

## Community Development Committee

Meeting date: November 19, 2018

For the Metropolitan Council meeting of November 28, 2018

**Subject:** Adoption of Utility Allowance Schedule for Metro HRA Rent Assistance Programs

**District(s), Member(s):** All

**Policy/Legal Reference:** Code of Federal Regulations Title 24, Part 903

**Staff Prepared/Presented:** Terri Smith, Director, Housing and Redevelopment Authority

**Division/Department:** Community Development / HRA

### Proposed Action

That the Metropolitan Council approve the attached Utility Allowance Schedule for use in the Housing Choice Voucher and other rent assistance programs effective January 1, 2019.

### Background

The Metropolitan Council must establish and maintain a utility allowance schedule for use in its rental assistance programs. In calculating rents for units leased under the Housing Choice Voucher and other rental assistance programs, the housing authority must consider the cost of tenant-paid utilities. A utility allowance is a credit for tenant-paid utilities and is used to determine the family share of the total housing costs (rent + utilities). The allowances are based on average consumption for an energy-conservative household.

The federal regulations require a schedule revision if there has been a change, up or down, of ten percent (10%) or more in any utility rate since the last time the allowance for that utility was revised. The Council last approved allowance changes in October 2017.

Staff completed the annual review of current utility rates for natural gas, electric, propane, fuel oil, water, sewer, and trash collection along with average prices for appliances sometimes provided by tenants as required by the lease. The review resulted in three utility rates with a change of ten percent (10%) or more.

- Heating Oil increased by 19.7%
- Bottled Gas for heating increased by 28.6%
- Sewer increased by 11.3%

The changes are reflected in the attached Utility Allowance Chart. All other allowances remain the same.

### Rationale

Utility allowances are used to determine the total housing cost charged to the tenant. The total housing cost is used to determine if the amount is reasonable and affordable to the family and within the program rent limits. The tenant's lease determines which utilities are paid by the tenant and which by the landlord.

## Tenant and Council Impact

The overall impacts of the utility allowance changes are minimal.

Heating Oil – There are zero households with oil heating resulting in no tenant or Council impact.

Bottle Gas - There are zero households with bottled gas heating resulting in no tenant or Council impact.

Sewer – There are 1,283 households (20% of the households the Council serves) paying for sewer. The allowance amount increased between \$1 and \$5, depending on bedroom size. This will result in an increased allowance for the tenants. The total impact to the Council will be minimal (\$3,700 for the year).

## **Thrive Lens Analysis**

The utility allowance schedule revision supports the Thrive outcomes of livability and stewardship. Reviewing and updating utility rates each year ensures program participants receive accurate rate reimbursements for tenant-paid utilities, which helps them better manage their household budgets.

## **Funding**

Funding for the Housing Choice Voucher, Continuum of Care, and Housing Opportunities for Persons with AIDS programs is provided by the U.S. Department of Housing and Urban Development through congressional appropriations. Funding for the Minnesota Housing Trust Fund Programs (Bridges and Rental Assistance for Anoka County) is provided by Minnesota Housing Finance Agency through State appropriations.

## **Known Support / Opposition**

There is no known opposition to this action

# Allowances for Tenant – Paid Utilities and Appliances

Effective 1/1/19

Tenant Name \_\_\_\_\_ Address \_\_\_\_\_

Circle the amount of the allowance for all utilities you pay. Use the column for the proper bedroom size (BR) and unit type. The “Range and Refrigerator” column is only for tenants who own those appliances. DO NOT circle them if provided by the owner.

UNIT TYPE: A = Apartment/Multiple Dwelling  
(3 or more units attached)

TH = Townhouse/Duplex  
(2 units attached)

SF =Single Family Home  
(1 unit)

2018 Utility Allowance																		
	UNIT SIZE AND TYPE																	
	0			1			2			3			4			5		
	APT	TH	SF	APT	TH	SF	APT	TH	SF	APT	TH	SF	APT	TH	SF	APT	TH	SF
<b>Heating</b>																		
Natural Gas	30	37	39	34	40	45	38	51	54	43	62	66	47	74	77	51	85	89
Electric	27	39	65	32	46	76	43	60	89	55	75	103	67	89	116	79	104	129
Bottle Gas	56	71	80	66	83	94	78	97	111	89	111	128	101	124	144	113	138	161
Oil	64	78	91	75	94	107	88	110	126	101	125	144	114	141	163	128	157	182
<b>Cooking</b>																		
Natural Gas	3			4			5			6			7			8		
Electric	5			7			10			13			16			18		
Bottle Gas	5			6			9			12			14			17		
Oil	NA			NA			NA			NA			NA			NA		
<b>Water Heating</b>																		
Natural Gas	7			8			11			14			17			21		
Electric	19			22			28			35			41			47		
Bottle Gas	13			16			23			30			37			44		
Oil	15			18			26			34			42			50		
<b>Other Electric</b>																		
Other Electric	34	40	43	37	45	48	47	57	62	57	70	77	67	82	91	77	95	105
Water	9			13			16			20			25			29		
Water-Selected Rural Communities	18			25			32			39			49			56		
Sewer	14			19			25			30			38			44		
Sewer-Selected Rural Communities	25			35			45			55			70			80		
Trash	24			24			27			28			28			28		
Range	4			4			4			4			4			4		
Refrigerator	4			4			4			4			4			4		