



HOUSING AUTHORITY
of the City of Long Beach
June 12, 2007

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AGENDA ITEM 5

HONORABLE HOUSING AUTHORITY
City of Long Beach
California

RECOMMENDATION:

Approve an Amendment to the Long Beach Housing Authority Administrative Plan to Create an Administrative Procedure to Implement the Energy Efficiency-Based Utility Allowance Program for New Construction Development Projects. (Citywide)

DISCUSSION

In September 2005, the Housing Authority adopted an Energy Efficiency-Based Utility Allowance Schedule (EEBUA) to be used to calculate the costs of tenant-paid utilities in new residential construction projects that meet certain energy efficient criteria.

The adoption of an EEBUA encourages the development of energy efficient housing units by providing financial incentives to residential developers. The reduced utility allowances allow for slightly higher project cash flow (rental income), which over time can help to repay a housing developer for the cost of using energy efficient building materials and techniques. New affordable housing projects funded with tax-exempt bonds and low-income housing tax credits, and assisted with City funds are encouraged to use the utility allowances adopted by the Housing Authority Commission. These housing projects may require less City subsidy if they are able to use the EEBUA. The EEBUA also assists the Housing Authority in meeting the HUD-mandated goal of creating reasonable incentives for energy conservation.

The Long Beach Housing Authority Administrative Plan must be amended to include a uniform procedure for the review and approval of applications from developers who wish to use the EEBUA.

This letter was reviewed by Deputy City Attorney Richard Anthony on June 1, 2007, and Budget and Performance Bureau Manager David Wodynski on May 29, 2007.

TIMING CONSIDERATIONS

Approval of this item will allow the Energy Efficiency Utility Allowance Schedule to be used for several affordable housing developments that are nearing completion.

FISCAL IMPACT

There is no fiscal impact associated with the suggested action.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



PATRICK H. WEST
ASSISTANT EXECUTIVE DIRECTOR

APPROVED:


 GERALD R. MILLER
EXECUTIVE DIRECTOR

PHW: ET: PU: MB

Attachment: Draft HA Administrative Plan Amendment – Chapter 6, Section P

HOUSING AUTHORITY OF THE CITY OF LONG BEACH ADMINISTRATIVE PLAN

CHAPTER 6 – 24CFR 982-402

P. ENERGY EFFICIENCY-BASED UTILITY ALLOWANCE APPLICATION, APPROVAL AND IMPLEMENTATION PROCEDURE

Introduction

The Housing Authority of the City of Long Beach (HA) approved an Energy Efficiency-Based Utility Allowance Schedule for new construction (EEBUA) as a means to mitigate the rising use and cost of utilities for families. This policy outlines the application and approval procedures by which the HA will implement the EEBUA. This program is voluntary, and available to developers/property owners of new construction projects only. The developer needs HA approval of their EEBUA application to support their pro-forma analyses of project income and expenses. The California Tax Credit Allocation Committee (CTCAC) and many potential financial partners require that this approval be included in financing applications. The policy is intended to function as a HA administrative procedure, that will not require the Housing Authority Commission to take action on each individual development project. These are the steps needed to secure HA approval for a project to use the EEBUA:

Application

1. The developer submits an EEBUA application to the HA staff whereby
 - a) The developer declares the energy efficiency commitment (e.g., "The project will exceed Title 24 by at least 15%"),
 - b) S/he indicates intent to seek full design of, funding for, and installation of measures that achieve at least a 15% increase in energy efficiency over current Title 24 standards,
2. The HA staff reviews the application for compliance with Title 24 and energy efficiency installation measures, to insure that the project achieves at least a 15% increase over the Title 24 requirements. The Bureau Manager or a designee executes an approval notice.
3. The HA approves the EEBUA application. This approval is understood by all parties to be a conditional approval subject to continued project compliance with the HA's EEBUA guidelines.

Permits and Design

After the City of Long Beach approves the proposed project, the developer submits to the designated HA administrative staff:

1. Evidence of proper building department permits, and
2. Title 24 compliance documentation either a CF-1R or Perf-1 with a summary of the analysis performed by an energy consultant.
3. A list of measures that contributed to the 15%.
4. The Bureau Manager of the Housing Authority, or a designee reviews the Title 24 compliance documents and confirms, in writing, HA administrative approval that the compliance margin is 15%.

Project Completion

Upon completion of the project and prior to receiving the Certificate of Occupancy, the developer submits to HA administrative staff:

1. A completed Installation Checklist of the measures that contributed to the 15%, and
2. A Home Energy Rating System (HERS) inspection report and sign-offs.

Upon completion, the project may also be subject to visual inspection by City HA staff or their designated personnel. At any time that the developer or the developer's designees make or propose any material changes in the measures, equipment, or building that impacts the energy budget, which may affect the eligibility of the project qualifying for the EEBUA, the developer must contact the HA to verify that such changes are acceptable within the HA's guidelines for use of the EEBUA. If the HA deems that any changes compromise the project's qualification for use of the EEBUA, the HA may revoke authorization.

ALLOWANCES FOR UTILITIES AND OTHER SERVICES

Utility or Service		0-BR	1-BR	2-BR	3-BR	4-BR	5-BR
Cooking:	Natural Gas	17	19	26	34	40	47
	Electric	8	8	17	23	32	47
Basic Electric		14	14	23	35	40	49
Heating:	Natural Gas	17	20	26	34	40	47
	Electric	8	8	17	23	31	45
Refrigerator		5	5	5	5	5	5
Stove		6	6	6	6	6	6
Trash Removal:	Multi-Family	13	13	13	13	13	13
	Single Family	15	15	15	15	15	15
Water & Sewer		10	14	22	28	36	44
Water Heating:	Natural Gas	5	7	11	13	17	20
	Electric	10	14	22	35	48	61

ALLOWANCES FOR UTILITIES AND OTHER SERVICES ENERGY EFFICIENT NEW CONSTRUCTION SCHEDULE

Utility or Service		0-BR	1-BR	2-BR	3-BR	4-BR	5-BR
Cooking:	Natural Gas	17	19	26	34	40	47
	Electric	8	8	17	23	32	47
Basic Electric		14	14	23	35	40	49
Heating:	Natural Gas	10	12	16	21	25	29
	Electric	4	4	10	13	17	25
Refrigerator		5	5	5	5	5	5
Stove		6	6	6	6	6	6
Trash Removal:	Multi-Family	13	13	13	13	13	13
	Single Family	15	15	15	15	15	15
Water & Sewer		10	14	22	28	36	44
Water Heating:	Natural Gas	4	6	9	11	14	17
	Electric	NA	NA	NA	NA	NA	NA