

Community Development Committee

Meeting date: October 21, 2019

For the Metropolitan Council meeting of November 13, 2019

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 / Metro 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, 2020.

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 2018.

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 two utility rates with a change of ten percent (10%) or more.

- Water increased by \$1 to \$4, depending on bedroom size
- Trash increased by \$1 to \$4, depending on bedroom size

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 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. There are 1,640 households (22%) paying either water, trash, or both. The utility allowances for tenants will go up between \$1 and \$8. The average utility allowance increase will be \$4.

The total impact to the Council will be minimal (\$17,000 for the year) in the overall scope of the Metro HRA budget.

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 Housing Trust Fund and Bridges programs is provided by Minnesota Housing through State appropriations.

Known Support / Opposition

There is no known opposition to this action

Allowances for Tenant –Paid Utilities and Appliances

Effective 1/1/20

Implemented January 1, 2020 New and Port; March 1, 2020 Recertifications

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)

| 2019 Utility Allowance | | | | | | | | | | | | | | | | | | |
|----------------------------------|--------------------|----|----|---------|----|-----|---------|-----|-----|---------|-----|-----|---------|-----|-----|---------|-----|-----|
| | UNIT SIZE AND TYPE | | | | | | | | | | | | | | | | | |
| | 0 | | | 1 | | | 2 | | | 3 | | | 4 | | | 5 | | |
| | AP T | TH | SF | AP T | TH | SF | AP T | TH | SF | AP T | TH | SF | AP T | TH | SF | AP T | TH | SF |
| Heating | | | | | | | | | | | | | | | | | | |
| 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 |
| Cooking | | | | | | | | | | | | | | | | | | |
| 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 | | |
| Water Heating | | | | | | | | | | | | | | | | | | |
| 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 | | |
| Other Electric | 34 | 40 | 43 | 37 | 45 | 48 | 47 | 57 | 62 | 57 | 70 | 77 | 67 | 82 | 91 | 77 | 95 | 105 |
| Water | 10 | | | 14 | | | 19 | | | 23 | | | 29 | | | 33 | | |
| 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 | 25 | | | 25 | | | 29 | | | 32 | | | 32 | | | 32 | | |
| Range | 4 | | | 4 | | | 4 | | | 4 | | | 4 | | | 4 | | |
| Refrigerator | 4 | | | 4 | | | 4 | | | 4 | | | 4 | | | 4 | | |