

# **Community Development Committee**

Item: 2007-328

Meeting date: October 15, 2007

For Metropolitan Council Meeting Date: October 24, 2007

**ADVISORY INFORMATION** 

Date: October 5, 2007

Subject: Adoption of 2007-2008 Utility Allowance Schedule – Tenant Based

and Public Housing Programs

District(s), Member(s): All

Policy/Legal Reference: CFR Title 24, Part 903

Staff Prepared/Presented: Beth Reetz, HRA Manager, 651-602-1278

**Division/Department:** Community Development/Housing & Livable Communities

### **Proposed Action/Motion**

That the Metropolitan Council approve the attached 2007-2008 Section 8 Utility Allowance Schedule for use by the Metro HRA in the administration of the Section 8, Family Affordable Housing, and other Rent Assistance Programs, effective November 1, 2007.

#### Issue(s)

The Metropolitan Council is required to review the Section 8 Utility Allowance Schedule on an annual basis and revise allowances for a utility category if there has been a change of 10 percent or more in the utility rate. The Council last approved a change in allowances in 2006. Staff has recently completed an assessment of current average utility rates and normal consumption patterns. Based on the assessment an 11.8% decrease in natural gas, a 10.6% increase in electricity, a 5% increase in propane, a 12.4% increase in fuel oil, 11.4% increase in trash, and 11.9% increase in water and sewer charges have been reflected on the utility schedule.

#### Overview and Funding

Utility allowances are used to determine the gross rent and tenant portion of rent for a Section 8 participant leasing an apartment, town home or single family unit. Allowances are provided for the following utilities or services if paid by the tenant: heating, cooking, other electric, water heating, water/sewer and trash collection. An allowance is also provided when a kitchen range or refrigerator is required to be provided by the tenant in a rental unit.

Implementation of the new utility allowance schedule will result in an increase in the utility allowance of \$4.00 for approximately 71% of the Section 8 participants assisted in one and two-bedroom multifamily units where electricity allowances only are used. For the remaining participant population living in townhouses, duplexes, and single family homes, where most, if not all, utilities are the tenant's responsibility, it is anticipated that the decrease in the natural gas rate will mitigate the increased rate in other utilities. A copy of the previous year schedule is also attached for comparison purposes.

## **METRO HRA**

# Section 8 Existing Housing Allowances for Tenant –Paid Utilities and Appliances <u>Effective 11/1/07</u>

Tenant Name _		Address	Address			
use the proper	e utility allowance, circle the amount of column for the bedroom size (BR) and of dumn is only for tenants who own those	circle the amount for the proper	unit type. The "Range and			
UNIT TYPE:	A = Apartment/Multiple Dwelling (3 or more units attached)	T/D = Townhouse/Duplex (2 units attached)	H = Single Family Home (1			

UTILITY/APPLIANCE	0-BR	<b>1-BR</b> A T/D H	<b>2-BR</b> A T/D H	<b>3-BR</b> A T/D H	<b>4-BR</b> T/D H	5- BR H	6- BR H
HEATING Gas	23	34 44 50	44 55 69	55 65 80	85 101	117	132
Electric	26	38 50 63	45 63 80	57 80 96	96 119	134	149
Oil		107	135	170	183	226	255
Propane		82	99	122	151	169	192
COOKING STOVE Gas	3	4	7	7	11	11	12
Electric	4	6	8	9	10	11	12
OTHER ELECTRIC (lights)	23	28	31 32 36	36 41 47	47 50 55	55	59
WATER HEATING							
Gas		12	13	16	21	23	26
Electric		21	23	25	29	31	35
WATER & SEWER		19	26	29	38	44	47
TRASH COLLECTION		18	18	20	20	21	21
RANGE (tenant-owned)	3	3	3	3	3	3	3
REFRIGERATOR (tenantowned)	4	4	4	4	4	4	4

TOTAL UTILITY ALLOWANCE				
+ RENT				
= GROSS RENT				

Form HUD-52667 (12/97) Ref. Handbook 7420.8

## **METRO HRA**

## Section 8 Existing Housing Allowances for Tenant –Paid Utilities and Appliances <u>Effective 11/1/06</u>

To calculate the utility allowance, cuse the proper column for the bedro Refrigerator column is only for tens	ircle the a	amount of the all BR) and circle t	he amount for th	e proper unit typ	e. The "Range	and	_
UNIT TYPE: $A = Apartment/Multiple Dwelling$ $T/D = Townhouse/Duplex$ $H = Single Family Ho$ (2 units attached) (1 unit)					Home		
UTILITY/APPLIANCE	0-BR	<b>1-BR</b> A T/D H	<b>2-BR</b> A T/D H	<b>3-BR</b> A T/D H	<b>4-BR</b> T/D H	5- <b>BR</b> H	6- BR H
HEATING Gas	26	39 50 57	50 62 78	62 74 91	96 115	133	150
Electric	24	34 45 57	41 57 72	52 72 87	87 108	121	135
Oil		95	120	151	163	201	227
Propane		74	90	110	137	153	174
COOKING STOVE Gas	3	4	8	8	12	12	13
Electric	4	5	7	8	9	10	11
OTHER ELECTRIC (lights)	21	25	28 29 33	33 37 43	43 45 50	50	53
WATER HEATING							ĺ
Gas		13	15	18	24	26	29
Electric		19	21	23	26	28	32
WATER & SEWER		17	23	26	34	39	42
TRASH COLLECTION		16	16	18	18	19	19
RANGE (tenant-owned)	3	3	3	3	3	3	3
REFRIGERATOR (tenantowned)	4	4	4	4	4	4	4
TOTAL							
TOTAL UTILITY ALLOWANCE							
+ RENT							<u> </u>
= GROSS RENT							<u> </u>