



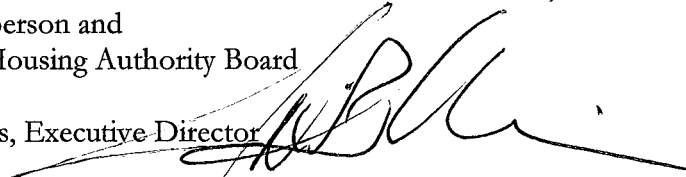
Berkeley Housing Authority

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Office of the Executive Director

Item 6B
NEW BUSINESS
March 9, 2017

To: Honorable Chairperson and
Members of the Housing Authority Board

From: William E. Wilkins, 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, 2017 for new and existing contracts.

BACKGROUND

Affordable rent paid by Section 8 program participants is considered by HUD to be 30-40% of adjusted family income. Included in the 30-40% calculation are basic utilities that are essential to safe and decent housing. In the Section 8 program "Family rent" paid to the landlord, is 30-40% of adjusted family income minus an *allowance* for tenant paid utilities. Though 30% of adjusted family income is considered affordable, total tenant portion may be up to 40% of adjusted family income, at initial lease up, or greater than 40% after the first year of the lease, should the family determine it can afford more than 40%.

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 for housing categories offered in the jurisdiction. In BHA's case there are three housing categories: "single family detached homes;" "apartments with 5 or more units;" and lastly "duplex, townhouses, garden apartments, and apartments with 2 – 4 units."

Alan Fox, as he has done for the last five years, conducted an extensive review and analysis of utilities including data on location/climate; housing characteristics; consumption factors and calculations (e.g. kBTUs/kWH/therms/gallons per year); as well as baselines per each housing type and sized unit, in order to determine allowances, all while taking into consideration the low income rates that PG&E and EBMUD offer.

The extensive 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, gas rates are up 14-15%; electric rates up by 22% for the largest users. Total allowances for all-electric homes are up 17 – 18% for all structure types and 10-11% for mixed fuel homes.

For 2017, dollar amounts for some utility allowances increased modestly as compared to the 2016 allowances (both 2016 and 2017 schedules are provided in attachments for comparison purposes), in most cases by \$1 - 5. Not every category increased, however.

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: 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

With increased utility allowances, the amount of rent paid to landlords by S8 voucher holder families generally decreases, and the amount of Housing Assistance Payment (HAP, or rental subsidy) paid by BHA generally increases.

Landlords also hold the right to request full payment standard for their units, which in effect removes the benefit of a utility allowance. In the current rental market, this is more frequently the case. When landlords request full payment standard with no utility allowance, staff attempt to negotiate on the family's behalf. Some landlords are willing to allow a utility allowance, forgoing the full payment standard in the family's favor, others are not.

FINANCIAL IMPACTS OF RECOMMENDATION

Generally when a utility allowance is provided, the amount of HAP paid by BHA increases. Depending on whether the landlord requests full Payment Standard, or allows the family to benefit from a utility allowance, financial impacts are also borne by the family.

CONTACT PERSON

Bill Wilkins, Executive Director, 981-5471
Jesy, Yturralde, Finance Manager, 981-5488

Attachments:

1. Resolution
2. Proposed 2017 Section 8 Utility Allowance Schedules
3. 2016 Section 8 Utility Allowance Schedules (for comparison)

BHA RESOLUTION NO. 17-__

ADOPTING A REVISED UTILITY ALLOWANCE SCHEDULE FOR THE SECTION 8 HOUSING CHOICE VOUCHER TENANT AND PROJECT BASED PROGRAMS EFFECTIVE JULY 1, 2017 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 gas and electricity;

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, 2017 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 March 9, 2017 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Attest: _____
William E. Wilkins, 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: 7/1/2017	
Utility or Service		Monthly Dollar Allowances; Number of Bedrooms					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	a. Natural Gas	15	17	19	22	26	31
	b. Electric	13	20	33	37	41	45
	c. Heat Pump	5	6	12	13	15	17
Air Conditioning		0	1	1	1	2	2
Cooking	a. Natural Gas	4	6	7	9	10	12
	b. Electric	8	10	13	16	18	21
Other Electric/Lighting		18	26	34	43	51	59
Water Heating	a. Natural Gas	8	15	23	31	38	46
	b. Electric	11	23	35	48	60	72
Water		14	17	22	29	37	45
Sewer		10	10	12	14	16	16
Trash Collection		39	39	39	78	78	117
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: 7/1/2017	
Utility or Service		Monthly Dollar Allowances; Number of Bedrooms					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	a. Natural Gas	26	31	37	43	50	57
	b. Electric	26	41	57	65	72	80
	c. Heat Pump	9	13	21	24	26	29
Air Conditioning		0	1	1	2	2	3
Cooking	a. Natural Gas	4	6	7	9	10	12
	b. Electric	8	10	13	16	18	21
Other Electric/Lighting		17	28	40	51	62	73
Water Heating	a. Natural Gas	8	15	23	31	38	46
	b. Electric	11	23	35	48	60	72
Water		14	17	22	29	37	45
Sewer		10	10	12	14	16	16
Trash Collection		39	39	39	78	78	117
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: 7/1/2017		
Utility or Service		Monthly Dollar Allowances; Number of Bedrooms					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	a. Natural Gas	29	35	42	49	56	65
	b. Electric	32	51	64	72	81	89
	c. Heat Pump	10	17	23	26	29	32
Air Conditioning		0	1	2	2	3	3
Cooking	a. Natural Gas	4	6	7	9	10	12
	b. Electric	8	10	13	16	18	21
Other Electric/Lighting		26	37	49	61	72	84
Water Heating	a. Natural Gas	8	15	23	31	38	46
	b. Electric	11	23	35	48	60	72
Water		16	19	26	37	47	57
Sewer		10	11	13	15	15	16
Trash Collection		39	39	39	78	78	117
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: Apartment With 5+ Units				Date: 7/1/2016	
Utility or Service		Monthly Dollar Allowances; Number of Bedrooms					
		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
Utility or Service		Monthly Dollar Allowances; Number of Bedrooms					
		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	
Utility or Service		Monthly Dollar Allowances; Number of Bedrooms					
		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	