

THE HFA INSTITUTE 2021

Implementing Changes in Income Limits and Utility Allowances



National Council of
State Housing Agencies



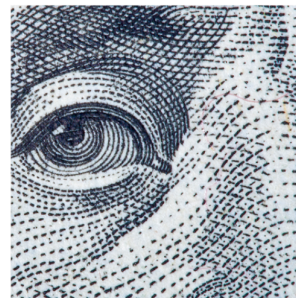
**MRBs and
Other Federal
Homeownership
Programs**
FEBRUARY 1 – 3



Housing Credit
FEBRUARY 3 – 5



**Section 8 and
Other Federally
Assisted
Multifamily
Housing**
FEBRUARY 8 – 10



**HOME and
Housing Trust
Fund**
FEBRUARY 10 – 12



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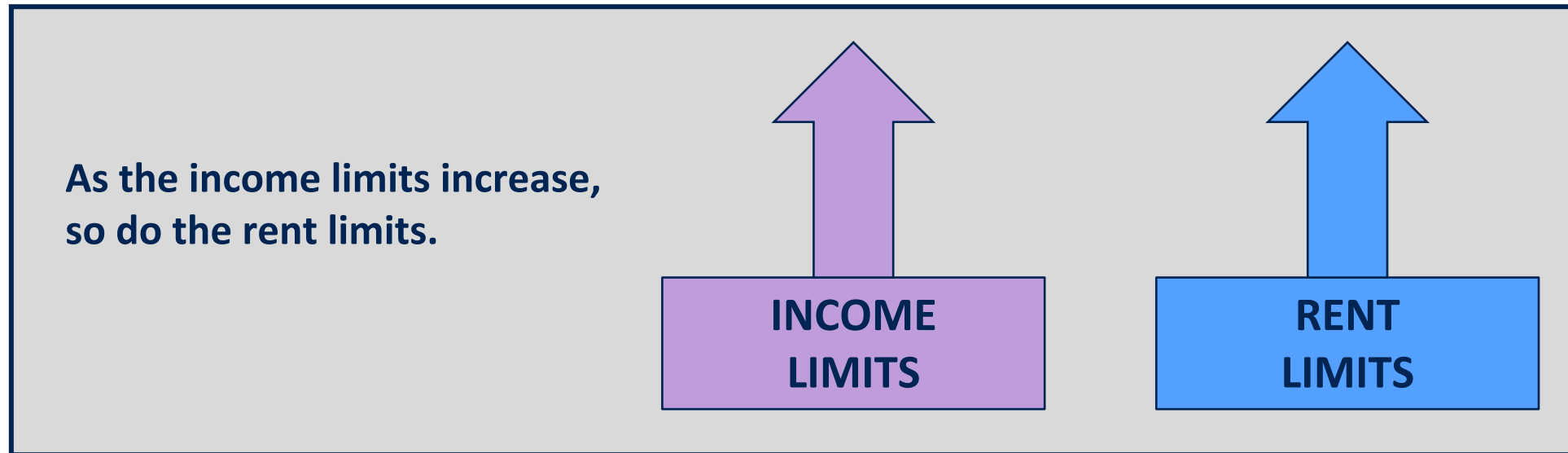
Income Limits

- Based on number of people in the household
- Determined & published by HUD on an annual basis
- Derived from Area Median Income (AMI)
- LIHTC Minimum Set Asides:
 - 20/50 40/60 Average Income
- Must be put into effect by the *later* of the effective date or 45 days from publication (per Rev. Ruling 94-57).

Rent Limits

- Based on applicable income limits
- Updated annually
- Published by State Housing Credit Agencies
- Represents Maximum Allowable Gross Rent
 - Contract Rent + Utility Allowance + Non-Optional Fees
 - “Contract Rent” also called “Tenant Paid Rent”
 - Rent increases may require state approval

Relationship of Income Limits to Rent Limits



Acq/Rehab

As we know, new limits are NOT often released at the same time as new UAs. It is important to keep an eye on the limits and UAs that are in effect at the time of the certification.

