



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



October 30, 1985

Budget and Finance Committee
of the City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Utility Allowance Revisions

SUMMARY

The attached report is submitted to you for review and recommendation prior to consideration by the Housing Authority of the City of Sacramento.


RECOMMENDATION

The staff recommends approval of the utility allowance schedules.

Respectfully submitted,


WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COMMITTEE:



SOLON WISHAM, JR.
Assistant City Manager

Attachment



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



November 5, 1985

Housing Authority of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Utility Allowance Revisions

SUMMARY

Pursuant to Federal Low Income Housing Regulations, Agency staff have conducted an updating of the Utility Allowances applied to individual tenant rent computations to arrive at a contract rent charged to the tenant. These changed allowances will usually decrease the rent the tenant pays thus making more of the tenant's income available to pay higher utility costs due to rate increases.

The allowance changes will be retroactive to April 1, 1985 for Conventional Public Housing. The income lost to the Agency from decreased rents will be made up by increased subsidy from HUD for this purpose.

The Section 8 Existing Housing Program will also begin using these new allowances for new contracts and reexaminations conducted after January 1, 1986.

(1)

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Housing Authority of the
City of Sacramento
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BACKGROUND

The U.S. Department of Housing and Urban Development (HUD) has regulations that require low income housing tenants in Conventional Public Housing and Section 8 to receive a reduction in their already subsidized family contribution to rent in the form of a utility allowance. This allowance is set at an average dollar figure that an energy conserving household could be expected to incur as a monthly utility cost (seasonal variations are calculated into this). Therefore, after a family's Total Tenant Payment (TPP) (includes rent and utilities) is computed at 30% of adjusted family income, a utility allowance is further subtracted from that amount to arrive at a "Contract Rent" entered on the lease between the tenant and the Housing Authority.

The allowance is not intended to cover all of every tenant's utility consumption. The tenant may consume more or less depending on his individual habits and practices in utility consumption. The allowances are calculated for different building configurations and bedroom sizes, combinations of gas and electric service, type of appliances used and energy conserving measures retrofitted or built into the buildings as well as local climatic data. Allowances for City and County units of the same type will differ because of the 9% utility users tax in the City.

Most allowances have been developed by utilizing suggested consumption figures supplied by HUD for various building types (house, apartment, highrise, etc.) and unit sizes. These consumption figures are expressed in terms of kilowatt hours for electricity and therms for gas. The applicable utility rates are then applied to the consumption figures with appropriate weighting for seasonal variations and P.G.&E. Lifeline rate brackets. The final product of all these computations is a schedule of utility allowance combinations. The Agency presently has 216 possible combinations and resulting dollar amounts that could be used in its Public Housing and Section 8 Existing Housing Programs.

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A few allowances were developed with assistance by SMUD for special situations such as all electric and heat pump situations where HUD does not have well-established figures available. Some allowances have had the consumption figures reduced slightly to compensate for energy conserving improvements installed in the building. In the case of new construction County units some allowances have decreased due to a lack of experience with heat pumps when the allowances were first approved by HUD.

It is worth noting that all tenant rents may not necessarily go down when the new utility allowances are implemented since other factors may affect the rent a tenant pays and offset the reduction of a utility allowance increase. The attached schedules A, B, C, F, G, H, I, J have been approved by HUD and will be implemented January 1, 1986 retroactive to April 1, 1985 with Governing Board approval. For ease of comparison the old allowances (when present) have been shown in parenthesis under the new allowances. HUD has required the retroactivity because of the time elapsed between the last change in allowances in 1983 and the current one. The financial data from these changes is discussed below.

FINANCIAL DATA

Because the general effect of a utility allowance revision due to rate increases is a decrease in individual tenant rents there is an overall reduction in rental income. For units under City contracts with HUD the decrease for nine months of fiscal 1985 is \$157,707. For units under County contracts with HUD the decrease is \$54,837. Both of these amounts have been reimbursed by budget revisions approved by HUD. In the 1986 budget these reductions will be built into the rent roll and will be funded automatically through increased subsidy from HUD, according to their pre-established formulas.

ENVIRONMENTAL REVIEW

There is no environmental impact.

