



Good Neighbors

San Diego  
Housing Commission

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# REPORT

**DATE:** For the Agenda of March 23, 2001 **Item 104**

**REPORT NO.:** HCR01-036

**SUBJECT:** Revised Utility Allowances 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 U.S. Department of Housing and Urban Development (HUD)?

**Recommendation:** Approve the revised Utility Allowance Schedule for Public Housing residents as mandated by HUD (Attachment).

**Fiscal Impact:** The total resident housing rent payment is based on 30% of income minus the utility allowance. When the utility allowance increases, the resident share decreases. This decrease is offset by an increase in subsidy payments made to the Housing Commission by HUD.

**Previous Related Actions:** In October 1991 and on June 7, 1993, June 5, 1995, May 5, 1997 and June 1, 1998, the Board approved revised Utility Allowance Schedules for Public Housing residents. There were no related actions in 1999 and 2000.

## BACKGROUND

Sections 965.502 and 965.507(b) of the Code of Federal Regulations require that housing agents shall 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 the Housing Agency to seek public housing resident comment prior to the approval and implementation of utility allowances. 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.



## **DISCUSSION**

Due to the current instability of the utilities industry, the utility rate calculation is based on the average of the actual cost of electricity and gas for the period July 2000 through December 2000. This is being done in accordance with the Engineering Associates 1991 report, which is available for review at the Housing Commission's Belden Village office.

As required, notification of the revised utility allowances was sent to residents for their comments prior to the proposed effective date of April 1, 2001. During the comment period, staff received twenty-four responses, which primarily cited concerns with the implementation date of the change. Two respondents requested retroactive adjustments. Staff will implement new utility allowances for all residents on April 1, 2001 as proposed.

## **ALTERNATIVES**

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

Respectfully submitted,

Patricia Duplechan  
Director of Housing Programs

**Signature on File  
With Original Document**

Approved by,

Elizabeth C. Morris  
Chief Executive Officer

Attachment: Proposed Utility Allowance Schedule