ACQUISITION/REHAB PROPERTIES

Existing Tenant Household

Effective Date =
Acquisition Date

120 days

Effective Date =
Acquisition Date

120 days

Tenant treated as new move-in
Effective Date = Date when last
adult member signs certification

Move Ins

Acquisition

Use income limits effective at certification

Effective Date = Move In Date

Resyndication

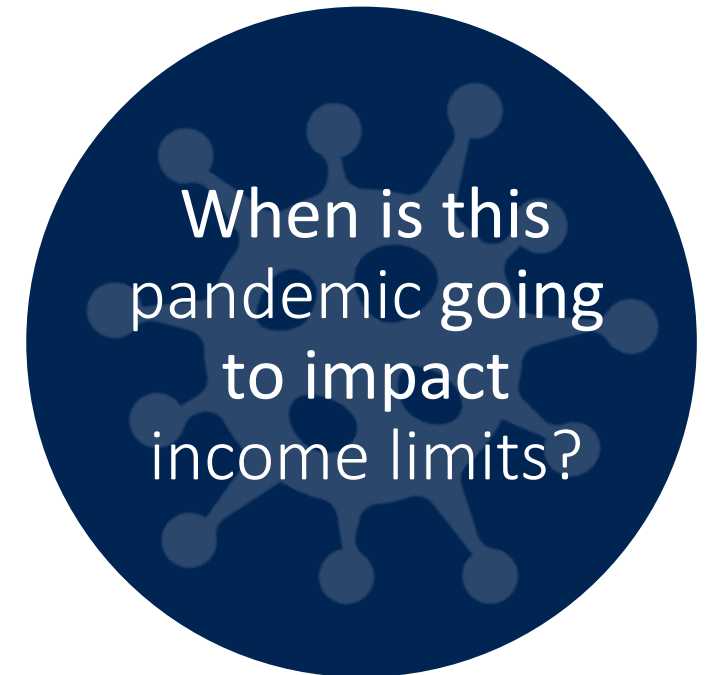
- The tax credit “clock” starts over again, and more years may be added to the extended-use period.
- New thresholds for hold harmless are established based on income limits and rent limits effective at the time of the new credit allocation.
- The old hold harmless limits from the previous allocation are replaced with the new limits.
 - In some cases, the new limits are lower than the limits in place under the previous allocation.
- The new rent limits apply to all LIHTC tenants, *new and existing*.
- The new income limits apply to new tenants, and existing tenants who are now above the applicable income limit can be “grandfathered.”

Components of the Income Limit

- Consumer Price Index (CPI) factor:
 - Published by the U.S. Bureau of Labor Statistics
 - A measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.
- American Community Survey (ACS):
 - United States Census Bureau
 - An ongoing survey that provides vital information on a yearly basis about our nation and its people. Information from the survey generates data that help determine how federal and state funds are distributed each year.

Historical ACS Data is Used

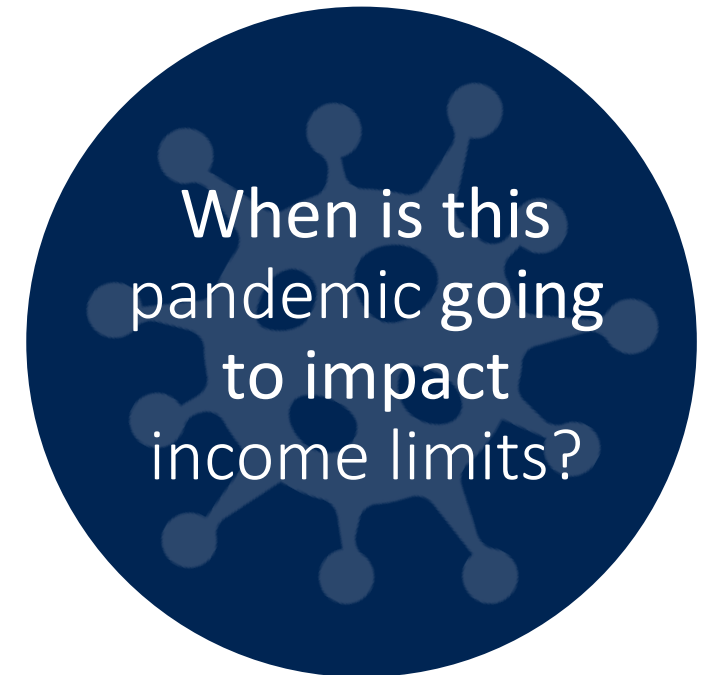
Local ↓ ACS Data	X	National ↓ CPI Factor	=	HUD AMI
2017	X	CPI Factor	=	2020 AMI
2018	X	CPI Factor	=	2021 AMI
2019	X	CPI Factor	=	2022 AMI
2020	X	CPI Factor	=	2023 AMI



