



November 21, 2014

Gail Sansbury, Executive Director
Fort Walton Beach Housing Authority
27 Robinwood Drive, SW
Fort Walton Beach, Florida 32548

Re: UA Study for Fort Walton Beach Housing Authority (FWBHA)

Dear Ms. Sansbury:

Boulevard Group and Innovative Financial Housing (“IFH”) Solutions, Inc. is pleased to present the results of our study of utility consumption and rates for end user utilities for Fort Walton Beach Housing Authority’s (FWBHA) 124 public housing units comprised of 16 one bedrooms, 46 two bedrooms, 46 three bedrooms, 14 four bedrooms, and two five bedrooms which are single family. Our scope included the preparation of utility allowances for heating, cooking, electricity, and hot water heating. Per your instructions we did not calculate the utility allowances associated for sewer, water, and trash/sanitation. Though public housing generally excludes providing air conditioning, we included this allowance as courtesy. Our work performed is in response to Solicitation No. Q14001: Rent Reasonableness and Utility Study as well as through Purchase Order #001166 issued by Mr. Hanson on July 3, 2014.

The utility allowance applicable to this engagement cover the utilities and services mentioned above as if they were paid by the resident, except for telephone, air conditioning and clothes washer and dryer services, in accordance with CFR 24 Section 965.505. The allowances are effective as of June 30, 2014. Electric is provided by Gulf Power Company, and their rate is comprised of a base rate of \$4.80 per month plus a fuel charge of .06869 and energy charge of .04201, totaling 11.07 cents per kWh, effective January 1, 2014. Natural gas service is provided by Okaloosa Gas and their rates are comprised of a base rate of \$11.64 per month, plus a distribution charge of \$0.45795, cost of gas charge of \$0.5250 and regulatory compliance charge of 0.0844, totaling \$1.06735 per-therm, effective April 1, 2014. Water, sewer and garbage services are provided by the City of Fort Walton Beach billed directly to the Housing Authority.

The allowance foundationally underscores the concept that utility allowances should reflect a reasonable consumption of utilities by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful environment.

The Utility Allowances provide for the following allowable utilities:

- Electricity (for space heating, cooking, hot water heating, lighting, refrigeration, other electric appliances including microwave, radios, television, computer, other minor items of equipment), and
- Hot water

The Utility Allowances does not include the following utilities:

- Sewer, Trash, and Garbage collection, and
- Air conditioning, clothes washer and dryer services.

Additionally, some residents may have in their dwelling units an additional refrigerator and/or a separate freezer appliance which will consume additional electricity and residents should not be compensated for their use.

FWBHA's units are comprised of townhouses, generally three to four units in a building, duplex's, two units per building, garden style comprised of 6 units per building and single family. The utility combinations offered are 100% electric, 100% Electric except for gas cooking, and lastly units having natural gas heat, cooking, and hot water with electric for lighting and small appliances.

Calculation – Methodology Used

The following is a description and record detailing the basis upon which the revised (updated June 30, 2014) consumption and utility allowances (UAs) were established and in accordance with 24 CFR 965.

The revised Utility Allowance Schedule has been conducted using the PHA Method. This method follows the Utility Allowance Model and utilizing the HUD Utility Schedule Model. The Model was developed for HUD for PHA use using data published by the Energy Information Administration of the Department of Energy in its Residential Energy Consumption Survey, from 1997, 2001, 2005, and 2009, using linear regression techniques and statistical results, extracting large samples, to measure actual household consumption from actual residences; to predict utility consumption and costs; using the output data. In addition, the Model calculates utility consumption estimates for Fort Walton Beach, Florida using the most recent 30-year normal weather data (1981-2010) from the National Climatic Data Center of the National Oceanic and Atmosphere Administration, using formulas based on heating degree-days and number of bedrooms. The estimates are based on housing types, structure, energy efficiency and Energy Star data as appropriate, and estimates consumption across bedroom sizes and/or

structure type and based on local rates and services provided by Gulf Power Company, and Okaloosa Gas.

The utility allowances for all building structures are summarized on HUD forms 52667 (copies attached) as follows:

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Single Family - 100% Electric	5BR
Heating - electric	\$ 31
Cooking - electric	14
All other - electric	69
Water heating - electric	32
Total	<u>\$ 146</u>
2013 Study	<u>\$ 153</u>
Single Family - 100% Electric (except for gas cooking)	5BR
Heating - electric	\$ 31
Cooking - natural gas	19
All other - electric	69
Water heating - electric	32
Total	<u>\$ 151</u>
2013 Study	<u>\$ 146</u>
Duplex - 100% Electric	4BR
Heating - electric	\$ 24
Cooking - electric	12
All other - electric	51
Water heating - electric	30
Total	<u>\$ 117</u>
2009 Study	<u>\$ 111</u>
Duplex - 100% Natural Gas (except for electric lighting and small appliances)	4BR
Heating - natural gas	\$ 21
Cooking - natural gas	18
All other - electric	51
Water heating - natural gas	19
Total	<u>\$ 109</u>
2009 Study	<u>\$ 87</u>

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Townhouse - 100% Natural Gas (except for electric lighting and small appliances)	4BR				
Heating - natural gas	\$ 18				
Cooking - natural gas	16				
All other - electric	28				
Water heating - natural gas	20				
Total	<u>\$ 82</u>				
2013 Study	<u>\$ 87</u>				
Garden - 100% Electric	2BR	3BR			
Heating - electric	\$ 13	\$ 15			
Cooking - electric	9	10			
All other - electric	25	32			
Water heating - electric	20	26			
Total	<u>\$ 67</u>	<u>\$ 83</u>			
2013 Study	<u>\$ 89</u>	<u>\$ 105</u>			
Garden - 100% Electric (except for gas cooking)	2BR	3BR			
Heating - electric	\$ 13	\$ 15			
Cooking - natural gas	16	17			
All other - electric	25	32			
Water heating - electric	20	26			
Total	<u>\$ 74</u>	<u>\$ 90</u>			
2013 Study	<u>\$ 83</u>	<u>\$ 99</u>			
Townhouse - 100% Electric (except for gas cooking)	2BR	3BR	4BR		
Heating - electric	\$ 18	\$ 21	\$ 24		
Cooking - natural gas	16	17	18		
All other - electric	28	38	48		
Water heating - electric	20	26	30		
Total	<u>\$ 82</u>	<u>\$ 102</u>	<u>\$ 120</u>		
2013 Study	<u>\$ 85</u>	<u>\$ 101</u>	<u>\$ 112</u>		
Townhouse - 100% Electric	1BR	2BR	3BR	4BR	
Heating - electric	\$ 15	\$ 18	\$ 21	\$ 24	
Cooking - electric	7	9	10	12	
All other - electric	17	28	38	48	
Water heating - electric	14	20	26	30	
Total	<u>\$ 53</u>	<u>\$ 75</u>	<u>\$ 95</u>	<u>\$ 114</u>	
2013 Study	<u>\$ 77</u>	<u>\$ 91</u>	<u>\$ 107</u>	<u>\$ 119</u>	

Thank you for allowing us to assist Fort Walton Beach Housing Authority with this project. We are available should you need anything further.

Sincerely,

Kris Warren

Kris Warren
Senior Vice-President
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