



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755
323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

June 19, 2007

Ortensia Lopez, Chairperson
Low Income Oversight Board (LIOB)
c/o California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Dear Ms. Lopez,

**SUBJECT: STATEMENT OF THE HOUSING AUTHORITY OF THE COUNTY
OF LOS ANGELES TO LOW INCOME OVERSIGHT BOARD**

The Housing Authority of the County of Los Angeles (HACoLA) appreciates the efforts of this Oversight Board, the California Public Utilities Commission (CPUC), and California's investor-owned utilities in addressing how all eligible low-income individuals and families can have access to CARE rates and Low Income Energy Efficiency (LIEE) programs. We apologize that we are unable to attend the June 19, 2007 meeting of the Oversight Board, and respectfully request that our comments be made part of the meeting.

Our current issue is access to CARE rates, but our long term goal is to ensure our low income public housing residents, as well as those enrolled in our Section 8 program, participate in all available Low Income Energy Efficiency (LIEE) programs. Attachment A to this letter summarizes our recent discussions with Southern California Edison (SCE) on CARE rates. Currently, HACoLA pays full domestic service rates for low income tenants who meet CARE income guidelines, but cannot receive CARE rates because they live in master-metered public housing facilities. The money HACoLA would save if this issue were favorably resolved could pay for building improvements, property maintenance and resident services including educational, employment and senior programs. During our discussions with SCE on CARE rate eligibility, it was explained that only two qualifying master meter facilities (Group Living and Migrant Farm Workers) currently are eligible for the CARE rate. The details of that discussion have led to our participation today. We are optimistic that within the scope of R.07-01-042 that the CPUC will identify public housing as an opportunity to move closer to the CPUC's goal of 100% CARE enrollment for qualifying residents; will see public housing as an underserved market, and will begin a dialogue with



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Public Housing Authorities with a goal of increasing participation in CARE and LIEE programs by the over 3,600 low-income households served by Los Angeles County and 43,580 units of public housing throughout the state of California.

The first step toward realizing these benefits is by extending the CARE rate discount to eligible Public Housing facilities. Residents more than substantially meet the Commission's low-income eligibility requirements and there is a structured annual income verification process for tenants. As with requirements for group living facilities, there is a feasible process for certifying that the assistance will be used for the direct benefit, such as improved quality of facilities or care, of the low-income residents in public housing. HACoLA welcomes the opportunity to work with both SCE and the Southern California Gas Company to provide all necessary documents, agreements and information to comply with all Commission policy. Working with CPUC staff, HACoLA believes the foundation for statewide low income public housing tenant participation in CARE and LIEE programs can be established and broad representation of eligible Public Housing facilities can be realized. SCE's efforts in utility areas with HACoLA can serve as a model for a successful partnership between the housing authorities and utilities for informing and enrolling low-income residents in applicable energy programs.

Thank you for your consideration. You may contact DeAnn Johnson, Construction Management Division Director at (323) 260-3428, or myself at (323) 890-7135.

Sincerely,

A handwritten signature in black ink that reads "Maria Badrakhan". The signature is written in a cursive, flowing style.

Maria Badrakhan, Director
Housing Management Division

Attachment

ATTACHMENT A

CARE RATES IN MASTER METERED PUBLIC HOUSING

The Housing Authority of the County of Los Angeles (HACoLA) owns and operates 3,636 units of affordable housing in Los Angeles County. Our facilities include a mixture of master-metered and sub-metered housing for income-eligible County residents. HACoLA is encouraged to see the California Public Utilities Commission (CPUC) undertake Order Instituting Rulemaking Regarding Policies, Procedures and Rules for the Low Income Energy Efficiency Programs of California's Energy Utilities (R.07-01-042). We believe there are many opportunities to improve the County's public housing resident access to, and participation in Low Income Energy Efficiency (LIEE) programs and we support the June 1, 2007 comments submitted by Southern California Edison (SCE) at Section II, paragraph 4 stating, "SCE believes that a dialogue between Public Housing Authorities (PHA), the Commission, and the investor owned utilities could result in an increase in eligible PHA tenants receiving LIEE services."

As SCE points out, there are currently misconceptions concerning PHA income eligibility requirements and procedures. Clarification of these misconceptions could result in considerable benefits to the County and its public housing residents, and to the utilities as well.

1. **Benefits to PHA residents**

A key example where benefits could be realized by public housing residents occurs at HACoLA's Nueva Maravilla Public Housing development located in East Los Angeles. Maravilla, like some other public housing, is master-metered for electricity. Under existing tariffs, master-metered customers are not eligible for the CARE rate, whether or not they meet income guidelines. Currently, HACoLA extends a low-cost rate to Maravilla residents, which includes their electricity usage at an assumed rate approximating SCE's CARE rate schedule. However, due to the current tariff language which precludes master-metered facilities from utilizing the CARE rate, HACoLA pays normal Schedule D rates to SCE for the electricity consumed by the residents.

The financial responsibility for the provision of CARE rates is thus born by HACoLA. This shifts funds away from building and site maintenance, facility improvements, and on-site resident programs, in order to pay utility costs. In some cases, deferred maintenance is contributing to conditions, which if continued unabated, could create public safety issues. In other cases, HACoLA's ability to provide essential services that contribute to overall quality of life (computer labs, senior transport, day care, after-school programs, etc.) is limited.

By modifying the CARE eligibility requirements to enable participation of our master-metered public housing residents, HACoLA would have more funds available for the benefit of our residents. After modest overhead costs are calculated, HACoLA spends all money collected from PHA rents on-site for building maintenance, facility improvements, and programs that directly affect the quality of our residents' lives.

2. Benefits to SCE

Based on a recent dialogue that HACoLA has undertaken with SCE, we have confirmed: 1) that a significant percentage of PHA residents qualify for the CARE rate, and 2) that HACoLA reviews resident's qualifications for public housing on an annual basis to ensure that they continue to qualify.

As an example, a recent review of the average Nueva Maravilla household incomes found that 474 of 504 households met CARE requirements, a total of over 94%. This example is representative of most PHA properties. Moreover, since HACoLA performs annual income reviews to confirm eligibility for public housing, if SCE were able to rely on HACoLA's annual income review documentation as a proxy for their own duplicative processes to verify income qualification for CARE rates, SCE could potentially realize a cost savings.

HACoLA appreciates SCE's attention and consideration to this matter. We are optimistic that continued discussions will provide positive results and benefits for both our residents and SCE.

3. Greater LIEE participation

To the extent CARE rate qualification is used to determine who qualifies for LIEE, extending the CARE rate to PHA residents recognizes and broadens the pool of qualified participants. Just as significant, the ongoing dialogue that would ensue between SCE and HACoLA could be used as a vehicle to disseminate basic program information to the County's and PHA residents, and enhance public participation.

The discussions between HACoLA and SCE have demonstrated our desire to take steps to reduce utility costs in public housing, and identified important opportunities for doing so. Once the CARE rate issue is resolved, we anticipate the dialogue will shift to other programs and initiatives that can create additional cost savings, including LIEE.