For areas without reliable one-year American Community Survey (ACS) Data an average of previous years may be used.

Historical ACS Data is Used

Local ↓ ACS Data	X	National ↓ CPI Factor	=	HUD AMI
2017	X	(2020 CPI/2017 CPI)	=	2020 AMI
2018	X	(2021 CPI/2018 CPI)	=	2021 AMI
2019	X	(2022 CPI/2019 CPI)	=	2022 AMI
2020	X	(2023 CPI/2020 CPI)	=	2023 AMI



For areas without reliable one-year American Community Survey (ACS) Data an average of previous years may be used.

Historical ACS Data is Used

National Median Income ACS Data

2017	72,891 (3.98%)
2018	76,401 (3.40%)
2019	80,944 (5.95%)
2020	To be published Sept. 2021



When is this
pandemic going
to impact
income limits?

2021 Impact of COVID-19

3.98% increase
↓
2018 ACS

Unknown and impacted by COVID
↙
2021 CPI ÷ 2018 CPI

2021 Impact of COVID-19

3.98% increase



2018 ACS
76,401

Unknown and
impacted by COVID



So 2021 limits will be
impacted by 2021 CPI

2021 CPI Equal to CBO Estimate from January 2020

2021 CPI Equal to CBO Estimate from July 2020

2022 Impact of COVID-19

5.95% increase
↓
2019 ACS

Unknown and impacted by COVID
↙
2022 CPI ÷ 2019 CPI

2022 Impact of COVID-19

5.95% increase

2019 ACS
80,944

Unknown and
impacted by COVID

So 2022 limits will be
impacted by 2022 CPI

2022 CPI Equal to CBO Estimate from July 2020

2023 Impact of COVID-19

2020 ACS

Will know this amount
in September 2021 for
most areas.

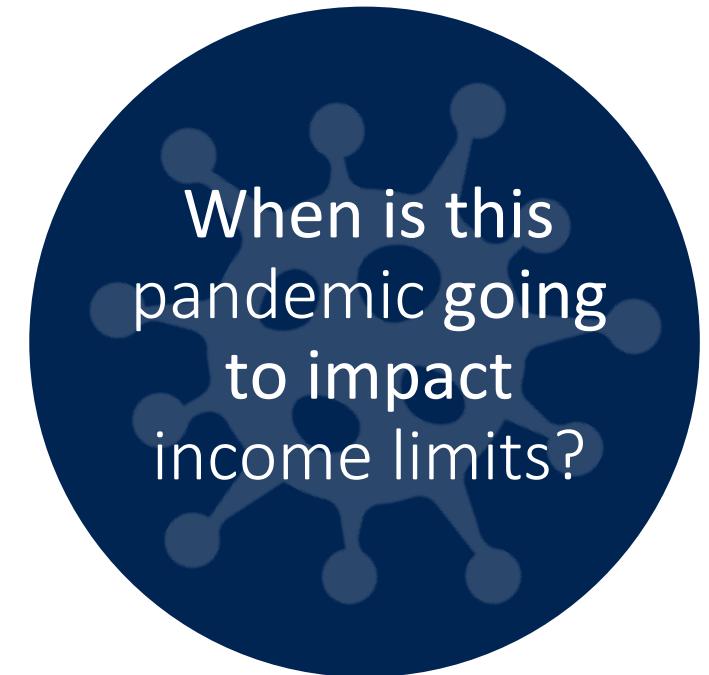
$2023\text{ CPI} \div 2020\text{ CPI}$

Unknown and HEAVILY
impacted by COVID

Historical ACS Data is Used

National Median Income ACS Data

2017	72,891 (3.98%)
2018	76,401 (3.40%)
2019	80,944 (5.95%)
2020	78,111 (-3.5)



