



Legislation Text

File #: 14-0202, **Version:** 1

Recommendation to adopt revised Standard Utility Allowance Schedules; and adopt revised Energy Efficiency-Based Utility Allowance Schedules for New Construction Projects.
(Citywide)

The U.S. Department of Housing and Urban Development (HUD) requires Public Housing Agencies to annually review and amend, if necessary, their Utility Allowance Schedules if there is a 10 percent change in utility rates. In December 2013, the Housing Authority hired the Nelrod Company to review and assess: 1) the Standard Utility Allowance Schedules which are used when calculating the tenant portion that each assisted household must pay for utilities; and 2) the Energy Efficient Utility Allowance Schedules which are used to calculate the costs of tenant-paid utilities in new residential construction projects that meet certain energy efficiency criteria.

During the review by the Nelrod Company, it was found that in comparing the utility allowance schedules from last year to this year, there was a change of more than 10 percent in two of the utilities and, therefore, updated/revised Utility Allowance Schedules need to be implemented.

Also, it should be noted that the percentage change in the utility comparison between 2012 and 2013 as reviewed by the Nelrod Company was based on calculations required by HUD and the percentage rate changes do not necessarily correlate directly to a percentage change a person would pay for utilities.

Overall, the utility allowances will increase, on average, by approximately \$5.90, which will result in the Housing Authority having an increase of less than 1 percent, or \$450,000 in Housing Assistance Payment (HAP) costs. However, this will be offset by the anticipated lower rents that will be paid this year based on current market rents. Copies of the current and proposed Utility Allowance Schedules are attached in Exhibits A, B1 and B2.

This matter was reviewed by Deputy City Attorney Linda Vu on February 18, 2014 and by Budget Management Officer Victoria Bell on February 21, 2014.

The Housing Authority would like to implement the new utility allowance schedules on April 1, 2014.

No net fiscal impact to the Housing Authority Fund (SR151) is expected from the revised utility allowance schedules and there is no impact to local jobs.

Approve recommendation.

KELLY COLOPY
ASSISTANT EXECUTIVE DIRECTOR

APPROVED:

PATRICK H. WEST
EXECUTIVE DIRECTOR