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POLICY IMPLICATIONS

The actions proposed in this staff report are consistent with previously approved policy, and there are no policy changes being recommended.

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of November 4, 1985, the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

AYES:

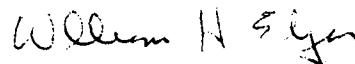
NOES:

ABSENT:

RECOMMENDATION

The staff recommends that utility allowance schedules be adopted as developed by staff and approved by HUD.

Respectfully submitted,



WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL:

WALTER J. SLIPE
City Manager

Contact Person: John Harmon

RESOLUTION NO.

ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO
ON DATE OF

NEW UTILITY ALLOWANCES FOR CONVENTIONAL PUBLIC HOUSING AND FOR SECTION 8 EXISTING HOUSING

BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF
SACRAMENTO:

Section 1: The Utility Allowance Schedules A, B, C, F, G, H, I, J dated July, 1985 and attached to the staff report are hereby adopted.

Section 2: For HUD Conventional Public Housing units owned by the Housing Authority the schedules approved above are to be implemented January 1, 1986, retroactive to April 1, 1985.

Section 3: For Section 8 Existing Housing programs administered by the Housing Authority said allowances are to be implemented beginning January 1, 1986 for new contracts and reexaminations conducted after that date.

CHAIR

ATTEST:

SECRETARY

z:hacsutility

HOUSING AUTHORITIES OF THE CITY AND COUNTY OF SACRAMENTO
 Allowances for Tenant Furnished Utilities

Schedule A
 Date 7/85

Locality City of Sacramento
 Sacramento County, California
 Dwelling Type Detached Houses/Duplexes

See Schedules.....NATURAL GAS: G-1SELECTRICITY: 17-14

Dollar Allowances include: State Energy Resources Surcharge? Yes X No _____
 Utility Users Tax? 9 % by _____

UTILITY COMBINATIONS	MONTHLY ALLOWANCES in Dollars					
	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR
1. <u>NATURAL GAS</u> - for cooking, water heating and space heating. <u>ELECTRICITY</u> - for lighting, small appliances and refrigeration.	31 (25) *	39 (31)	57 (43)	69 (50)	86 (64)	102 (75)
2. <u>NATURAL GAS</u> - for cooking and space heating. <u>ELECTRICITY</u> - for lighting, small appliances and refrigeration (hot water provided by owner).	27 (19)	33 (26)	47 (37)	56 (44)	71 (54)	85 (62)
3. <u>NATURAL GAS</u> - for water heating and space heating. <u>ELECTRICITY</u> - for cooking, lighting, small appliances and refrigeration.	32 (25)	40 (31)	56 (44)	68 (52)	85 (63)	101 (74)
4. <u>NATURAL GAS</u> - for space heating. <u>ELECTRICITY</u> - for cooking, lighting, small appliances and refrigeration (hot water provided by owner).	27 (22)	34 (27)	47 (36)	56 (43)	71 (51)	85 (58)
5. <u>ELECTRICITY</u> - for lighting, small appliances and refrigeration. <u>OTHER UTILITIES</u> - paid by Landlord.	11 (9)	13 (10)	19 (13)	26 (18)	29 (19)	31 (21)
6. <u>ELECTRICITY</u> - for cooking, lighting, small appliances and refrigeration. <u>OTHER UTILITIES</u> - paid by Landlord.	14 (10)	17 (12)	23 (16)	32 (21)	36 (24)	40 (26)
7. <u>ELECTRICITY</u> - for cooking, resistance space heating, lighting, refrigeration and small appliances (hot water provided by owner). Figures supplied by SMUD.	N/A	42	55	67	75	90
8. <u>NATURAL GAS</u> - water heating (provided by tenant). <u>ELECTRICITY</u> - resistance space heating, lights and appliances & cooking.	N/A	48	62	75	84	N/A
9. <u>ALL ELECTRIC</u> - Resistance space and water heating, lighting, refrigeration, small appliances & cooking.	N/A	52	69	83	94	111

*Numbers in parentheses are old figures.

