



**Berkeley Housing Authority**

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*Office of the Executive Director*

Item 7D  
NEW BUSINESS  
June 27, 2023

To: Honorable Chairperson and  
Members of the Housing Authority Board

From: James Williams, Executive Director

Subject: Utility Allowance Schedule for the Section 8 Housing Choice Voucher Tenant-based and Project-based Programs.

RECOMMENDATION

Approve a resolution adopting a revised Utility Allowance schedule for the Section 8 Housing Choice Voucher Tenant-based and Project-based Programs, effective July 1, 2023 for new and existing contracts.

BACKGROUND

HUD rules state affordable rent paid by Section 8 program participants is 30-40% of adjusted family income. Included in the calculation are basic utilities essential to safe and decent housing. In the Section 8 program “family rent” paid to the landlord, is 30-40% of adjusted income minus an allowance for any tenant paid utilities. If, however, the landlord covers all utilities, no allowance is permissible.

All public housing authorities are required to review the utility allowance schedules annually, and if there has been an increase in rates of 10% or more, make an appropriate adjustment in the allowances for housing categories offered in the jurisdiction. BHA has three housing categories: “single family detached homes;” “apartments with 5 or more units;” and, “duplex, townhouses, garden apartments, and apartments with 2 – 4 units.”

Consultant Alan Fox, an economist who assisted HUD in developing the utility allowance formulas, conducted an extensive review and analysis of utilities. His research and analysis include data on location/climate; housing characteristics; consumption factors and calculations (e.g. kBTUs/ kWh/therms/gallons per year); baselines per each housing type and bedroom sizes, in order to determine allowances, all while taking into consideration the low-income rates that PG&E and EBMUD provide.

The extensive analysis performed by Mr. Fox confirmed that most of the utility rates have increased, thus, we are proposing changes to the utility allowance schedules.

Most notable changes are:

Rate changes:

1. **Electric rates:** PG&E's electric rates have increased by 18% in the bottom two price tiers (up to 130% of PG&E's baseline,) but decreased 6% in Tier 3, above 130% of baseline. As a result, almost all electric heating occurs in Tier 3, whose price per kilowatt-hour has decreased. All winter heating is charged at the Tier 3 rate, which is down 6% this year. Other uses of electricity are charged at the Tier 1 and Tier 2 rates, which are up 18% this year.
2. **Gas rates** are up 6% in the below-baseline usage category, and up 20% above the baseline.
3. **Water and sewer** rates and fixed charges are all up 4%.
4. **Trash** rates are unchanged.

Total Utility Cost

1. Total allowances for all-electric homes are up about 9% for single family houses and duplexes, and up 10% for apartments.
2. Total allowances for mixed-fuel homes are up about 13% for single family houses and up 11-12% for duplexes and apartments.
3. Electric costs down for heating but up for other uses: As explained above, electric heating costs are down about 6% while other electrical uses are up about 18%.

Higher utility schedules mean less rent portion paid by program participants to landlords. Lower utility costs mean more rent portion paid by program participants to landlords, and increase in HAP expenditure.

Because the utility allowance is a predetermined amount (based on bedroom size), it is incumbent that all family members actively conserve energy to the extent possible, and participate in programs offered to low-income households: PG&E's CARE program and East Bay MUD's Customer Assistance Program (CAP). BHA provides, and assists applicants/participants in completing the simple application forms.

A number of factors will determine if the allowance is sufficient to cover the actual utility expense, for each family, including but not limited to:

- a. number of people in the household;
- b. number of exterior walls;
- c. energy conservation efforts by household members; and
- d. age and condition of the unit, including any energy efficiency upgrades or appliances.

One of the MTW activities included in the BHA MTW Supplemental Plan is the Alternative Utility Allowance for HCV. BHA will streamline its recertifications by employing a standard utility allowance for its HCV households. This activity will reduce staff hours, allowing staff to focus on other matters. Additionally, it will allow the household rent/portion to increase helping households to realize a more market rate rent. The proposed utility allowance will be used in calculating the standard utility allowance for all bedroom sizes referred to in this activity.