2023 Impact of COVID-19

2020 ACS
\$80,944*

2023 CPI** ÷ 2020 CPI***
CPI Factor 1.04 = 2023 AMI \$84,100 (0.36)****

Unknown and HEAVILY impacted by COVID

Will know this amount in September 2021 for most areas.

*Assumed a flat ACS data

**2023 CPI equal to CBO Estimate from July 2020

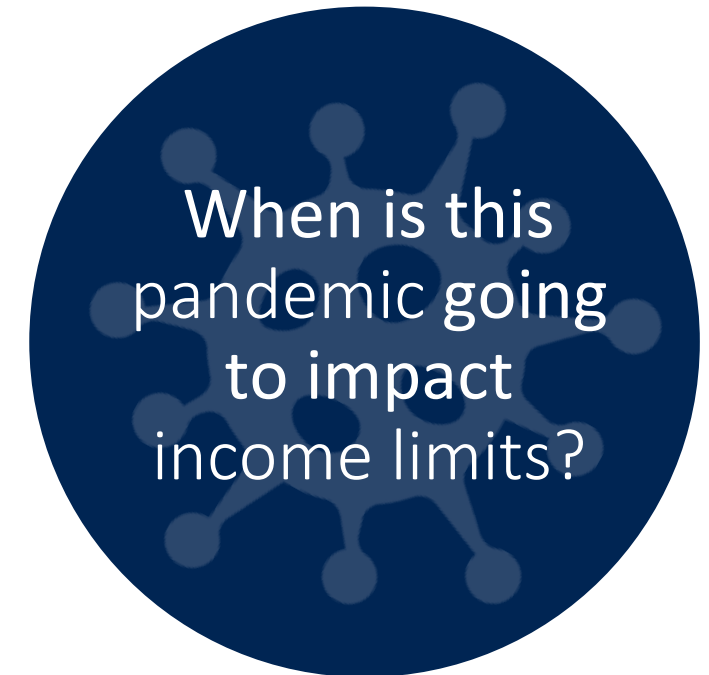
***2020 CPI equal to CBO Estimate from July 2020

****When compared to updated 2022 estimate

Historical ACS Data is Used

National Median Income ACS Data

2017	72,891 (3.98%)
2018	76,401 (3.40%)
2019	80,944 (5.95%)
2020	78,111 (-3.5)




2023 Impact of COVID-19

2020 ACS
\$78,111*

2023 CPI** ÷ 2020 CPI***

CPI Factor 1.04 = 2023 AMI \$81,100 (-3.22%****)

Unknown and HEAVILY
impacted by COVID



*Assumed a 3.5% decrease in ACS data

**2023 CPI equal to CBO Estimate from July 2020

***2020 CPI equal to CBO Estimate from July 2020

****When compared to updated 2022 estimate

2023 Impact of COVID-19

Unknown and HEAVILY impacted by COVID

2020 ACS
\$72,850*

2023 CPI** ÷ 2020 CPI***

CPI Factor 1.04 = 2023 AMI \$75,600 (-9.79%)****

Will know this amount in September 2021 for most areas.

Reminder HUD does not allow an area to decrease by more than 5%

- * Assumed a 10% decrease in ACS data
- ** 2023 CPI equal to CBO Estimate from July 2020
- *** 2020 CPI equal to CBO Estimate from July 2020
- **** When compared to updated 2022 estimate