HOUSING AUTHORITIES OF THE CITY AND COUNTY OF SACRAMENTO
 Allowances for Tenant Furnished Utilities

Schedule B
 Date 7/85

Locality City of Sacramento Sacramento County, California	Dwelling Type Apartments/Townhouses
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Rate Schedules.....NATURAL GAS: G-1SELECTRICITY: 17-14

Dollar Allowances include: State Energy Resources Surcharge? Yes X No _____
 Utility Users Tax? 9 % by _____

UTILITY COMBINATIONS	MONTHLY ALLOWANCES in Dollars					
	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR
1. <u>NATURAL GAS</u> - for cooking, water heating and space heating. <u>ELECTRICITY</u> - for lighting, small appliances and refrigeration.	25 *(21)	32 (26)	44 (34)	54 (41)	64 (49)	77 (57)
2. <u>NATURAL GAS</u> - for cooking and space heating. <u>ELECTRICITY</u> - for lighting, small appliances and refrigeration (hot water provided by owner).	21 (17)	26 (21)	37 (29)	45 (35)	52 (41)	59 (47)
3. <u>NATURAL GAS</u> - for water heating and space heating. <u>ELECTRICITY</u> - for cooking, lighting, small appliances and refrigeration.	25 (21)	33 (26)	45 (35)	55 (42)	64 (49)	75 (57)
4. <u>NATURAL GAS</u> - for space heating. <u>ELECTRICITY</u> - for cooking, lighting, small appliances and refrigeration (hot water provided by owner).	21 (17)	27 (22)	38 (30)	47 (36)	54 (42)	61 (47)
5. <u>ELECTRICITY</u> - for lighting, small appliances and refrigeration. <u>OTHER UTILITIES</u> - paid by Landlord.	11 (9)	13 (10)	19 (13)	26 (18)	29 (19)	31 (21)
6. <u>ELECTRICITY</u> - for cooking, lighting, small appliances and refrigeration. <u>OTHER UTILITIES</u> - paid by Landlord.	14 (10)	17 (12)	23 (16)	32 (21)	36 (24)	40 (26)
7. <u>ELECTRICITY</u> - for cooking, resistance space heating, lighting, refrigeration and small appliances (hot water provided by owner). Figures supplied by SMUD.	** 25 26 (17)	** 35 33 (19)	45	60	70	78
8. <u>NATURAL GAS</u> - water heating (provided by tenant). <u>ELECTRICITY</u> - resistance space heating, lights and appliances, cooking.	N/A	41	52	68	79	N/A
9. <u>ELECTRICITY</u> - Resistance space and water heating.	36	45	59	76	89	99

*Number in parentheses are old figures.
 ** With Air Conditioning Allowance.

HOUSING AUTHORITIES OF THE CITY AND COUNTY OF SACRAMENTO
 Allowances for Tenant Furnished Utilities

Schedule C

Date

7/85

Locality

City of Sacramento

Dwelling Type

All Electric Highrise/
 All Electric Lowrise

Rate Schedules.....NATURAL GAS: G- 1S.....ELECTRICITY: 17-14

Dollar Allowances include: State Energy Resources Surcharge? Yes X No _____
 Utility Users Tax? 9 % by _____

UTILITY COMBINATIONS	MONTHLY ALLOWANCES in Dollars					
	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR
<u>HIGHRISE</u>						
1. <u>ELECTRICITY</u> - for cooking, space heating, lighting, refrigeration and small appliances (hot water provided by owner).		19 *(16)				
2. Highrise (Section 8). <u>ELECTRICITY</u> - for cooking, lighting, refrigeration and small appliances (hot water and central heat provided by owner).	14 (10)	17 (13)	23 (17)	32 (22)		
<u>LOWRISE</u>						
3. <u>ELECTRICITY</u> - for cooking, space heating, lighting, refrigeration and small appliances (hot water provided by owner).	**23 21 (17)	**26 24 (22)				
4. <u>ALL ELECTRIC</u>		**36 34 (26)				

* Numbers in parentheses are old figures.