MTW activities/flexibilities, however, do not apply to Special Purpose Vouchers (SPV) like Mainstream and Emergency Housing Vouchers, as well as Mod Rehab certificates. Therefore, the proposed 2023 Utility Allowances shall apply on SPV units.

### STATUS

The new schedules are effective July 1, 2023, however since Housing Specialists have already completed most of the July 1 and August 1 recertifications, the new allowances will be used in the September 1 recertifications.

### FINANCIAL IMPACTS

When a utility allowance is provided, the amount of family rent portion paid to the landlord decreases. When utility allowances are decreased, the amount of family rent portion paid to the landlord increases and BHA's HAP expenditures are increased.

There are financial implications also for landlords—because a utility allowance is subtracted from the rent portion paid by the client to the landlord, property owners do not benefit from the full Payment Standard.

### CONTACT PERSON

James Williams, Executive Director, 981-5485

### Attachments:

1. Resolution
2. Proposed 2023 Section 8 Utility Allowance Schedules
3. Existing 2022 Section 8 Utility Allowance Schedules (for comparison)

EXHIBIT A



BHA RESOLUTION NO. 23-\_\_

ADOPTING A REVISED UTILITY ALLOWANCE SCHEDULE FOR THE HOUSING CHOICE VOUCHER, MAINSTREAM, EMERGENCY HOUSING VOUCHERS AND MODERATE REHABILITATION PROGRAMS EFFECTIVE JULY 1, 2023 FOR NEW AND EXISTING CONTRACTS.

WHEREAS, the Berkeley Housing Authority is required to grant assisted households a deduction from rent paid to the landlord for tenant paid utilities; and

WHEREAS, HUD regulations require housing authorities to examine the utility allowance schedule at least annually, and to make modifications if utility rates have changed by 10% or more; and

WHEREAS, BHA's consultant, Alan Fox has conducted extensive annual analysis and calculations, and has determined that rates have increased for gas, electric heating, water and sewer charges;

NOW, THEREFORE BE IT RESOLVED, that the proposed utility allowance schedule for the Housing Choice Voucher, Mainstream, Emergency Housing Voucher and Mod Rehab programs adopted effective July 1, 2023 for new and existing contracts, attached hereto and identified as Exhibit A, and incorporated by reference.

The foregoing Resolution was adopted by the Board of the Berkeley Housing Authority on June 27, 2023 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Attest: \_\_\_\_\_  
James Williams, Secretary

**Allowances for Tenant-Furnished Utilities And Other Services**

**U.S. Department of Housing and Urban Development**  
Office of Public and Indian Housing

Locality: <b>Berkeley, CA</b>		Unit Type: <b>Single Family Detached</b>					Date: 7/1/2023	
<b>Utility or Service</b>		Monthly Dollar Allowances; Number of Bedrooms						
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
<b>Heating</b>	a. Natural Gas	46	54	63	72	82	92	
	b. Electric	56	70	80	90	100	111	
	c. Heat Pump	19	25	29	33	37	40	
<b>Air Conditioning</b>		1	2	3	4	5	6	
<b>Cooking</b>	a. Natural Gas	6	8	11	13	15	17	
	b. Electric	12	16	20	23	27	31	
<b>Other Electric/Lighting</b>		47	68	89	110	131	151	
<b>Water Heating</b>	a. Natural Gas	11	22	33	44	55	66	
	b. Electric	16	35	53	72	90	109	
<b>Water and Sewer</b>		36	42	54	72	87	102	
<b>Trash Collection</b>		44	44	44	87	87	131	
<b>Range/Microwave</b>		7	7	7	7	7	7	
<b>Refrigerator</b>		7	7	7	7	7	7	

<b>Actual Family Allowances</b> To be used by the family to compute allowance. Complete below for the actual unit rented.
Name of Family
Address of Unit
Number of Bedrooms

Utility or Service	Monthly Cost
Heating	
Air Conditioning	
Cooking	
Other Electric/Lighting	
Water Heating	
Water & Sewer	
Trash Collection	
Range/Microwave	
Refrigerator	
Other	
<b>Total</b>	<b>\$</b>

