



Legislation Text

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Resolution To Approve the FY 2017 Utility Allowances for the Housing Voucher Programs

The Ann Arbor Housing Commission's Housing Choice Voucher program includes both tenant-based and project-based vouchers. In both cases participating tenants receives a rent subsidy based on the unit's rent and utilities. The rent and utilities for the unit must not exceed the AAHC's payment and subsidy standards. If the rent does not include the utilities, the AAHC calculates the estimated cost of utilities for that unit based on the number of rooms, utility types, and appliances used. Once the unit is approved, the AAHC calculates the portion of the rent and utilities that the tenant pays (30% of adjusted income) and the balance is paid by the voucher.

The Ann Arbor Housing Commission (AAHC) must review the utility costs in the community annually. The AAHC hired a consultant, HAPPY Software, to conduct the analysis and provide a recommendation for the utility allowance based on utility rate changes from the previous year.

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Approved by Jennifer Hall, Executive Director

WHEREAS, HUD's Section Eight Management Assessment Program (SEMAP) requires annual review of utility costs (rates) to ensure that utility allowances given to Housing Choice Voucher Program participants are accurately stated to ensure unit affordability; and

WHEREAS, the Ann Arbor Housing Commission last analyzed its utility allowances in March 2015, with revisions effective August 2015; and

WHEREAS, HUD regulations require PHAs to adjust allowances where any of the 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, the AAHC used a contractor, HAPPY Software, to complete this year's review of utility rates between June 2015 to March 2016 to determine if the utility allowance needs to be adjusted and HAPPY Software found that:

- Oil (liquid fuel oil) rates have decreased 40% from \$3.2900/gal to \$1.9899/gal; and
- Electric rates have increased 1% from \$0.133/gal to \$0.134/gal;
- Natural gas has decreased 10% from \$0.911/therm to \$0.817/therm
- Bottled gas has decreased 31% from \$2.51/bottle to \$1.7371/bottle
- Sewer costs in Ann Arbor have decreased 1% from \$4.25/ccf to 4.214/ccf
- Water costs in Ann Arbor have increased 3% from \$1.743 to \$1.794/ccf

WHEREAS, the AAHC, at a minimum, must adjust the utility allowance for oil, bottled gas and natural gas because the rates increased by more than 10%, but AAHC staff incurs no significant additional administrative burden to adjust for all utility rates; and

WHEREAS, the attached utility allowance schedule proposed by HAPPY Software for FY 2017 will enable the Commission to comply with HUD regulations and will allow the Commission to receive full SEMAP points; and

NOW, THEREFORE BE IT RESOLVED that the Board of the Ann Arbor Housing Commission accept and approve the complete utility allowance schedule as provided by HAPPY Software and attached hereto, which will be effective June 1, 2016 and used by staff to determine individual utility rate allowances, per the attached memo and analysis.