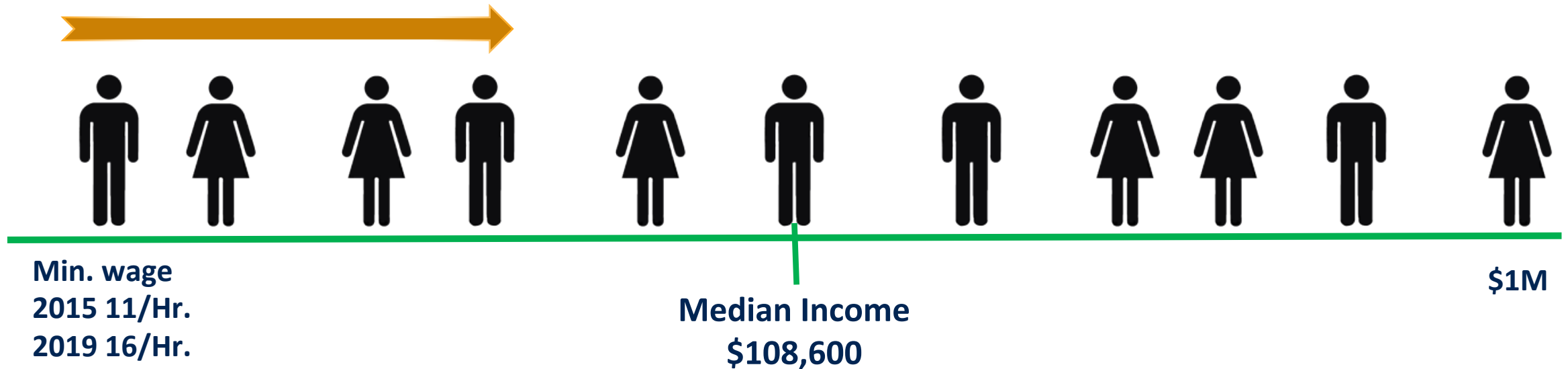
(7) The four-person income limit is increased if it is less than 95 percent of last year's very low income limit and reduced to the greater of 101 percent of last year's very low income limit or twice the change in the national median family income estimate if that amount would be larger than the present. For FY 2020 income limits, twice the increase in the national median income compared to the FY 2019 median income is 7.9 percent, so the cap on increases is set at 7.9 percent.

