

# C Community Development Committee

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.



