

UTILITY ALLOWANCE STUDY

SECTION 8 NEW CONSTRUCTION Marathon Housing Associates, LTD

Prepared For:

Eastwind Apartments

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1 Basis for Utility Allowance – Section 8 New Construction

Adjustments of utility allowances for the Section 8 New Construction must comply with 24 CFR 880.610 Adjustment of utility allowances.

880.610 Adjustment of utility allowances

In Connection with annual and special adjustments of contract rents, the owner must submit an analysis of the project's Utility Allowances. Such data as changes in utility rates and other facts affecting utility consumption should be provided as part of this analysis to permit appropriate adjustments in the Utility Allowances. In addition, when approval of a utility rate change would result in a cumulative increase of 10 percent or more in the most recently approved Utility Allowances, the project owner must advise the contract administrator and request approval of new Utility Allowances. Whenever a Utility Allowance for a unit is adjusted, the owner will promptly notify affected families and make a corresponding adjustment of the tenant rent and the amount of the housing assistance payment for the unit.

HUD Directive Number 4350.5 indicates the following:

The initial gross rent includes a utility allowance based on local utility rates and average usage. Subsequent calculation of utility allowance is based on changes in utility rates.

GENERAL. Each rent increase request must include an analysis of utility consumption and a recommendation for a utility allowance for each unit type caused by an increase in utility rate to the tenant. In addition, the owner must request approval of revised utility allowances whenever a utility rate change would cause a cumulative increase of 10 percent or more in the most recently approved utility allowance. Owners must recommend additional utility allowances if the project's design is such that utility costs will vary significantly for units of the same size (e.g., end units vs. interior units).

DETERMINING THE UTILITY ALLOWANCE. As part of the submission for an increase or decrease in the utility allowance, each project owner must submit a summary supporting the proposed change to the utility allowance. The summary should:

- A. IDENTIFY THE TYPE OF UTILITIES COVERED by the utility allowance (e.g., gas for heating).
- B. STATE WHETHER ANY UTILITY RATE INCREASES OR DECREASES WERE IMPLEMENTED during the past 12 months or are expected to be implemented during the next 12 months and the amount of those increases or decreases.

C. STATE HOW ANY ENERGY CONSERVATION initiatives have or will impact consumption.

The Utility Allowance shall also comply with HUD Handbook 4350.1 Rev. 1.

DETERMINATION OF A UTILITY ALLOWANCE. for each request for an increase in the HUD authorized rent potential, the owner must recommend a utility allowance for each unit type. The recommended utility allowance should represent the owner's best estimate of the average monthly utility cost that an energy conscious resident will incur for the year. The utility allowance is not meant to pay all actual utility costs, but rather it is to reimburse a prudent utility consumer for their utility expense. Both the proposed and the current allowance levels should be included in the notices to the tenants.

A. As part of the submission for an increase or decrease in the utility allowance, each owner must submit a summary supporting the proposed change to the utility allowance. That summary should:

- 1) Identify the type of utilities covered by the utility allowance (e.g., gas for heating).
- 2) State whether any utility rate increases or decreases were implemented during the past 12 months or are expected to be implemented during the next 12 months and the amount of those increases or decreases.
- 3) State how any energy conservation initiatives have or will impact consumption.

B. In addition, the owner must request HUD approval rate change would cause a cumulative increase of 10 percent or more in the most recently approved utility allowances.

C. Owners must recommend additional utility allowances if the project's design is such that utility costs will vary significantly for units of the same size (e.g., end units vs. interior units).

2 Introduction

Marathon Housing Associates, LTD maintain and operates 130 residential dwelling units and office building known as Eastwind Apartments. The development was constructed in 1982 and renovated in 1998. In addition, the office building also contains a laundry and maintenance shop.

This Utility Allowance Study was performed for the purpose of complying with Federal Register 24 CFR Part 880 and complied with all requirements in H-2015-04, Methodology for Completing a Multifamily Housing Utility Analysis (HUD Notice). These regulations apply to allowances for all applicable types of utilities, regardless on the methodology used to calculate the allowances.

- 1) The baseline methodology utilized did not eliminate the highest and lowest average(s)
- 2) There are at least ten months of data included in each of the unit average(s)
- 3) The required minimum number of samples is included in the baseline submission
- 4) The data included in the baseline analysis is not greater than 18 months

The study was performed with the assistance of Keys Electric Co-op and the Keys Aqueduct Authority. This study uses the consumption-based methodology to establish utility allowances. This method is based on sampling individual unit consumption in the development to determine average consumption.