** With Air Conditioning Allowance.

HOUSING AUTHORITIES OF THE CITY AND COUNTY OF SACRAMENTO
 Allowances for Tenant Furnished Utilities

SCHEDULE F

Date

7/85

Locality

Sacramento County, California

Dwelling Type

Detached Houses/Duplexes

Rate Schedules.....NATURAL GAS: G-1SELECTRICITY: 17-14

Dollar Allowances include: State Energy Resources Surcharge? Yes No
 Utility Users Tax? _____ % by _____

UTILITY COMBINATIONS	MONTHLY ALLOWANCES in Dollars					
	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR
1. <u>NATURAL GAS</u> - for cooking, water heating and space heating. <u>ELECTRICITY</u> - for lighting, small appliances and refrigeration.	29 (24)	36 (30)	52 (41)	63 (48)	79 (61)	94 (71)
2. <u>NATURAL GAS</u> - for cooking and space heating. <u>ELECTRICITY</u> - for lighting, small appliances and refrigeration (hot water provided by owner).	24 (18)	30 (24)	43 (35)	52 (42)	65 (41)	78 (59)
3. <u>NATURAL GAS</u> - for water heating and space heating. <u>ELECTRICITY</u> - for cooking, lighting, small appliances and refrigeration.	29 (24)	36 (30)	52 (41)	62 (49)	78 (60)	92 (71)
4. <u>NATURAL GAS</u> - for space heating. <u>ELECTRICITY</u> - for cooking, lighting, small appliances and refrigeration (hot water provided by owner).	25 (21)	31 (26)	43 (35)	52 (41)	65 (48)	78 (55)
5. <u>ELECTRICITY</u> - for lighting, small appliances and refrigeration. <u>OTHER UTILITIES</u> - paid by Landlord.	10 (8)	12 (9)	17 (13)	24 (17)	27 (18)	29 (20)
6. <u>ELECTRICITY</u> - for cooking, lighting, small appliances and refrigeration. <u>OTHER UTILITIES</u> - paid by Landlord.	13 (10)	15 (11)	21 (15)	30 (20)	33 (23)	37 (25)
7. <u>ELECTRICITY</u> - for cooking, space heating, lighting, refrigeration and small appliances (hot water provided by owner).	N/A	N/A	N/A	N/A	N/A	N/A
8. <u>ALL ELECTRIC</u>	N/A	N/A	N/A	N/A	N/A	N/A
9. Refuse Collection (Section 8)						

* Numbers in parentheses are old figures.

HOUSING AUTHORITIES OF THE CITY AND COUNTY OF SACRAMENTO
 Allowances for Tenant Furnished Utilities

Schedule G

Date

7/85

Locality

Sacramento County, California

Dwelling Type

Apartments/Townhouses

Rate Schedules.....NATURAL GAS: G-1SELECTRICITY: 17-14

Dollar Allowances include: State Energy Resources Surcharge? Yes X No _____
 Utility Users Tax? _____ % by _____

UTILITY COMBINATIONS	MONTHLY ALLOWANCES in Dollars					
	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR
1. <u>NATURAL GAS</u> - for cooking, water heating and space heating. <u>ELECTRICITY</u> - for lighting, small appliances and refrigeration.	23 *(20)	29 (25)	40 (33)	49 (40)	59 (47)	71 (54)
2. <u>NATURAL GAS</u> - for cooking and space heating. <u>ELECTRICITY</u> - for lighting, small appliances and refrigeration (hot water provided by owner).	19 (16)	24 (20)	34 (28)	41 (34)	48 (39)	54 (44)
3. <u>NATURAL GAS</u> - for water heating and space heating. <u>ELECTRICITY</u> - for cooking, lighting, small appliances and refrigeration.	23 (20)	30 (25)	41 (33)	50 (40)	58 (47)	69 (55)
<u>NATURAL GAS</u> - for space heating. <u>ELECTRICITY</u> - for cooking, lighting, small appliances and refrigeration (hot water provided by owner).	19 (16)	25 (21)	35 (28)	43 (34)	50 (40)	56 (45)
5. <u>ELECTRICITY</u> - for lighting, small appliances and refrigeration. <u>OTHER UTILITIES</u> - paid by Landlord.	10 (8)	12 (9)	17 (13)	24 (17)	27 (18)	29 (20)
6. <u>ELECTRICITY</u> - for cooking, lighting, small appliances and refrigeration. <u>OTHER UTILITIES</u> - paid by Landlord.	13 (10)	15 (11)	21 (15)	30 (20)	33 (23)	37 (25)
7. <u>ELECTRICITY</u> - for cooking, space heating, lighting, refrigeration and small appliances (hot water provided by owner).	**27 25 (16)	** 32 30 (18)	N/A	N/A	N/A	N/A
8. <u>ALL ELECTRIC</u>	N/A	42	N/A	N/A	N/A	N/A
9. Refuse Collection (Section 8)						

Numbers in parentheses are old figures.
 with Air Conditioning Allowance.

