



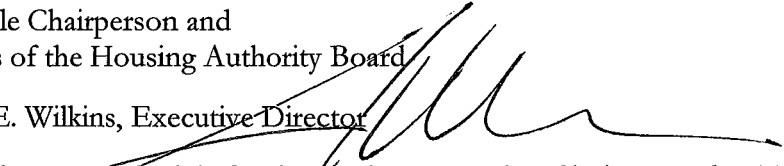
Berkeley Housing Authority

1936 University Ave, Suite 150 Berkeley, CA 94704
Telephone: (510) 981-5470 Fax: (510) 981-5480

Office of the Executive Director

Item 6C
NEW BUSINESS
March 8, 2018

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, 2018 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, "duplex, townhouses, garden apartments, and apartments with 2 – 4 units."

Consultant Alan Fox, as he has done for the last six 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 Fox (see excerpt from his report in Attachment 2), confirmed that some rates have increased by the 10% threshold established by HUD, thus, we are proposing changes to the allowance schedule.

Most notably:

1. **Electric** rates are up throughout the distribution—up 3% for the smallest consumers, up 17% for those in the middle of the consumption distribution, and up 11% for the largest users.
2. **Gas** rates are down 7% for the smallest consumers and down 4% for bigger users.
3. **Water** rates are up 9% across the board.
4. **Sewer** rates have increased 5% across the board.
5. **Trash** rates are up 4%.

For 2018, dollar amounts for some utility allowances increased modestly as compared to the 2017 allowances, and several categories decreased by small amounts, or remained the same. Attachment 3 includes two figures for each utility, the figures in black showing 2017 amounts, next to that in red are 2018 amounts you are approving this evening, for comparison purposes.

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, for each family, 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.

Some landlords are still requesting full payment standard, negating the option of utility allowances for program participants; other landlords are more flexible and willing to accept less rent to provide the utility allowance "discount" on rent received from their subsidized tenant.

We bring this before you in March for Board action, because Housing Specialists will be working on annual recertifications for July in the next month or two, as they process reexaminations in advance of contract anniversary dates to provide sufficient time to complete and upload the certification to HUD's database system.

FINANCIAL IMPACTS OF RECOMMENDATION

Generally when a utility allowance is provided, the amount of HAP paid by BHA increases.

CONTACT PERSON

William E. Wilkins, Executive Director, 981-5471
Jesy, Yturralde, Finance Manager, 981-5488

Attachments:

1. Resolution
2. Excerpt from UA Research/Report
3. Proposed 2018 Section 8 Utility Allowance Schedules (figures in red) with 2017 data as comparison (figures in black)

BHA RESOLUTION NO. 18-__

ADOPTING A REVISED UTILITY ALLOWANCE SCHEDULE FOR THE SECTION 8 HOUSING CHOICE VOUCHER TENANT AND PROJECT BASED PROGRAMS EFFECTIVE JULY 1, 2018 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 decreased for gas but increased for water, sewer, and garbage;

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, 2018 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 8, 2018 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Attest: _____
William E. Wilkins, Secretary

Utility Rates

7/1/2018 Effective date of allowance

Gray cells → check/update annually; other cells → leave alone!

Utility	Name	Current Rates	Percent Change	Source/Notes
Electricity				
Total energy rate:				
Tier 1: up to baseline	ERate1	0.12706	Up 6%	Source: http://pge.com/tariffs > Electric Rate schedules > Tariff EL-1 > Residential CARE Program Service. Effective 1/1/2018. It includes generation (which may change from year to year) and distribution and transmission (which tend to be stable over time) and all taxes and other adjustments. Note: for CARE discount, charges above Tier3 (131-200% of baseline) remain the same regardless of amount. No fixed (meter) charge, and minimum/meter/day is achieved after just a few kWh so it is ignored. Baseline quantities shown sheet Consumption_Baselines; no change since 2015
Tier 2: 101-130% of baseline	ERate2	0.17346	Up 17%	
Tier 3: 130-200% of baseline	ERate3	0.24088	Up 11%	
Baseline Territory for this PHA			T	
Natural Gas				
Total rates including CARE & PPPS				
Total, up to baseline	GRate1	1.051167	Down 7%	www.PGE.com/tariffs > Historical Rate Information > Gas Rate Finder (for January 2017) No fixed (meter) charge. Alternate source: Liz Bacon EAB2@pge.com, Rates Dept Calculated amounts, based on gray-filled cells below Calculated amounts, based on gray and blue-filled cells below
Total, above baseline	GRate2	1.491943	Down 4%	
Basic Rates, Before CARE Discount:				
Transportation charge:				Note that SUMMER baseline quantity has decreased from 3.65/day to 0.69/day effective Nov 2015; however this has no effect on results for cooking & hot water because I use average of GRate1 & GRate2 www.pge.com/tariffs/rateinfo.shtml > Gas Rate Finder > Rate for January 2017 > file GAS_SCHS_G-1.PDF, effective 1/1/2018; rate G1 (NOT GL-1 because that's calculated below with 20% CARE discount) January-December 2018 procurement charges (Feb-Dec predicted) → 20% discount for CARE customers G-PPPS, which funds CARE & other programs; rate for CARE customers eff 1/1/2017 Baseline quantities shown sheet Consumption_Baselines; no change since 2015
Up to baseline		0.91828	[Up 3%]	
Above baseline		1.46925	[Up 3%]	
Procurement charge		0.31667	[Down 27%]	
CARE discount, percent		20%		
Public Purpose Program Surcharge		0.06321	[Down 6%]	
Baseline Territory for this PHA			T	

Utility Rates

Date of Allowance

7/1/2018 Effective date of allowance

Gray cells → check/update annually; other cells → leave alone!

