



## Legislation Text

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**File #:** 21-1071, **Version:** 1

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Recommendation to adopt Utility Allowances for Affordable Rental Housing Programs, effective January 1, 2022. (Citywide)

The U.S. Department of Housing and Urban Development (HUD) requires all Public Housing Authorities to establish utility allowances, to annually review and, if necessary, amend their Utility Allowance Schedules if there is a 10 percent or more change in utility rates. Most publicly subsidized affordable rental housing programs require the application of the local housing authority's adopted utility allowances when determining the total rent charged for the subsidized unit. The established utility allowances are required deductions from the gross rent that tenants receive for the utilities they pay. The longstanding concept behind utility allowances is that "shelter rent" is to include rent and basic utilities. The establishment of utility allowances has always applied to HUD's Public Housing, Housing Choice Voucher/Section 8, and HOME funded rental programs, and is often extended to other local, State, and federal housing programs such as the Low Income Housing Tax Credit (LIHTC) program.

Staff have reviewed the proposed new schedules as prepared by The Nelrod Company and recommend increases to the Housing Authority of the City of Long Beach's (HACLB) current utility allowance schedule to be effective January 1, 2022 (Attachment). Utility allowances for electricity, natural gas, and water have all increased over the past year, only sewer rates remained constant and trash collection charges decreased. Residential baseline increases are as follows: electricity +49 percent, natural gas +61 percent, water +18 percent, and trash collection -16 percent.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on September 8, 2021 and by Budget Analysis Officer Greg Sorensen on September 21, 2021.

HACLB action on this item is requested on October 12, 2021, to implement the new utility allowance schedules for rent calculations effective January 1, 2022.

There is no net fiscal impact to the City from the revised utility allowance schedules. Current appropriations in the Housing Authority Fund Group in the Health and Human Services Department are estimated to sufficiently cover the increase to the Housing Assistance payments. If needed, the Department will return to the City Council with a request to increase appropriations, fully offset by disbursements from HUD for Housing Assistance Payments. There is no local job impact associated with this recommendation.

Approve recommendation.

KELLY COLOPY  
ASSISTANT EXECUTIVE DIRECTOR

APPROVED:

THOMAS B. MODICA  
EXECUTIVE DIRECTOR