HOUSING AUTHORITIES OF THE CITY AND COUNTY OF SACRAMENTO
 Allowances for Tenant Furnished Utilities

Schedule H

Date 7/85

Locality
 Sacramento County, California

Dwelling Type
 All Electric Highrise/
 All Electric Lowrise

Rate Schedules.....NATURAL GAS: G-1SELECTRICITY: 17-14

Dollar Allowances include: State Energy Resources Surcharge? Yes X No _____
 Utility Users Tax? _____ % by _____

UTILITY COMBINATIONS	MONTHLY ALLOWANCES in Dollars					
	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR
<u>HIGHRISE</u>						
1. <u>ELECTRICITY</u> - for cooking, space heating, lighting, refrigeration and small appliances (hot water provided by owner).		18 *(15)				
2. Highrise (Section 8)	13 (10)	15 (12)	21 (16)	30 (21)		
<u>ELECTRICITY</u> - for cooking, lighting, refrigeration and small appliances (hot water and central heat provided by owner).						
<u>LOWRISE</u>						
3. <u>ELECTRICITY</u> - for cooking, space heating, lighting, refrigeration and small appliances (hot water provided by owner).	**21 20 (16)	**24 22 (18)				
4. <u>ALL ELECTRIC</u>		**33 31 (24)				

* Numbers in parentheses are old figures.
 ** With Air Conditioning Allowance.

HOUSING AUTHORITIES OF THE CITY AND COUNTY OF SACRAMENTO
 Allowances for Tenant Furnished Utilities

SCHEDULE I

Date

7/85

Locality

County of Sacramento, California

Dwelling Type

New Construction Units
 (Since 1983)

Rate Schedules.....NATURAL GAS: G-1SELECTRICITY: 17-14

Dollar Allowances include: State Energy Resources Surcharge? Yes X No _____
 Utility Users Tax? _____ % by _____

UTILITY COMBINATIONS	MONTHLY ALLOWANCES in Dollars					
	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR
1. All Electric - Heat Pump, space conditioning, lighting and appliances. Resistance water heating. (7-7, 7-5, 7-8, 7-17)		31 *(31)	37 (41)	46 (49)	53 (57)	
2. All Electric - Heat Pump, space conditioning, lighting appliances, heat pump water heating. (7-11, 7-12, 7-14, 7-15)		28 (31)	34 (41)	41 (49)	48 (57)	
3. Electric Heat Pump, space conditioning, electric lighting and appliances, gas water heating. (7-16 & 7-13)		31	36 (32/33)	43	50	

*Numbers in parenthese are old figures.

HOUSING AUTHORITIES OF THE CITY AND COUNTY OF SACRAMENTO
 Allowances for Tenant Furnished Utilities

SCHEDULE J
 Date
 7/85

Locality City of Sacramento
 Sacramento County, California

Dwelling Type
 New Construction Units
 (Since 1983)

Utility Schedules.....NATURAL GAS: G-1 S.....ELECTRICITY: 17-14

Dollar Allowances include: State Energy Resources Surcharge? Yes No
 Utility Users Tax? 9 % by _____

UTILITY COMBINATIONS	MONTHLY ALLOWANCES in Dollars					
	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR
1. All Electric - Heat Pump, space conditioning, lighting and appliances. Resistance water heating. (5-24, 5-23)		34 *(32)	41 (43)	50 (51)	58 (59)	
2. All Electric - Heat Pump, space conditioning, lighting appliances, heat pump water heating.		31	37	45	53	
3. Electric Heat Pump, space conditioning, electric lighting and appliances, gas water heating.		34	39	47	55	

*Numbers in parentheses are old figures.