Utility	Name	Current Rates	Percent Change	Source/Notes
Water & Sewer				
Summary Rates, including CAP Discounts [Computed]				
Water Fixed charge	WFixed	\$11,300	Up 9%	East Bay Municipal Utility District, www.ebmud.com > Customers > Water > Rates and charges > Water Rates, effective 7/1/2017
Water Quantity rate, per 100 cubic feet:				
Up to 690 cubic feet/month	WRate1	\$1,725	Up 9%	
691 to 1576 cubic feet/month	WRate2	\$2,370	Up 9%	
Over 1576 cubic feet/month	WRate3	\$3,135		
Sewer Fixed Charge	SFixed	\$9,003	Up 5%	Rates apply to single family homes or individually-metered multifamily homes. The latter is assumed, so the separate Multifamily rate is not used in the calculations.
Sewer Quantity Rate, per 100 cubic feet	SRate	\$0,741	Up 5%	
Detailed Rates:				
Water				
Water flow charge, per 100 cubic feet:				
Single family:				
Up to 172 gallons/day		3.45		[not used; assume all apartments have individual meters]
173 to 393 gallons/day		4.74		
Over 393 gallons/day		6.27		
Multifamily (all water used)				
Drought surcharge, per 100 cubic feet		4.87		Drought surcharge adopted 2015; lifted May 2016; see photo at right
Single family:				
Up to 172 gallons/day		0.00	[dropped]	For CARE-eligible customers; applied to all parts of water rate. http://www.ebmud.com/customers/customer-assistance-program-cap
173 to 393 gallons/day		0.00	[dropped]	
Over 393 gallons/day		0.00	[dropped]	
Multifamily (all water used)		0.00	[dropped]	
Service charge, 5/8-3/4" meter		22.60	[Up 9%]	
CAP discount rate for water		50%	[Same]	

Utility Rates

Date of Allowance

7/1/2018 Effective date of allowance

Gray cells → check/update annually; other cells → leave alone!

Utility	Name	Current Rates	Percent Change	Source/Notes
Sewer				
Service charge per account		5.83		East Bay Municipal Utility District, www.ebmud.com > [same screens as for water] > Wastewater Rates, ScheduleA.pdf. Residential Monthly Charges (part II) effective 7/12/2017. Note that sewer charges are limited to 9 measurement units of water (1,000 cubic feet.) Applies to all CARE-eligible customers; applied to all parts of sewer rate
Strength charge per dwelling unit		8.02		
Flow Charge per 100 cubic feet (max 10 units)		1,140		
CAP discount rate for wastewater		35%	[same]	
Trash				
32 gallon can/week (0-2 bedrooms)	Trash1	40.68	Up 4%	http://www.ci.berkeley.ca.us > Services > Finance > Refuse Rates > RefuseRates 2017-2018, effective 7/1/2017. Assumes once-weekly pickup
64 gallon can/week (3-4 bedrooms)	Trash2	81.31	Up 4%	
96 gallon can/week (5+ bedrooms)	Trash3	121.92	Up 4%	

