

RESOLUTION NO. _____

**APPROVAL OF REVISED UTILITY ALLOWANCE SCHEDULES FOR HOUSING
CHOICE VOUCHER PROGRAM**

Item No. 5D

WHEREAS, U.S. Department of Housing and Urban Development (HUD) regulations require that Housing Choice Voucher (HCV) Program administrators maintain utility allowance schedules for all tenant-paid utilities; and

WHEREAS, these regulations require revision of the utility allowance schedules when rates increase or decrease by 10 percent or more from the rates used in calculation of the previous utility allowance schedules.

NOW, THEREFORE, BE IT RESOLVED BY THE LOUISVILLE METRO HOUSING AUTHORITY BOARD OF COMMISSIONERS, that the new utility allowance schedules, which were revised to incorporate current and/or proposed rates for gas, electric, water, sewer, drainage, propane, and fuel oil are adopted for use in the HCV Program with leases/recertifications effective January 1, 2023.

RESOLUTION BACKGROUND STATEMENT

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Item No. 5D

I. STATEMENT OF FACTS:

LMHA is responsible for maintaining a utility allowance schedule for all tenant- paid utilities. The regulations governing this schedule are set forth in 24 CFR 982.517. The utility allowance schedule must be reviewed annually and revised when rates change by 10 percent or more. By definition, the utility allowance is "an amount equal to the estimate made or approved by a PHA or HUD of the monthly cost of a reasonable consumption of [tenant-paid] utilities by an energy-conservative household." 24 *CFR* 982.517

LMHA includes in the analysis the Meter charges and adjustments for:

- Gas Distribution Charge (GDC)
- Gas Supply Component (GSC)
- Demand Side Management (DSM)
- Gas Line Tracker (GLT)
- Home Energy Assistance Program (HEAP)
- Electric Charge (EC)
- Fuel Adjustment Clause (FAG)
- Environmental Surcharge (ES)
- EPA Consent Decree Surcharge (EPA)

This year, the most significant change was the Louisville Gas and Electric (LGE) increase of the gas rate. The Louisville Water Company (Metropolitan Sewer District) also increased charges for the water and sewer. Please see the table on the following page for details on these changes.

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I. STATEMENT OF FACTS (cont'd.):

A summary of proposed changes in rates and charges is as follows:

| Rates/Charges-Current Allowances (Aug 2022) | | | New Rates/Charges New Allowances (2023) %INC/(DEC-) | | |
|---|----------|----------------------------------|---|----------------------------------|--------|
| Gas Rate | \$0.9923 | | \$1.4313 | GDC + GSC + DSM + GLT | 44.2% |
| Meter Chg | \$20.07 | Meter Charge | \$20.07 | Meter + HEAP | 0.0% |
| Elect Rate | \$0.1014 | | \$0.1036 | EC + DSM + FAC | 2.1% |
| | \$23.99 | Meter Charge | \$23.99 | Meter + HEAP + flat ES of \$10 | 0.0% |
| Water | \$1.78 | per 1000 gal first 3000 gallons | \$1.57 | per 1000 gal first 2000 gallons | -11.8% |
| pg 6.02.01 | \$3.78 | per 1000 gal next 7000 gallons | \$3.95 | per 1000 gal next 8000 gallons | 4.5% |
| | \$4.22 | per 1000 gal above 10,000 | \$4.22 | per 1000 gal above 10,000 | 0.0% |
| | \$13.79 | Water Ser Charge-Meter | \$14.74 | Water Ser Charge-Meter | 6.9% |
| Sewer | \$18.90 | Service Charge \$29.46 Bimonthly | \$19.85 | Service Charge \$39.69 Bimonthly | 5.0% |
| | \$5.16 | Per 1000 gal of water | \$5.42 | Per 1000 gal of water | 5.0% |
| Drainage | \$15.45 | EPA Consent Decree Surcharge | \$16.22 | EPA Consent Decree Surcharge | 5.0% |
| Propane- | \$2.55 | Gallon | \$2.55 | Gallon | 0.0% |
| Fuel Oil | \$2.16 | Gallon | \$2.16 | Gallon | 0.0% |

II. ALTERNATIVES:

- A. Approve the revised utility allowance schedules.
- B. No other alternatives considered.

III. RECOMMENDATION:

Staff recommends Alternative "A."

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IV. JUSTIFICATION:

Federal regulations require annual review of utility allowances and adoption of revised allowance schedules when rates change by 10 percent or more from the rates used in preparing the previous schedules.

Submitted by: Deborah Gilbert
Director of Leased Housing
September 20, 2022