

How Grammar can Cost You \$100,000

SITUATION: LEASE PROVISION

(b) All utilities that are Covered Utilities are paid directly by the Landlord; all other utilities are paid directly by the Tenant. Covered Utilities include only the following: _____ . Tenant shall pay for all utilities that are not Covered Utilities, and Tenant shall receive a Utility Allowance for non-Covered Utilities in computing Tenant's Rent. The amount of the Utility Allowance is based on AHFC published rates, and not on Tenant's actual utility use. Notwithstanding the foregoing, the Utility Allowance shall never be more than the amount of rent otherwise due on the property without any Utility allowance.

(c) If the Landlord is required to pay for a non-Covered Utility service directly to the utility, then Landlord will include a monthly charge on the Tenant's statement for the actual utility charges imposed on, and paid for, by the Landlord to the utility, together with an administrative charge as set out in the Residential Occupancy Policies.

POLICY STATEMENT: The BIHA may provide a utility allowance of \$75 per month for Participants under the age of 62, and those 62 years and over may receive an allowance of \$150 per month.

WHAT'S WRONG WITH THIS POLICY? REWRITE IT.

Subject: Re: Bond Recertification

Hi Perry Mason,

I haven't heard anything from you regarding Ms. Bond's utility calculations other than that there is no utility calculation to be provided because the charges are simply straight pass-thrus and her \$75 utility allowance is reflected in the rent calculation. It is unclear to me if this \$75 is based on a City and Borough of Sitka's 2018 subsidy amount under its "Utility Cost Subsidization Program." Ms. Bond received notice that for the 2019 calendar year, she should receive a \$65-per-month subsidy towards her utilities under this program.

In addition to this subsidy, Ms. Bond should have AHFC's published rates credited to her utility charges so that she is only then charged the amount in excess of these Utility Allowances (see paragraph IX of her lease agreement on p. 4). The current AHFC published rates for Sitka are attached.

Ms. Bond's cooking is electric and her hot water and heating are propane/gas. This means she should be receiving a credit of \$96 towards her electric bill (77 + 19 for a three bedroom unit); a credit of \$279 towards her propane/gas (113 + 166 for a three bedroom); a credit of \$102 for her water & sewer bill; and \$56 towards her trash collection. Only the cost of her usage above these amounts should then be passed through. We need to reconcile what she has been charged for utilities in light of these Utility Allowances that she should have been receiving. To this end, please provide the utility bills her charges have been based on so that we can re-calculate what, if any, amount is now due on her account for both rent and utilities.

Check Bounce Issue

Lastly, while it is true that Ms. Bond had a check bounce in September and in November of this past year, she was consequently charged a \$25 fee for each bounced check. Requiring her to now

indefinitely provide cashier checks seems both overly-punitive and not reflective of BIHA's actual across-the-board policy and procedure. Aside from the headache in having to get a cashier's check and hand-deliver it, requiring her to do so causes her to pay an additional amount of at least \$3.15 per check. While this may not seem like much, everything adds up.

Increasing Rent Issue

The proposed change in her TTP Percent from 25 to 30% would cause her rent to increase drastically disproportionately to her income: Her adjusted annual income increased by 20% (an increase of \$5,253 from 26,678 to 31,931.5), but her rent would be increasing by 66% (an increase of \$317 from her rent prior to Nov. 1 of 481 being changed to 798). The reality of this is that as someone who already falls into the very low-income category, she is being asked to pay approximately half of her take-home pay towards rent and utilities. Please reconsider whether it is fair for her TTP Percentage to change from 25% to 30% and whether it is fair for her to now be required to make future payments indefinitely in the form of a cashier's check. I would like to set her up so that she can pay rent by automatic transfer once we figure out what her rent should be as of November 1, 2018 and have her account reconciled in light of the utility charge discrepancies identified above.

Please review and let me know your thoughts at your earliest convenience. Thank you again for your work on this, I know number-crunching is rarely a lawyer's favorite activity.

RESPONSE FROM TDHE

On Wed, Jan 9, 2019 at 3:17 PM Perry Mason Araujo <taraujo@stsl.com> wrote:
The utilities are not calculated but are simply straight pass-thrus. As for the utility allowance, the \$75 allowance can be seen on the rent calculation worksheet. In regards to the insistence of a cashier's check or money order, BIHA received two NSF checks from her within a 2-3 months span. And as matter of standard practice, her personal checks will no longer be honored. Please let me know if you have any questions on the rent calculation worksheet as BIHA would like to wrap this up this week.

-Perry Mason-

RESPONSE FROM LEGAL SERVICES

Subject: Re: Bond Recertification

Thanks Perry Mason, I'll take a look at this. I also need information on the utilities calculation and the insistence on a cashiers check.

RESPONSE FROM TDHE

Enclosed find a draft recertification which recalculates the rent due and owing. Please review and confer with your client for any issues as BIHA hoping to finalize ASAP.

Thank you,

Perry Mason