**Allowances for Tenant-Furnished Utilities And Other Services**

**U.S. Department of Housing and Urban Development**  
Office of Public and Indian Housing

Locality: <b>Berkeley, CA</b>		Unit Type: <b>Duplex, Attached, Apartment With 2-4 Units</b>					Date: 7/1/2023
		Monthly Dollar Allowances; Number of Bedrooms					
<b>Utility or Service</b>		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
<b>Heating</b>	a. Natural Gas	41	48	56	64	73	82
	b. Electric	47	62	71	81	90	99
	c. Heat Pump	16	23	26	29	33	36
<b>Air Conditioning</b>		1	2	2	3	4	5
<b>Cooking</b>	a. Natural Gas	6	8	11	13	15	17
	b. Electric	12	16	20	23	27	31
<b>Other Electric/Lighting</b>		31	51	72	92	112	133
<b>Water Heating</b>	a. Natural Gas	11	22	33	44	55	66
	b. Electric	16	35	53	72	90	109
<b>Water and Sewer</b>		33	37	47	60	73	85
<b>Trash Collection</b>		44	44	44	87	87	131
<b>Range/Microwave</b>		7	7	7	7	7	7
<b>Refrigerator</b>		7	7	7	7	7	7

<b>Actual Family Allowances</b> To be used by the family to compute allowance. Complete below for the actual unit rented.
Name of Family
Address of Unit
Number of Bedrooms

Utility or Service	Monthly Cost
Heating	
Air Conditioning	
Cooking	
Other Electric/Lighting	
Water Heating	
Water & Sewer	
Trash Collection	
Range/Microwave	
Refrigerator	
Other	
<b>Total</b>	<b>\$</b>



**Allowances for Tenant-Furnished Utilities And Other Services**

**U.S. Department of Housing and Urban Development**  
Office of Public and Indian Housing

Locality: <b>Berkeley, CA</b>		Unit Type: <b>Apartment With 5 or More Units; High Rise</b>				Date: 7/1/2023	
		Monthly Dollar Allowances; Number of Bedrooms					
<b>Utility or Service</b>		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
<b>Heating</b>	a. Natural Gas	23	26	30	35	41	47
	b. Electric	25	35	41	46	51	57
	c. Heat Pump	9	13	15	17	19	21
<b>Air Conditioning</b>		1	1	2	3	3	4
<b>Cooking</b>	a. Natural Gas	6	8	11	13	15	17
	b. Electric	12	16	20	23	27	31
<b>Other Electric/Lighting</b>		32	47	62	77	92	107
<b>Water Heating</b>	a. Natural Gas	11	22	33	44	55	66
	b. Electric	16	35	53	72	90	109
<b>Water and Sewer</b>		33	37	47	60	73	85
<b>Trash Collection</b>		44	44	44	87	87	131
<b>Range/Microwave</b>		7	7	7	7	7	7
<b>Refrigerator</b>		7	7	7	7	7	7

<b>Actual Family Allowances</b> To be used by the family to compute allowance. Complete below for the actual unit rented.
Name of Family
Address of Unit
Number of Bedrooms

Utility or Service	Monthly Cost
Heating	
Air Conditioning	
Cooking	
Other Electric/Lighting	
Water Heating	
Water & Sewer	
Trash Collection	
Range/Microwave	
Refrigerator	
Other	
<b>Total</b>	<b>\$</b>



**Allowances for Tenant-Furnished  
Utilities And Other Services**

**U.S. Department of Housing  
and Urban Development**  
Office of Public and Indian Housing

Locality: <b>Berkeley, CA</b>		Unit Type: <b>Single Family Detached</b>				Date: <b>7/1/2022</b>	
Utility or Service		Monthly Dollar Allowances; Number of Bedrooms					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
<b>Heating</b>	a. Natural Gas	43	49	56	63	70	77
	b. Electric	51	73	85	96	107	118
	c. Heat Pump	16	26	31	35	39	43
<b>Air Conditioning</b>		1	1	2	3	4	5
<b>Cooking</b>	a. Natural Gas	6	7	9	11	13	15
	b. Electric	10	13	17	20	23	27
<b>Other Electric/Lighting</b>		40	57	75	93	111	128
<b>Water Heating</b>	a. Natural Gas	10	19	29	39	48	58
	b. Electric	14	29	45	61	77	93
<b>Water</b>		22	27	37	51	66	80
<b>Sewer</b>		12	13	16	18	18	18
<b>Trash Collection</b>		44	44	44	87	87	131
<b>Range/Microwave</b>		7	7	7	7	7	7
<b>Refrigerator</b>		7	7	7	7	7	7