The tenants of Eastwind Apartments are responsible for individual metered electric and water utilities. The units are very similar to one another with the basic difference being the number of bedrooms. Therefore, this study recommends utility allowances for only those utilities based on the number of bedrooms for an individual unit.

Non-metered services such as trash collection are paid for by the Housing Authority. No Utility Allowances are provided for these services.

A unique situation for Marathon Housing Associates, LTD is that Marathon, Florida has no natural gas distribution system. In addition, bottled propane is relatively expensive. Therefore, converting to an alternative energy supply is not an option.

3 Utility Allowance Recommendations

The following Utility Allowance Recommendations are for the residences of Eastwind Apartments based on the number of bedrooms.

Monthly Utility Allowance	1 BR	2 BR	3 BR	4 BR
Electric	\$85.00	\$98.00	\$124.00	\$256.00
Water & Sewer	\$70.00	\$83.00	\$97.00	\$122.00
Total	\$155	\$181	\$221	\$378
Previous	\$147	\$181	\$221	\$434
Increase	\$8	\$0	\$0	-\$56

Property Name: Eastwind Apartments - Electric

Date 8/23/2022

Contract Number: _____

Project Number: _____

	Contract Units	Units to be Sampled
0 Bedroom Units		0
1 Bedroom Units	8	8
2 Bedroom Units	68	21
3 Bedroom Units	52	20
4 Bedroom Units	2	2
5 Bedroom Units		0

	Average as Calculated from Analysis
0 Bedroom Units	N/A
1 Bedroom Units	\$85.07
2 Bedroom Units	\$98.14
3 Bedroom Units	\$124.35
4 Bedroom Units	\$256.18
5 Bedroom Units	N/A

	Current Utility Allowance	Proposed Utility Allowance
0 Bedroom Units		
1 Bedroom Units	\$73	\$85
2 Bedroom Units	\$96	\$98
3 Bedroom Units	\$117	\$124
4 Bedroom Units	\$289	\$256
5 Bedroom Units		

1 Bedroom Analysis

[illegible]

2 Bedroom Analysis

[illegible]

3 Bedroom Analysis

[illegible]

4 Bedroom Analysis

[illegible]

Property Name: Eastwind Apartments - Water

Date 8/23/2022

Contract Number: _____

Project Number: _____

	Contract Units	Units to be Sampled
0 Bedroom Units		0
1 Bedroom Units	8	8
2 Bedroom Units	68	21
3 Bedroom Units	52	20
4 Bedroom Units	2	2
5 Bedroom Units		0

	Average as Calculated from Analysis
0 Bedroom Units	N/A
1 Bedroom Units	\$70.46
2 Bedroom Units	\$83.24
3 Bedroom Units	\$97.49
4 Bedroom Units	\$122.12
5 Bedroom Units	N/A

	Current Utility Allowance	Proposed Utility Allowance
0 Bedroom Units		
1 Bedroom Units	\$74	\$70
2 Bedroom Units	\$86	\$83
3 Bedroom Units	\$104	\$97
4 Bedroom Units	\$145	\$122
5 Bedroom Units		

1 Bedroom Analysis

[illegible]

