



Staff Reports

File #: 1863-2019, **Version:** 1

To: Honorable Chair and Commissioners

From: Vincent Smith, Community Development Director

Prepared By: Michael Kucz, Rental Assistance Program Supervisor

TITLE:

Section 8 Revised Utility Allowance Schedule

RECOMMENDED ACTION:

Adopt a resolution approving the Revised Utility Allowance Schedule for the Section 8 Housing Choice Voucher Program effective July 1, 2019.

DISCUSSION:

The Section 8 Housing Choice Voucher Program regulations provide for a utility allowance for tenant-paid utilities that is taken into consideration when calculating the amount of rent that a tenant will pay under the rental assistance program. Federal regulations require the Housing Authority review these rates annually. The current Utility Allowance Schedule has been in effect since April 1, 2018.

Because this work requires specialized training and involves complex formulas, most housing authorities retain outside consultants to do the calculations. This year, the Housing Authority contracted with the Nelrod Company to update the utility allowances. The Nelrod Company certifies that a Housing and Urban Development (HUD) approved method was used to develop the utility allowances.

The Utility Allowance Schedule provides for an allowance for tenant-paid utilities under each of the following general categories:

- space heating
- cooking
- other electric
- air conditioning
- water heating
- water
- sewer
- trash collection
- tenant-provided refrigerator and range.

The utility allowances vary by the type of unit, number of bedrooms and whether heating and cooking utilize gas, electric, or propane. The new schedule uses a 35-gallon cart size for studio, one- and two-bedroom units and a 65-gallon cart size for three, four- and five-bedroom units for trash collection.

The rates in the proposed Utility Allowance Schedule take into consideration a special discounted rate available to persons with lower incomes through Pacific Gas and Electric's CARE Program. Although

participation in the CARE Program is voluntary, staff believes most of the participants in the Section 8 Housing Choice Voucher Program are also enrolled in the CARE Program. When new people enroll in the Section 8 Housing Choice Voucher Program or when existing voucher holders come up for annual recertification, staff provides information on the CARE Program to ensure that program participants are aware of this resource.

Since the last review, utility rates increased for water, sewer, trash collection, gas and electricity. The overall increase to the utility allowance for one- and two-bedroom units for which tenants pay their own PG&E would be less than five dollars per month. This would mean the rental assistance paid for these tenants by the Housing Authority would increase by a corresponding amount. For three- and four-bedroom units in which tenants pay all the utilities (excluding sewer), the increase in the utility allowance would be less than 25 dollars per month (with a corresponding increase in the amount rental assistance paid by the Housing Authority on the tenant's behalf). For those tenants whose utilities are currently paid fully by their landlords, there would be no change to the tenant or to the Housing Authority.

FINANCIAL IMPACTS:

The proposed action would be implemented within the current operating funds budgeted for the Section 8 Housing Choice Voucher program. It is estimated that, overall, the adoption of revised utility allowances would not significantly change the total rental assistance payments made by the Housing Authority.

CEQA:

The Community Development Director has determined that the Recommended Action described in this Agenda Report is not subject to CEQA, pursuant to CEQA Guidelines Section 15060 (c).

DOCUMENTS ATTACHED:

ATCH 1 - Resolution

EX A - Utility Allowance Schedules

NOTIFICATION:

None