

**CITY OF FLAGSTAFF HOUSING AUTHORITY
STAFF SUMMARY REPORT**

To: City of Flagstaff Housing Authority Board of Commissioners

From: Cherise Barreto-Aguilar, Voucher Program Manager

Meeting Date: September 17, 2026

TITLE:

Consideration of Resolution 2026-04

A Resolution Approving Housing Choice Voucher Utility Allowances

RECOMMENDED ACTION:

Approval of Resolution 2026-04

ACTION SUMMARY

Section 24 CFR 982.517 of the Federal Statutes requires Housing Choice Voucher Programs to maintain and annually review/update a utility allowance schedule for all tenant-paid utilities, the cost of tenant-supplied refrigerators and ranges, and for other tenant-paid housing services such as trash collection. The regulation does not include telephone or internet as a covered utility. The schedule is required to be updated when changes in utility costs are greater than 10% over the approved schedule.

The utility allowance schedule is based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. In developing the schedule, the Housing Authority must use normal patterns of consumption for the community as a whole and current utility rates.

The September 2026 Housing Authority review of utility rates revealed increases in nearly all utility rates, with an average increase of roughly 23%. The cost factors taken into consideration were obtained from the utility service providers and include:

- natural gas - gas thermal rates, fixed monthly gas fee, surcharges, delivery charges, tax rates;
- electricity – amounts for structured KWH rate, tax rate, fixed monthly electric fee, basic monthly charge, metering, meter reading, billing charge;
- water – structured rates per number of gallons, garbage removal, sewer rate, storm water fee, base meter reading fee and tax rate.

As the Flagstaff area and Williams have different water utility providers, utility rates for both were reviewed, and the rates for each area are included in the Resolution as attachments. The following table demonstrates the change in a typical utility allowance for a two-bedroom apartment with gas heating, cooking, water heating, other electric, water, sewer, and trash:

Utility/Service	Current Allowance	Proposed New Allowance	Change (Deductions)
Heating/Gas	\$35	\$21	\$14
Cooking/Gas	\$7	\$3	\$4
Other Electric	\$46	\$46	\$0
Water Heating/Gas	\$14	\$6	\$8
Water and Sewer	\$81	\$72	\$9
Trash Collection	\$25	\$25	\$0
Total	\$208	\$173	\$35

If, during the new program year, there is a substantial change in utility rates in any utility category (defined as a change of 10% or greater in the utility rate for that category since the last time the utility allowance schedule was revised), the Housing Authority must adjust at that time.

The changes in rates exceed 10%; the \$35.00 monthly increase displayed above represents a 20% utility cost increase. Staff recommends approving new utility allowance schedules based on current rates to comply with Federal Law.

Attached to the Resolution are the Proposed Utility Schedules for Flagstaff and Williams, for all housing types, including single-family, mobile homes, apartments, condos, and townhomes.

- **Financial Impact:**

The total utility allowance for tenant paid utilities is calculated in the gross rent determination for the family unit size and applicable payment standard. The Housing Authority closely monitors monthly Housing Choice Voucher expenditures to remain in compliance with the annual budget authority.

- **Has there been a previous Board decision on this topic?**

Yes. This is an annual required board action item. The last decision on this matter was on September 18, 2025.

- **Options:**

Adopt and Approve Resolution 2026-04, Resolution Approving Housing Choice Voucher Utility Allowances, to be effective October 2, 2026.

Disapprove Resolution 2026-04, and Programs will not be in compliance with the regulatory requirement to change the utility allowance schedule when there is a cost change of greater than 10%.