Type Income Limit Calculation	Non-metro Counties	Metropolitan Areas																								
<p>Table 5 Summary of Income Limits Determinations for FY 2020 Very Low Income Limits</p> <table border="1"> <thead> <tr> <th>Type Income Limit Calculation</th> <th>Non-metro Counties</th> <th>Metropolitan Areas</th> </tr> </thead> <tbody> <tr> <td>1. Limits based on 50% of local median family income</td> <td>404</td> <td>339</td> </tr> <tr> <td>2. Limits based on State non-metropolitan median family income level</td> <td>1296</td> <td>118</td> </tr> <tr> <td>3. Limits increased to the amount at which 10% of 4-person family's income equals 50% of the 3-bedroom FIML</td> <td>11</td> <td>26</td> </tr> <tr> <td>4. Limits decreased to the greater of 80% of</td> <td></td> <td></td> </tr> <tr> <td>5. Limits floored if they would be less than 95% of last year's limit</td> <td>12</td> <td>17</td> </tr> <tr> <td>6. Limits capped if they would otherwise increase the state limit twice the increase in the National Median Income (i.e., would be more than 107.9% of last year's limit)</td> <td>109</td> <td>123</td> </tr> <tr> <td>TOTALS</td> <td>1871</td> <td>621</td> </tr> </tbody> </table>			Type Income Limit Calculation	Non-metro Counties	Metropolitan Areas	1. Limits based on 50% of local median family income	404	339	2. Limits based on State non-metropolitan median family income level	1296	118	3. Limits increased to the amount at which 10% of 4-person family's income equals 50% of the 3-bedroom FIML	11	26	4. Limits decreased to the greater of 80% of			5. Limits floored if they would be less than 95% of last year's limit	12	17	6. Limits capped if they would otherwise increase the state limit twice the increase in the National Median Income (i.e., would be more than 107.9% of last year's limit)	109	123	TOTALS	1871	621
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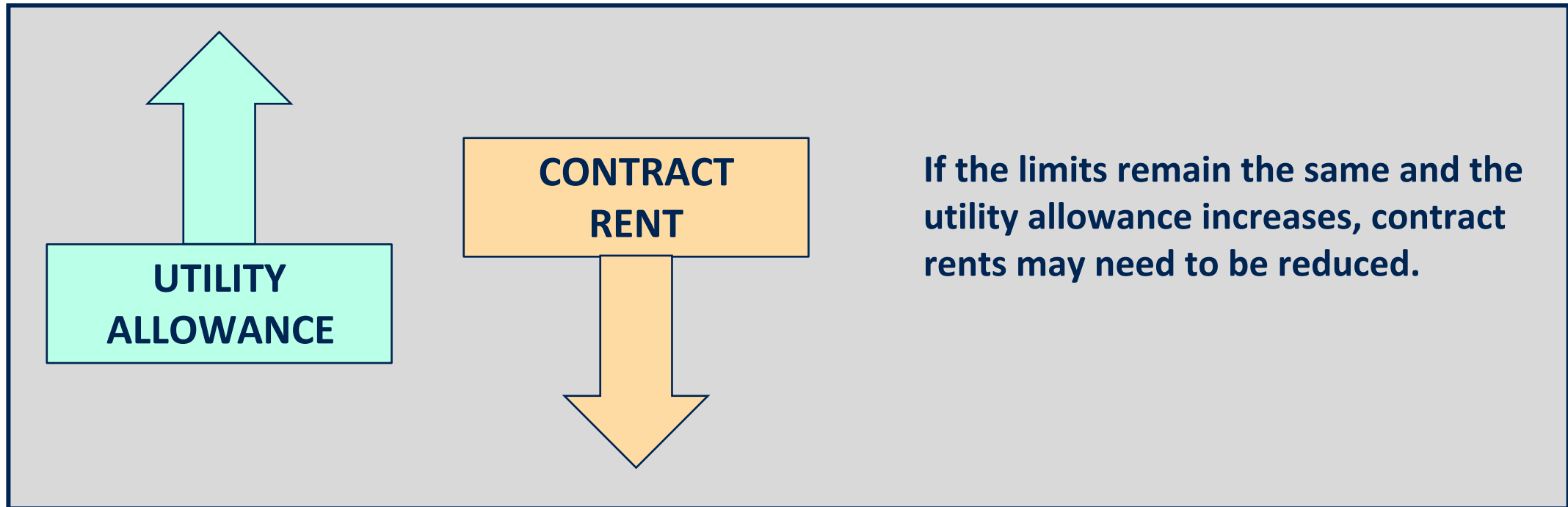
FY 2020 Methodology for Determining Section 8 Income Limits

Increase in Minimum Wage

Will the increase in minimum wage impact median income and if so when?
Will the increase in minimum wage impact tenants ability to qualify for housing?



