



Good Neighbors

San Diego
Housing Commission

REPORT

ITEM 102

DATE ISSUED: October 11, 2005

REPORT NO.: HCR05-96
For the Agenda of October 28, 2005

SUBJECT: Revised Utility Allowance Schedule for Public Housing Units (Citywide)

SUMMARY

Issue: Should the Housing Commission approve the revised Utility Allowance Schedule for Public Housing residents as mandated by the Department of Housing and Urban Development (HUD)?

Recommendation: That the Housing Commission approve the revised Utility Allowance Schedule (Attachment 1) for Public Housing residents, to be effective on November 1, 2005 and implemented at annual recertification date.

Fiscal Impact: None. Residents continue to pay thirty percent (30%) of their income for total housing cost. Higher utility allowances decreases in tenant rental payments which are offset by increased subsidy payments from HUD.

Affordable Housing Impact: None

Previous Related Action(s): The Housing Commission has approved revised Utility Allowance Schedules for Public Housing residents since 1991, the most recent revisions was done on February 27, 2005.

BACKGROUND

Sections 965.502 and 965.507(a) (b) of the Code of Federal Regulations (CFR) require that housing agencies review utility allowances for Public Housing programs on an annual basis and revise allowances if there is a rate change of ten percent (10%) or more from the rates on which previous allowances were based. Regulations further require housing agencies to revise utility allowances between annual reviews whenever utility rates change by more than ten percent (10%).

DISCUSSION

Public Housing residents purchase their gas and electric individually and make payment directly to the supplier. The Housing Commission pays for water, except at the thirty eight (38) single family homes, and for removal of trash.

Utility allowances were last approved on February 27, 2005. Since that time, gas rates have increased by approximately thirty three percent (33%) and baseline electric rates have decreased by about four percent (4%). The proposed new utility allowance schedule (Attachment 1) is based on current San Diego Gas and Electric (SDG&E) residential utility rates. Revised utility allowances would become effective December 1, 2005 and staff would implement them at the residents' annual recertification.

ALTERNATIVES

None. HUD mandates utility allowance review at least annually and adjustment whenever rates increase or decrease by ten percent (10%) or more.

Respectfully submitted,

Steve Snyder
Director of Facilities

STABLER 578-7411

Approved by,

Elizabeth C. Morris
President & Chief Executive Officer

**Signature on File
With Original Document**

Attachment 1: Proposed Utility Allowance Schedule