

**Example Calculations for Options A, B and C
for a One-Time Utility Adjustment Petition**

Below is an example calculation for each of the options for a process to facilitate the transition of non-compliant practices into compliance. The outcome of such a process would be a one-time rent adjustment to account for previously separately charged fluctuating utilities.

Option A: An average of past 12 months charged utility costs per unit.

Determine the lesser of:

- a. The average of all actual utility charges per unit over the past 12 months; or
- b. The sum of all applicable Santa Clara County Housing Authority Utility Allowances

Calculation:

The unit's proportionate share of the total utility charges for the property would be calculated in the following manner:

1. Calculate the total utility charges paid to the landlord or on behalf of the landlord for each unit over a period of 12 months.
2. Depending on whether common areas were already subtracted before the unit utility charges were calculated, show the percentage used for common area utility costs, or alternatively subtract a percentage (between 10 and 20 percent depending on the common use facilities provided) from this total for common area utility costs.
3. Divide by 12 to get the average monthly utility costs for the unit.
4. Determine the applicable Santa Clara County Housing Authority Utility Allowances (See Attachment 3).
5. Determine the lesser of the two calculations as the allowable rent adjustment.

Example:

1. Total Utility Charges for Water for a unit over 12 months is \$1,050.
2. Subtract 20% for common areas (if not done so in past) $\$1,050 - \$210 = \$840$.
3. $\$840$ divided by 12 = $\$70$ is the unit's proportionate share of total Utility Charges.
4. Compare to SCC HA Utility Allowances (2022 = $\$73$ per month for a 2-bedroom unit).
5. Determine the lesser of the two as the unit's allowable rent adjustment.

Option B: A calculation of average utility costs per room.

Determine the lesser of:

- a. The unit's share of the total Utility Charges for the property calculated based on the total number of rooms in the unit; or
- b. The sum of all applicable Santa Clara County Housing Authority Utility Allowances.

Calculation:

The unit's proportionate share of the total utility charges for the property are calculated in the following manner:

1. Calculate the total utility charges paid to the landlord or on behalf of the landlord for the property over a period of 12 months.
2. Subtract a percentage (between 10 and 20 percent depending on the common use facilities provided) from this total for common area utility costs.
3. Divide by 12 to get the average monthly utility costs for the entire property to be charged to the units.
4. Divide the average monthly utility charges for the entire property by the total number of rooms on the property.
5. Multiply by the number of rooms in each specific unit for which the monthly utility charges are being calculated.
6. Determine the applicable Santa Clara County Housing Authority Utility Allowances.
7. Determine the lesser of the two calculations as the allowable rent adjustment.

Regulations would include how to calculate the number of rooms, such as single rooms without kitchens are one room units, studios with kitchens are two room units, one-bedroom units are three room units, and so on. Kitchens are counted as one room, but bathrooms are not.

Example:

1. Total Utility Charges for Water for the property is \$21,000.
2. Subtract 20% for common areas $\$21,000 - \$4,200 = \$16,800$.
3. Divide by 12 to get average monthly utility costs: $\$16,800 / 12 = \$1,400$.
4. Property has 20 2-bedroom units (rooms = 40), cost per room $\$1,400 / 40 = \35 .
5. Each unit has two bedrooms, bringing monthly allowance per unit to $2 \times \$35 = \70 .
6. Compare to SCC HA Utility Allowances (2022 = \$73 per month for a 2-bedroom unit).
7. Determine the lesser of the two as the unit's allowable rent adjustment.

Option C: A calculation of utility charges per square footage.

Determine the lesser of:

- a. The unit's share of the total Utility Charges for the property calculated according to the unit's percentage of the total square footage of the property; or
- b. The sum of all applicable Santa Clara County Housing Authority Utility Allowances

Calculation:

The unit's proportionate share of the total utility charges for the property would be calculated in the following manner:

1. Calculate the total utility charges for the property paid to the landlord or on behalf of the landlord over a period of 12 months.
2. Calculate the total square footage of the property, including any vacant units and all common areas and facilities.
3. Divide the twelve-month total utility charges for the property by the total square footage of the property to get a “per square foot” utility charge amount per year.
4. Divide the yearly per square foot amount by 12 to determine the monthly per square foot utility charge.
5. Multiply the per square footage amount by the number of square feet of each unit for which the monthly utility charges are being calculated.
6. Determine the applicable Santa Clara County Housing Authority Utility Allowances for each unit.
7. Determine the lesser of the two calculations as the allowable rent adjustment.

Example:

1. Total Utility Charges for Water for the property is \$21,000.
2. Total Square Footage of property is 20,000.
3. Divide \$21,000 by total square footage to get average yearly utility cost per sf $\$21,000 / 20,000 = \1.05 .
4. Divide this by 12 to get monthly per sf amount $\$1.05 / 12 = \0.09 .
5. Each 2-bedroom unit has 850 square footage = $850 \times \$0.09 = \$74,40$.
6. Compare to SCC HA Utility Allowances (2022 = \$73 per month for a 2-bedroom unit).
7. Determine the lesser of the two as the unit’s allowable rent adjustment.