Relationship of Utility Allowance to Rent



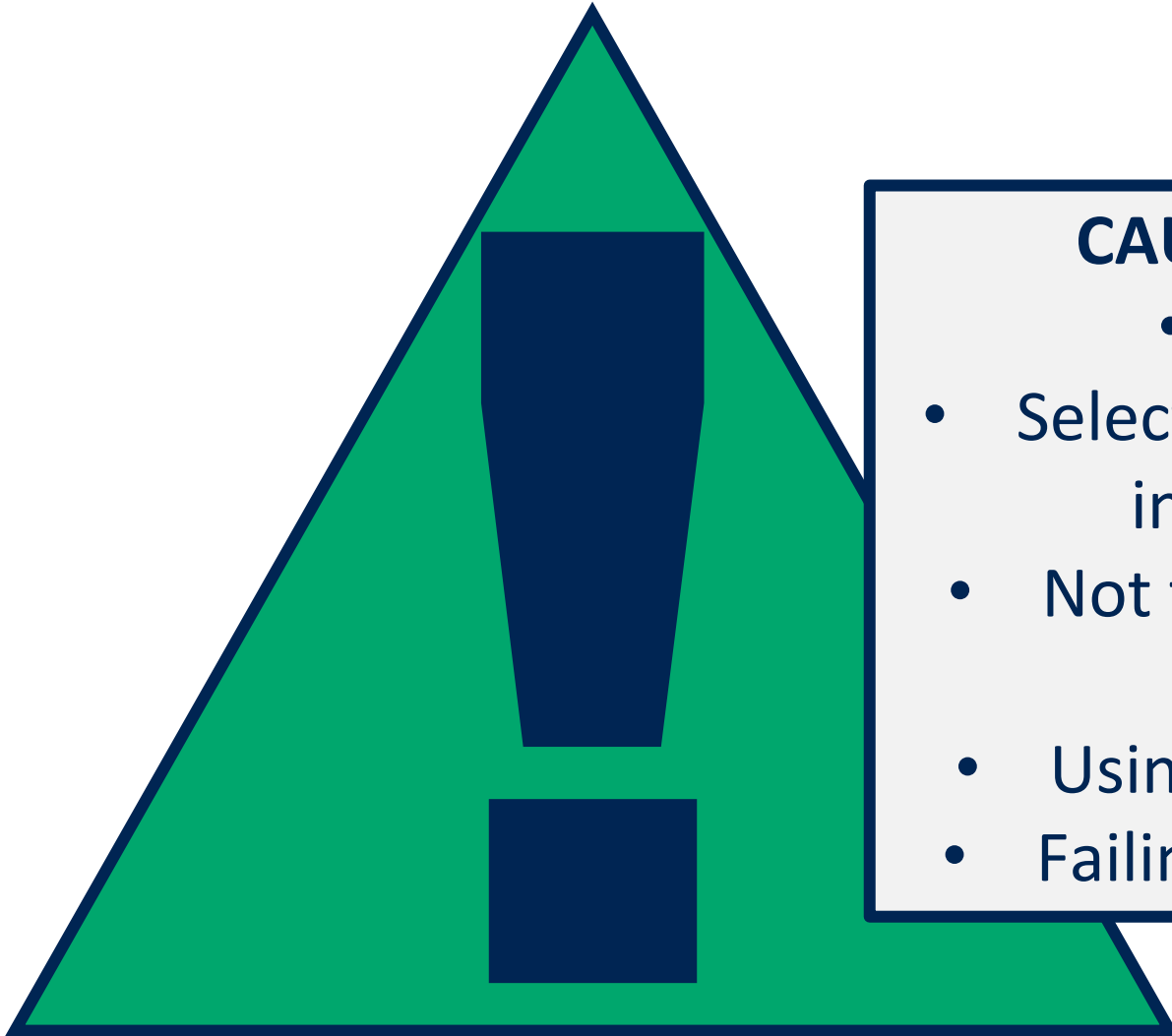
Utility Allowances

Financing Type	Only Acceptable Utility Allowance	Treasury Regulation Citation
Buildings assisted by the Rural Housing Services (RHS)	RHS for all units in the building	(b)(1)
Building with RHS assisted tenants	RHS for all units in the building	(b)(2)
HUD Regulated	Utility allowance approved for that HUD program all units in the building	(b)(3)
Section 8 Tenant Housing Choice Voucher	Schedule published by housing authority that issued the voucher	(b)(4)(i)

Utility Allowances

- Five options:
 1. Established by PHA;
 2. Utility company estimates for geographic area;
 3. State Agency estimates;
 4. HUD's Utility Schedule Model; or
 5. An Energy Consumption Model
- Ongoing Requirements
 - #1- must implement the change within 90 days of the PHA making a new schedule available
 - #2-#5- must review the method once a calendar year
 - Usually requires SHFA approval

Common Mistakes



CAUTION: Common Mistakes

- Using incorrect limits
- Selecting the incorrect utility sources included in the property's UA
- Not totaling all the items necessary from the UA schedule
- Using outdated UA documentation
- Failing to notify/implement on time

PHA Utility Allowance: What Could Go Wrong?

Updating
Allowance
Taxable
Beginning
July 28,

Updating Utility Allowances – Taxable Years Beginning After July 28, 2008

If the applicable utility allowance for a unit changes, the new utility allowance must be used to compute gross rents of LIHC units due 90 days after the change (90-day period). However, an owner is not required to implement new utility allowances until the building has achieved 90 percent occupancy for a period of 90 days or by the end of the first year of the credit period, whichever is earlier.

