	b. Electric	13	19	27	30	34	37	
	c. Heat Pump	5	6	10	11	12	14	
Air Conditioning		0	1	1	1	2	2	
Cooking	a. Natural Gas	4	5	7	8	9	10	
	b. Electric	7	9	12	14	16	19	
Other Electric/Lighting		17	25	34	42	50	58	
Water Heating	a. Natural Gas	7	14	21	27	34	41	
	b. Electric	9	21	32	43	54	65	
Water		14	17	23	32	41	50	
Sewer		9	10	11	13	15	15	
Trash Collection		38	38	38	76	76	111	
Range/Microwave		7	7	7	7	7	7	
Refrigerator		7	7	7	7	7	7	

Actual Family Allowances To be used to compute allowance. Complete below for the actual unit rented.	Utility or Service	Monthly Cost
Name of Family	Heating	
	Cooking	
	Other Electric	
Address of Unit	Air Conditioning	
	Water Heating	
	Water	
	Sewer	
	Trash Collection	
	Range/Microwave	
Number of Bedrooms	Refrigerator	
	Other	
	Total	

**Allowances for Tenant-Furnished
Utilities And Other Services**

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

Locality: Berkeley, CA		Unit Type: Duplex, Townhouse, Garden Apt, Apt 2-4 Units				Date: 7/1/2016	
		Monthly Dollar Allowances; Number of Bedrooms					
Utility or Service		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	a. Natural Gas	23	27	33	38	44	51
	b. Electric	24	36	47	53	59	65
	c. Heat Pump	8	12	17	19	22	24
Air Conditioning		0	1	1	2	2	3
Cooking	a. Natural Gas	4	5	7	8	9	10
	b. Electric	7	9	12	14	16	19
Other Electric/Lighting		17	28	39	50	61	72
Water Heating	a. Natural Gas	7	14	21	27	34	41
	b. Electric	9	21	32	43	54	65
Water		14	17	23	32	41	50
Sewer		9	10	11	13	15	15
Trash Collection		38	38	38	76	76	111
Range/Microwave		7	7	7	7	7	7
Refrigerator		7	7	7	7	7	7

Actual Family Allowances To be used to compute allowance. Complete below for the actual unit rented.		Utility or Service	Monthly Cost
Name of Family		Heating	
		Cooking	
		Other Electric	
Address of Unit		Air Conditioning	
		Water Heating	
		Water	
		Sewer	
		Trash Collection	
		Range/Microwave	
Number of Bedrooms		Refrigerator	
		Other	
		Total	

**Allowances for Tenant-Furnished
Utilities And Other Services**

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

Locality: Berkeley, CA		Unit Type: Single Family Detached				Date: 7/1/2016	
		Monthly Dollar Allowances; Number of Bedrooms					
Utility or Service		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	a. Natural Gas	26	31	37	44	50	58
	b. Electric	30	43	53	60	66	73
	c. Heat Pump	9	15	19	22	24	27
Air Conditioning		0	1	1	2	3	3
Cooking	a. Natural Gas	4	5	7	8	9	10
	b. Electric	7	9	12	14	16	19
Other Electric/Lighting		25	36	48	59	70	81
Water Heating	a. Natural Gas	7	14	21	27	34	41
	b. Electric	9	21	32	43	54	65
Water		16	20	28	40	52	64
Sewer		10	11	12	15	15	15
Trash Collection		38	38	38	76	76	111
Range/Microwave		7	7	7	7	7	7
Refrigerator		7	7	7	7	7	7

Actual Family Allowances To be used to compute allowance. Complete below for the actual unit rented.		Utility or Service	Monthly Cost
Name of Family		Heating	
		Cooking	
		Other Electric	
Address of Unit		Air Conditioning	
		Water Heating	
		Water	
		Sewer	
		Trash Collection	
		Range/Microwave	
Number of Bedrooms		Refrigerator	
		Other	
		Total	