

Community Development Committee

For the Metropolitan Council meeting of November 13, 2019

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

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.

Summary of Committee Discussion/Questions

Terri Smith, Director of the Metropolitan Council Housing and Redevelopment Authority (Metro HRA), presented the staff report to the Committee. Two general questions were asked about energy efficiency initiatives and incentives. Staff responded that although energy efficiency incentives are available through other organizations, the Council does not provide financial incentives. The Council does, however, purchase energy efficient equipment for the Council-owned housing units and encourages private landlords to do the same.

The Community Development Committee unanimously recommended approval of the proposed action.

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																		
Other Electric	34	40	43	37	45	48	47	57	62	57	70	77	67	82	91	77	95	105
Water																		
Water	10			14			19			23			29			33		
Water-Selected Rural Communities																		
Water-Selected Rural Communities	18			25			32			39			49			56		
Sewer																		
Sewer	14			19			25			30			38			44		
Sewer-Selected Rural Communities																		
Sewer-Selected Rural Communities	25			35			45			55			70			80		
Trash																		
Trash	25			25			29			32			32			32		
Range																		
Range	4			4			4			4			4			4		
Refrigerator																		
Refrigerator	4			4			4			4			4			4		