<b>Actual Family Allowances</b> To be used to compute allowance. Complete below for the actual unit rented.	<b>Utility or Service</b>	<b>Monthly Cost</b>
<b>Name of Family</b>	Heating	
	Cooking	
	Other Electric	
<b>Address of Unit</b>	Air Conditioning	
	Water Heating	
	Water	
	Sewer	
	Trash Collection	
	Range/Microwave	
	Refrigerator	
<b>Number of Bedrooms</b>	Other	
	<b>Total</b>	

**Allowances for Tenant-Furnished  
Utilities And Other Services**

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

Locality: <b>Berkeley, CA</b>		Unit Type: <b>Duplex,Townhouse,Garden Apt, Apt 2-4 Units</b>				Date: <b>7/1/2022</b>	
<b>Utility or Service</b>		Monthly Dollar Allowances; Number of Bedrooms					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
<b>Heating</b>	a. Natural Gas	38	44	50	56	62	69
	b. Electric	40	61	76	86	96	106
	c. Heat Pump	13	20	28	31	35	39
<b>Air Conditioning</b>		1	1	2	3	4	4
<b>Cooking</b>	a. Natural Gas	6	7	9	11	13	15
	b. Electric	10	13	17	20	23	27
<b>Other Electric/Lighting</b>		26	43	61	78	95	113
<b>Water Heating</b>	a. Natural Gas	10	19	29	39	48	58
	b. Electric	14	29	45	61	77	93
<b>Water</b>		20	23	31	41	52	63
<b>Sewer</b>		12	13	14	17	18	18
<b>Trash Collection</b>		44	44	44	87	87	131
<b>Range/Microwave</b>		7	7	7	7	7	7
<b>Refrigerator</b>		7	7	7	7	7	7

<b>Actual Family Allowances</b> To be used to compute allowance. Complete below for the actual unit rented.		<b>Utility or Service</b>	<b>Monthly Cost</b>
<b>Name of Family</b>		Heating	
		Cooking	
		Other Electric	
<b>Address of Unit</b>		Air Conditioning	
		Water Heating	
		Water	
		Sewer	
		Trash Collection	
		Range/Microwave	
<b>Number of Bedrooms</b>		Refrigerator	
		Other	
		<b>Total</b>	

**Allowances for Tenant-Furnished  
Utilities And Other Services**

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

Locality: <b>Berkeley, CA</b>		Unit Type: <b>Apartment With 5+ Units</b>				Date: <b>7/1/2022</b>	
<b>Utility or Service</b>		Monthly Dollar Allowances; Number of Bedrooms					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
<b>Heating</b>	a. Natural Gas	22	25	28	31	35	39
	b. Electric	21	33	43	49	55	60
	c. Heat Pump	7	11	16	18	20	22
<b>Air Conditioning</b>		0	1	2	2	3	3
<b>Cooking</b>	a. Natural Gas	6	7	9	11	13	15
	b. Electric	10	13	17	20	23	27
<b>Other Electric/Lighting</b>		27	40	53	65	78	91
<b>Water Heating</b>	a. Natural Gas	10	19	29	39	48	58
	b. Electric	14	29	45	61	77	93
<b>Water</b>		20	23	31	41	52	63
<b>Sewer</b>		12	13	14	17	18	18
<b>Trash Collection</b>		44	44	44	87	87	131
<b>Range/Microwave</b>		7	7	7	7	7	7
<b>Refrigerator</b>		7	7	7	7	7	7

<b>Actual Family Allowances</b> To be used to compute allowance. Complete below for the actual unit rented.	<b>Utility or Service</b>	<b>Monthly Cost</b>
	<b>Name of Family</b>	Heating
<b>Address of Unit</b>	Cooking	
	Other Electric	
	Air Conditioning	
	Water Heating	
	Water	
	Sewer	
	Trash Collection	
<b>Number of Bedrooms</b>	Range/Microwave	
	Refrigerator	
	Other	
	<b>Total</b>	