Total Costs For Common Combinations: Revised Compared To Current

	Monthly Utility Allowances			
	Current	Revised	Difference (Rev/Current)	
			Dollars	Percent
3-Bedroom Single Family				
Space Heating:				
Gas	\$48.76	\$46.19	-\$3	-5.3%
Electric (resistance)	\$72.33	\$80.12	\$8	10.8%
<i>Electric heat pump</i>	\$26.39	\$29.24	\$3	10.8%
Cooking:				
Gas	\$8.81	\$8.36	\$0	-5.1%
Electric	\$15.57	\$17.38	\$2	11.6%
Hot Water:				
Gas	\$30.66	\$29.09	-\$2	-5.1%
Electric	\$47.55	\$53.08	\$6	11.6%
Other Electric	\$60.51	\$64.20	\$4	6.1%
Water & Sewer ^{Note 1/}	\$51.85	\$55.96	\$4	7.9%
Most common combinations: (including water and sewer)				
All electric	\$247.81	\$270.74	\$23	9.3%
Gas/electric	\$200.60	\$203.80	\$3	1.6%
2-Bedroom Duplex				
Space Heating:				
Gas	\$36.58	\$34.43	-\$2	-5.9%
Electric (resistance)	\$57.33	\$63.50	\$6	10.8%
<i>Electric heat pump</i>	\$20.92	\$23.17	\$2	10.8%
Cooking:				
Gas	\$7.36	\$6.99	\$0	-5.1%
Electric	\$13.01	\$14.52	\$2	11.6%
Hot Water:				
Gas	\$23.00	\$21.82	-\$1	-5.1%
Electric	\$35.21	\$39.31	\$4	11.6%
Other Electric	\$39.52	\$41.93	\$2	6.1%
Water & Sewer ^{Note 1/}	\$33.55	\$36.14	\$3	7.7%
Most common combinations: (including water and sewer)				
All electric	\$178.62	\$195.41	\$17	9.4%
Gas/electric	\$140.03	\$141.31	\$1	0.9%
2-Bedroom Apartment				
Space Heating:				
Gas	\$19.26	\$17.98	-\$1	-6.7%
Electric (resistance)	\$32.67	\$36.18	\$4	10.8%
<i>Electric heat pump</i>	\$11.92	\$13.20	\$1	10.8%
Cooking:				
Gas	\$7.36	\$6.99	\$0	-5.1%
Electric	\$13.01	\$14.52	\$2	11.6%
Hot Water:				
Gas	\$23.00	\$21.82	-\$1	-5.1%
Electric	\$35.21	\$39.31	\$4	11.6%
Other Electric	\$34.40	\$36.50	\$2	6.1%
Water & Sewer ^{Note 1/}	\$33.55	\$36.14	\$3	7.7%
Most common combinations: (including water and sewer)				
All electric	\$148.84	\$162.65	\$14	9.3%
Gas/electric	\$117.58	\$119.42	\$2	1.6%

Date of allowance

7/1/2017

7/1/2018

Note 1/: 2016: Assume 25% consumption reduction because of drought emergency and rate increases. Maintained in 2017.

**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: 7/1/2018	
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 14	17 16	19 18	22 21	26 25	31 29	
	b. Electric	13 14	20 23	33 36	37 41	41 46	45 50	
	c. Heat Pump	5	6 7	12 13	13 15	15 17	17 18	
Air Conditioning		0	1	1	1 2	2	2	
Cooking	a. Natural Gas	4	6	7	9 8	10	12 11	
	b. Electric	8 9	10 12	13 15	16 17	18 20	21 23	
Other Electric/Lighting		18 19	26 28	34 36	43 45	51 54	59 63	
Water Heating	a. Natural Gas	8 7	15	23 22	31 29	38 36	46 44	
	b. Electric	11 12	23 26	35 39	48 53	60 67	72 81	
Water		14 15	17 18	22 24	29 32	37 41	45 49	
Sewer		10 11	10 11	12	14 15	16	16 17	
Trash Collection		39 41	39 41	39 41	78 81	78 81	117 122	
Range/Microwave		7	7	7	7	7	7	
Refrigerator		7	7	7	7	7	7	

* black figures are from 2017; red figures are for 2018

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: 7/1/2018	
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 24	31 29	37 34	43 41	50 47	57 55
	b. Electric	26 28	41 47	57 63	65 72	72 80	80 88
	c. Heat Pump	9	13 15	21 23	24 26	26 29	29 32
Air Conditioning		0	1	1	2	2 3	3
Cooking	a. Natural Gas	4	6	7	9 8	10	12 11
	b. Electric	8 9	10 12	13 15	16 17	18 20	21 23
Other Electric/Lighting		17 18	28 30	40 42	51 54	62 66	73 78
Water Heating	a. Natural Gas	8 7	15	23 22	31 29	38 36	46 44
	b. Electric	11 12	23 26	35 39	48 53	60 67	72 81
Water		14 15	17 18	22 24	29 32	37 41	45 49
Sewer		10 11	10 11	12	14 15	16	16 17
Trash Collection		39 41	39 41	39 41	78 81	78 81	117 122
Range/Microwave		7	7	7	7	7	7
Refrigerator		7	7	7	7	7	7

* black figures are from 2017; red figures are for 2018

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: 7/1/2018	
		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	29 28	35 33	42 39	49 46	56 53	65 62
	b. Electric	32 36	51 58	64 71	72 80	81 89	89 98
	c. Heat Pump	10 10	17 19	23 26	26 29	29 33	32 36
Air Conditioning		0	1	2	2	3	3
Cooking	a. Natural Gas	4	6	7	9 8	10	12 11
	b. Electric	8 9	10 12	13 15	16 17	18 20	21 23
Other Electric/Lighting		26 27	37 40	49 52	61 64	72 76	84 89
Water Heating	a. Natural Gas	8 7	15 15	23 22	31 29	38 36	46 44
	b. Electric	11 12	23 26	35 39	48 53	60 67	72 81
Water		16 17	19 21	26 29	37 40	47 51	57 62
Sewer		10 11	11 12	13	15 16	15 17	16 17
Trash Collection		39 41	39 41	39 41	78 81	78 81	117 122
Range/Microwave		7	7	7	7	7	7
Refrigerator		7	7	7	7	7	7

* black figures are from 2017; red figures are for 2018

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	