

Metropolitan Council Housing and Redevelopment Authority

Utility Allowance Schedule

10/21/19

Community Development Committee



Utility Allowance Schedule

- Utility Allowance is a credit for tenant-paid utilities
- Provided for utilities considered essential
 - Heat, electricity, cooking, water heating, rubbish removal, water, sewer, tenant-provided range and refrigerator
- Rates based on:
 - Typical utility costs for energy conservative household
 - Normal or average consumption
 - Data obtained from local utility providers

Utility Allowance Schedule

- Required by the U.S. Department of Housing and Urban Development (HUD)
- Used to determine total housing costs for families
 - Rent + Tenant-paid utilities
- Must be established and reviewed annually
- Must be revised for any utility with a 10% or more change

Tenant Rent Portions

- Total Tenant Payment (TTP)
 - 30% of monthly household income
 - Total contribution towards housing costs
 - Rent + tenant paid utilities
- Tenant rent to Owner
 - 30% of tenant income **MINUS** Utility Allowance
- HRA Rent to Owner
 - Contract rent **MINUS** tenant rent

Utility Allowance Example

Single person 1 Bedroom apartment

Contract Rent	\$900 PLUS
Electricity for Lights & Cooking	\$44 From Utility Allowance Chart
Gross Rent	\$944
Total Monthly Income	\$1,300
30% of Income	\$390 Total Tenant Payment
MINUS Utility Allowance	\$44
Tenant Rent to Owner	\$346
HRA Rent Payment	\$554 = (\$900 MINUS \$346)

Utility Rate Review Results

Utility	Rate Last Updated	Percentage Change since last update	Change Required
Natural Gas	2016	-1.5%	No
Electricity	2016	3.9%	No
Bottle Gas	2018	-7.3%	No
Oil	2018	6.9%	No
Water	2016	13.8%	Yes
Sewer	2018	3.6%	No
Trash	2016	13.8%	Yes



Impact of UA Changes

- 1,640 (22%) households payment water, trash or both
 - Increase in allowance for tenants between \$1 and \$4
 - Different based on bedroom size
 - Increased cost to Council will be minimal
 - \$17,700 annually

Proposed Action

- That the Metropolitan Council adopt amounts listed in the business item as Payment Standards for the Housing Choice Voucher and other rental assistance programs effective January 1, 2020.

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