



Legislation Text

File #: 14-0974, **Version:** 1

Resolution to Approve the 2014 Utility Allowance for Public Housing

HUD requires the Ann Arbor Housing Commission (AAHC) to conduct an annual review of utility costs (electric and natural gas rates) to ensure that the utility allowances calculated for public housing program participants are reasonable and within regulatory compliance.

The AAHC hired a contractor, the Nelrod Company, to complete this year's review. Attached are the results of the utility study and the recommended utility allowances for the AAHC public housing stock. The utility allowance change will take effect August 1, 2014.

The AAHC is converting the following properties to RAD project-based vouchers in calendar year 2014 and therefore they are not included in this utility analysis because they will be utilizing the Housing Choice Voucher utility allowance instead: Miller Manor, Maple Meadows, Green-Baxter Court, Hikone, Baker Commons, Oakwood, Seventh, Mallet's Creek, Hillside Manor, and Upper Platt.

Prepared and Approved by Jennifer Hall, Executive Director

WHEREAS, HUD requires an annual review of utility costs (electric and natural gas rates) to ensure that the utility allowances calculated for public housing program participants are reasonable and within regulatory compliance; and

WHEREAS, the Ann Arbor Housing Commission last analyzed its utility allowances in May 2012 with revisions effective August 1, 2012; and

WHEREAS, the AAHC used a contractor, the Nelrod Company, to complete this year's review resulting in the continued use of an expanded methodology analyzing consumption and utility rates by each housing type and bedroom size; and

WHEREAS, HUD regulations require PHAs to adjust allowances where rates have changed 10% or more since the last time the utility schedule was revised, but provide PHAs the discretion to adjust allowances to align them with any rate changes at any time; and

WHEREAS, since there was greater than a 10% change in utility rates (specifically gas rates) and the use of the complete utility allowance schedule by Nelrod Company for FY 2014 keeps the Commission compliant with HUD regulations and in line with current market conditions; and

RESOLVED, that the Ann Arbor Housing Commission Board approve the utility allowance schedule as provided by Nelrod Company and attached hereto, which will be effective August 1, 2014 for public housing properties that are not converting to RAD Project-Based Vouchers in calendar year

2014, and used by staff to determine individual utility rate allowances in accordance with AAHC policy.