



Good Neighbors

San Diego
Housing Commission

REPORT

ITEM 101

DATE: For the Agenda of May 10, 2002

REPORT NO.: HCR02-037

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 as mandated by HUD.

Fiscal Impact: None

Affordable Housing Impact: None

Previous Related Action(s): On October 1991, June 7, 1993, June 5, 1995, May 5, 1997, June 1, 1998 and March 23, 2001, the Housing Commission approved revised Utility Allowance Schedules for Public Housing residents.

BACKGROUND

Sections 965.502 and 965.507(b) of the Code of Federal Regulations (CFR) require that housing agencies review utility allowances for Public Housing programs on an annual basis and must revise allowances if there is a rate change of ten percent or more from the rates on which previous allowances were based. Regulations require housing agencies to seek public housing resident comment prior to the approval and implementation of revised utility allowances schedule. Public housing residents purchase their gas and electric utilities individually and pay the supplier. The Housing Commission pays for water and removal of trash.

The Housing Commission contracted with Engineering Associates, Inc. in May 1991 to conduct a comprehensive energy audit of all housing units. The audit has been used as the basis for the utility allowance schedule since that time.

As required in 24 CFR 966.5, the proposed revisions were mailed to all residents of HUD public housing units for review and comment on March 14, 2002. In addition, the Legal Aid Society of



San Diego, Inc. was provided a courtesy copy for comment. Comments were accepted through April 15, 2002.

DISCUSSION

The utility allowance calculation is based on current SDG&E residential utility rates for the cost of electricity and gas and is being conducted in accordance with the Engineering Associates 1991 report. The proposed utility allowance would be effective September 1, 2002, and staff would implement at the residents' annual recertification.

During the comment period, staff received thirty-three responses; six were favorable; ten cited concern with the amount of the allowance decrease; seventeen were either no comment or comments on unrelated topics.

ALTERNATIVES

None. HUD mandates utility allowance review annually and adjustment when rates increase or decrease by 10% or more.

Respectfully submitted,

Steve Snyder
Asset Management Manager

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Attachment: 1. Proposed Utility Allowance Table

**Signature on File
With Original Document**

Approved by,

Elizabeth C. Morris
Chief Executive Officer