

Frequently Asked Questions: Sub-Metering Utilities for Enhanced Section 8 Participants

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What is sub-metering?

Sub-metering refers to the individual metering of utilities at an apartment building. Landlords may install individual meters to measure energy usage per household and then bill tenants according to their household usage. When utilities are sub-metered at a building, the charges for utilities are no longer part of the rent, but are a separate charge that the tenant is responsible for in addition to the rent charge.

How does sub-metering affect me?

The building in which you reside may be converted to a sub-metered utility system. This may impact you:

1. monthly tenant share of the rent; and
2. overall household expenses.

When does sub-metering happen?

Owners may sub-meter the electricity for Section 8 participants upon execution of a new lease between the landlord and tenant, and a revised Section 8 Housing Assistance Payment (HAP) contract between the landlord and The NYC Department of Housing Preservation and Development (HPD). This means that you may opt to allow your existing lease to expire before your household is converted to a sub-metered system.

How will my monthly tenant share of the rent change?

Your tenant share of the rent will be adjusted to include a utility allowance. Utility allowances are HUD-approved and reflect the amounts deemed sufficient to cover the basic utility costs for an energy-conservative household. They are as follows:

		Utility Allowances (effective October 1, 2008)*		
# of Bedrooms		Gas Only	Electric Only	Total w/Gas & Electric
SRO		\$21	\$49	\$70
Studio		\$21	\$49	\$70
1		\$24	\$54	\$78
2		\$26	\$60	\$86
3		\$26	\$70	\$96
4		\$27	\$77	\$104
5		\$27	\$90	\$117



*Utility allowances may be updated annually and are available at: http://www.nyc.gov/html/hpd/html/tenants/section_8.shtml#payments

The Section 8 subsidy is meant to pay the difference between 30% of a tenant's income (the "tenant share") and their total monthly housing expenses--defined as rent plus utilities. When utilities are included in the rent, the tenant share and the tenant rent to owner are one and the same. ***In a sub-metered system, utilities are no longer included in the rent and a tenant becomes responsible for their utilities (the landlord will bill the tenant for energy charges).*** The tenant share gets split into two parts--the part that stays in the tenant's pocket to be used to pay utility bills, and the tenant rent to owner.

How will my overall monthly expenses change?

The actual amount of the tenant share as determined by Section 8 remains 30% of household income and is unaffected by sub-metering. However, ***actual energy costs may exceed the utility allowance provided by Section 8.***

The tenant will be responsible for their full utility bill based on usage and their share of the rent as calculated by Section 8. Therefore, ***some households may experience an increase in their total housing expenses.*** Conversely, there is also the potential for household expenses to decrease for households with very low energy usage.

The HAP payment remains, as usual, the difference between the tenant rent to owner and the rent on the lease (the "contract rent").

Below is a hypothetical example of how both the tenant share and the overall household expenses may change for a two-bedroom apartment that converts to a sub-metered system:

Sample Comparison:

Rent and Expense Calculations for Section 8 Participants with and without Sub-metering

	2 Bedroom Apt, Utilities included*	2 Bedroom Apt, only Gas included (sub-metered Electricity)*
Contract Rent*	\$1,308	\$1,248
Utility Allowance	0	\$60
Monthly Housing Expense	\$1,308	\$1,308
HAP Payment*	\$918	\$918
Tenant Share*	\$390	\$390
Tenant Rent to Owner	\$390	\$330
Total Electric Bill*	0	\$70
Total Monthly Household Responsibility for Housing Expenses (rent + utilities)*	\$390	\$400

****These amounts are hypothetical examples and are not indicative of actual rent or utility expenses due.***



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In this example, the tenant's Monthly Household Expenses have increased by \$10, even though the Tenant Rent to Owner has decreased by \$60 (the utility allowance). This is because the actual cost of electricity (\$70) exceeded the utility allowance (\$60).

If the tenant's monthly adjusted income is too low to cover the utility allowance (i.e. less than \$70 per month), HPD would send a Utility Assistance Payment (UAP) to the tenant to cover the difference, the tenant rent to owner would be zero, and the HAP would cover the full approved contract rent. The tenant would still have to pay the landlord for any electricity usage for the month.

What can I do to help keep my monthly utility costs down?

The best way to keep your electricity costs down is through energy conservation. For tips on conserving electricity visit: <http://www.coned.com/customercentral/energysavingtips.asp> or contact Con Ed via phone at 1-800-752-6633. Additional energy conservation information can be obtained from the Department of Energy website at: http://www1.eere.energy.gov/consumer/tips/pdfs/energy_savers.pdf.

Additionally, you may be eligible for the Home Energy Assistance Program (HEAP). HEAP assists eligible, low-income persons with their energy costs. New York City residents can obtain more information by calling the Human Resources Administration (HRA) HEAP Hotline, 1-800-692-0557. New York City residents aged 60 or older who received a HEAP grant in 2005 will automatically be contacted by the HRA again this year, or can apply through the New York City Department for the Aging by calling 311.

I have more questions. Who can I call?

If you have additional questions about sub-metering, or any Section 8-related issues, please contact HPD at (917) 286-4300.

