

Business Item

Community Development Committee



Committee Meeting Date: November 6, 2023

For the Metropolitan Council: December 13, 2023

Business Item: 2023-271

Adoption of Utility Allowance Schedule for Metro HRA Rent Assistance Programs

District(s), Member(s): All

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

Staff Prepared/Presented: Terri Smith, Director, Housing and Redevelopment Authority, (651) 602-1187

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, 2024.

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 November 2022 where there were increases in most utilities including gas and electric.

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 only utility with a required change is oil. The Metro HRA only has one household paying oil heat resulting in minimal budget impact for the Metro HRA. In this case, the tenant will get a higher credit for utilities paid.

Table 1 below shows the 2023 rate changes.

Table 1: Utility Rate Changes

Utility	Rate Last Updated	Rate Used when Last Updated	2023 Rate	Percentage Change since last update	Update Required
Natural Gas (cost per therm)	2022	\$1.050	\$0.997	-5.0%	No
Electricity (Annual average cost per KWH)	2022	\$0.143	\$0.149	6.5%	No
Bottle Gas (cost per lb)	2022	\$2.39	\$2.19	-8.4%	No
Oil (cost per gallon)	2022	\$3.69	\$4.55	23.3%	YES
Water (average household cost)	2019	\$20.54	\$21.22	3.3%	No
Sewer (average household cost)	2022	\$30.94	\$32.85	6.2%	No
Rural Water (average household cost)	2020	\$38.96	\$41.01	5.3%	No
Rural Sewer (average household cost)	2022	\$56.60	\$57.17	1.0%	No
Trash (35 gal)	2022	\$31.49	\$34.11	8.3%	No
Trash (64 gal)	2022	\$34.47	\$37.43	8.6%	No
Trash (96 gal)	2022	\$36.15	\$39.18	8.4%	No
Refrigerator (total cost)	2016	\$500.00	\$500.00	0.0%	No
Range (total cost)	2016	\$500.00	\$500.00	0.0%	No

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. The changes are required under federal regulation.

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 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 is provided by Minnesota Housing through State appropriations.

Attachment

Attachment 1. Utility Allowance Schedule, 2024



2023 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
Heating																		
Natural Gas	41	50	54	46	56	62	53	71	75	59	88	93	66	105	110	72	122	128
Electric	31	44	73	36	52	86	49	68	101	63	85	116	76	101	131	89	117	146
Bottle Gas	77	97	110	91	114	129	106	133	152	122	152	175	138	170	198	154	189	220
Oil	116	146	166	137	172	195	161	200	230	185	229	264	210	258	299	233	286	333
Cooking																		
Natural Gas	5			5			7			8			10			12		
Electric	6			7			11			14			17			20		
Bottle Gas	7			8			12			16			20			24		
Oil	NA			NA			NA			NA			NA			NA		
Water Heating																		
Natural Gas	10			11			16			21			25			30		
Electric	21			25			32			39			45			52		
Bottle Gas	18			22			31			41			51			60		
Oil	28			33			48			62			77			91		
Other Electric	34	41	44	45	55	60	56	69	76	67	83	92	78	98	107	89	112	123
Water	10			14			19			23			29			33		
Water-Selected Rural Communities	19			27			35			43			55			62		
Sewer	15			22			28			34			43			50		
Sewer-Selected Rural Communities	28			40			51			62			79			91		
Trash	32			32			34			36			36			36		
Range	4			4			4			4			4			4		
Refrigerator	4			4			4			4			4			4		