2 Bedroom Analysis

Unit	Jul-22	Jun-22	May-22	Apr-22	Mar-22	Feb-22	Jan-22	Dec-21	Nov-21	Oct-21	Sep-21	Aug-21	Average
3A	\$53.21	\$57.19	\$70.06	\$70.17	\$73.42	\$72.18	\$99.94	\$73.01	\$82.63	\$96.34	\$74.07	\$75.91	74.84416667
3E	\$91.42	\$91.72	\$90.64	\$85.45	\$95.82	\$104.91	\$101.80	\$109.48	\$99.38	\$93.22	\$109.10	\$104.45	98.11583333
3G	\$89.76	\$88.24	\$86.94	\$93.17	\$82.10	\$77.42	\$73.54	\$89.40	\$82.08	\$82.18	\$94.70	\$92.75	86.02333333
3J	\$58.76	\$66.83	\$59.25	\$60.37	\$65.00	\$64.97	\$63.07	\$67.58	\$60.37	\$60.14	\$69.13	\$57.14	62.7175
3L	\$63.82	\$64.91	\$54.35	\$54.45	\$60.78	\$58.72	\$50.97	\$69.39	\$55.17	62.31	\$78.80	\$72.28	62.1625
3N	\$62.01	\$96.35	\$80.19	\$94.88	\$98.30	\$113.64	\$113.56	\$131.01	\$115.24	\$99.98	\$66.27	\$80.02	95.95416667
3R	\$83.42	\$88.47	\$80.73	\$83.83	\$85.95	\$84.38	\$83.17	\$78.98	\$79.58	\$76.36	\$82.83	\$71.24	81.57833333
7A	\$82.05	\$82.88	\$80.05	\$80.43	\$83.27	\$63.43	\$79.81	\$88.95	\$104.18	\$95.39	\$37.17	\$79.93	79.795
7C	\$73.94	\$95.01	\$90.23	\$83.38	\$94.16	\$96.05	\$82.78	\$96.28	\$85.95	\$87.11	\$100.55	\$91.74	89.765
7E	\$58.59	\$60.62	\$54.45	\$58.83	\$68.16	\$57.53	\$58.00	\$57.53	\$55.22	\$50.95	\$60.75	\$57.45	58.17333333
7G	\$110.98	\$146.20	\$112.04	\$121.47	\$127.32	\$127.00	\$123.56	\$156.20	\$144.33	\$163.78	\$163.78	\$116.95	134.4675
7J	\$66.52	\$76.17	\$62.62	\$66.20	\$74.97	\$74.99	\$69.12	\$60.91	\$71.30	\$70.35	\$73.84	\$72.01	69.91666667
7L	\$122.96	\$135.13	\$126.55	\$122.52	\$134.70	\$145.84	\$138.91	\$133.87	\$122.20	\$109.30	\$137.83	\$119.85	129.138333
10F	\$60.49	\$62.80	\$57.12	\$60.62	\$70.67	\$86.04	\$82.08	\$85.97	\$83.15	\$109.04	\$83.43	\$75.11	76.37666667
11A	\$75.91	\$87.34	\$77.93	\$81.09	\$85.04	\$68.70	\$78.90	\$80.50	\$78.86	\$89.45	\$90.69	\$87.57	81.83175
11C	\$77.21	\$74.28	\$74.18	\$70.35	\$73.52	\$73.99	\$69.95	\$71.70	\$68.91	\$69.01	\$80.93	\$84.32	74.02916667
11J	\$69.13	\$76.11	\$63.39	\$60.06	\$85.16	\$64.07	\$56.90	\$65.25	\$59.44	\$66.14	\$69.06	\$64.79	66.625
12C	\$83.25	\$86.01	\$78.51	\$60.94	\$61.50	\$62.39	\$48.03	\$64.40	\$57.08	\$57.20	\$79.87	\$74.70	67.82333333
12E	\$77.23	\$80.09	\$76.98	\$72.45	\$74.08	\$75.91	\$72.61	\$66.20	\$63.26	\$63.32	\$65.14	\$62.64	70.82583333
12G	\$62.90	\$66.59	\$58.96	\$57.78	\$58.55	\$63.20	\$67.72	\$63.44	\$58.27	\$57.18	\$65.08	\$57.86	61.46083333
12J	\$99.28	\$114.71	\$96.76	\$96.10	\$89.85	\$98.06	\$93.77	\$100.28	\$135.00	\$99.47	\$128.04	\$92.92	103.6866667
12L	\$82.91	\$94.35	\$83.34	\$83.98	\$93.94	\$93.33	\$107.04	\$115.84	\$75.78	\$77.99	\$81.90	\$88.08	89.87333333
12N	\$100.58	\$115.73	\$88.44	\$88.63	\$109.77	\$77.51	\$141.46	\$99.02	\$93.79	\$87.95	\$92.40	\$82.80	98.17333333
12R	\$81.97	\$87.82	\$83.16	\$87.30	\$77.98	\$78.40	\$77.64	\$90.61	\$87.02	\$78.75	\$95.19	\$86.52	84.36333333
Unit 25													
Unit 26													
Unit 27													
Unit 28													
Unit 29													
Unit 30													
Unit 31													
Unit 32													
Unit 33													
Unit 34													
Unit 35													
Unit 36													
Unit 37													
Unit 38													
Unit 39													
Unit 40													
Unit 41													
Unit 42													
Unit 43													

3 Bedroom Analysis

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4 Bedroom Analysis

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