



PORTLAND HOUSING BUREAU

Mayor Ted Wheeler
Kurt Creager, Director

PHB UTILITY ALLOWANCE POLICY DISCUSSION

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City of Portland, Oregon

Portland Housing Bureau

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UTILITY ALLOWANCE: DEFINITION

- The amount determined necessary to cover the resident's reasonable utility costs
- Is included in the maximum monthly rental payment a unit can collect based on the annually published AMI schedule

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UTILITY ALLOWANCE: DEFINITION

- The tenant pays their own utilities directly
- OR-
- The tenant is billed back for the reimbursement of utilities paid by the owner/property manager

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UTILITY ALLOWANCE: EXAMPLE

Maximum monthly rent:	\$1027
<u>Utility Allowance:</u>	<u>\$ 84</u>
Actual rent obligation:	\$ 943

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UTILITY ALLOWANCE: CALCULATION

Method 1: Public Housing Authority (PHA) Utility Rates

Home Forward produces a schedule through an extensive data process based on existing buildings. The schedule is a community-wide standard and is usually less accurate than a property specific estimate. Utility rates are updated annually. This is the typical method used by all PHB funded buildings in the past.

http://homeforward.org/sites/default/files/July_2016%20Utility%20Allowances%20_Formal_Update.pdf

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UTILITY ALLOWANCE: CALCULATION

Method 2: HUD Energy Consumption Model (ECM)

The ECM requires a HUD approved methodology performed by an approved engineer. It is an engineering-based method that takes into account specific building characteristics that affect consumption and is generally more accurate than a community-wide schedule. The calculation is updated annually to reflect current utility pricing.

http://www.oregon.gov/ohcs/APMD/PCS/pdf/Approved_UA_Calculator_Contacts.pdf

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UTILITY ALLOWANCE: HUD REQUIREMENTS

- HOME Funds: HUD requires the ECM to be used for all projects from 8.23.13 forward
- Section 8 Vouchers: HUD requires the PHA Utility Rates
- Buildings with conflicting utility allowances may apply for a waiver from HUD

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POSSIBLE UTILITY ALLOWANCE: CHANGE- WHY

- PHA utility rates are community-wide rather than building specific and tend to be less accurate
- PHA rates are based on data from old, less efficient buildings; current codes and green building requirements have increased the efficiency of buildings
- Reduced utility rates allow for increased rents (within the total cap) that can be leveraged in the proforma to cover the first costs of more efficient green technologies

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UTILITY ALLOWANCE: SUGGESTED POLICY for NEW CONSTRUCTION

	HUD Energy Consumption Model (ECM)	Public Housing Authority (PHA) Utility Rates
NEW CONSTRUCTION & RENOVATION BUILDINGS		
PHB direct funded, with or without federal funding	X	
With HOME	X	
With Section 8 PBRA	X	X
	Requires waiver from HUD	Requires Exception from PHB
Inclusionary Housing	X	X

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UTILITY ALLOWANCE: SUGGESTED POLICY for EXISTING BUILDINGS

	HUD Energy Consumption Model (ECM)	Public Housing Authority (PHA) Utility Rates
EXISTING REGULATED BUILDINGS		
PHB direct funded, with or without federal funding	X	X
Existing with Section 8	Requires waiver from HUD	X
Existing HOME Post 8/23/13	X	Requires waiver from HUD

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SUGGESTED PHB UTILITY ALLOWANCE POLICY

- All units in a building must use the same utility rate schedule
- PHB may grant exceptions on a case by case basis

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UTILITY ALLOWANCE: QUESTIONS?

THANK YOU!

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