PHA Utility Estimates

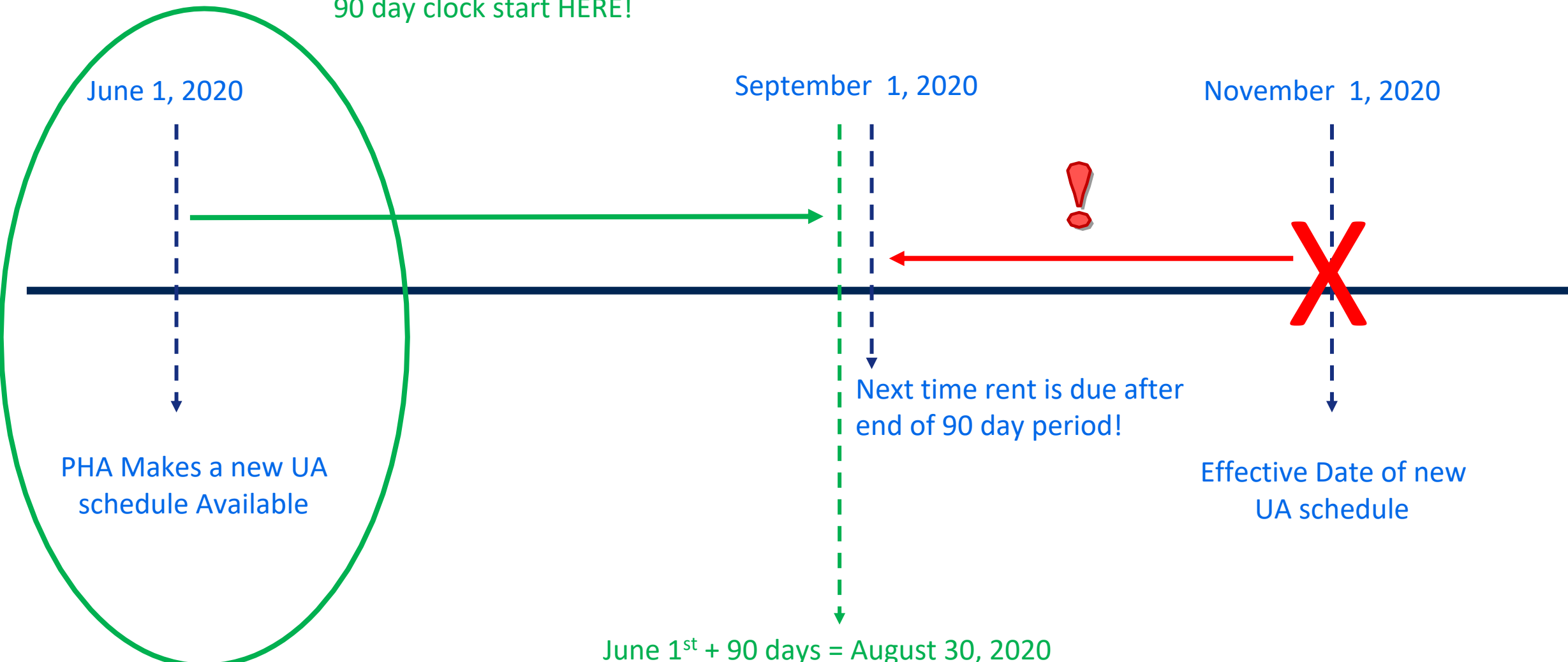
As explained in 24 CFR 982.517, Utility Allowance Schedule, paragraph (4)(c)(1), a PHA must review its schedule of utility allowances each year, and must revise its allowance for a utility category if there has been a change of 10 percent or more since the last time the utility allowance was revised. The 90-day implementation period begins when the PHA makes revised utility allowances available.

1. If the owner obtained a utility allowance from a state or local housing credit agency, the owner must make the utility estimate available to all tenants in the building at the beginning of the 90-day period.
2. If the owner obtained a utility allowance from a utility company, using the HUD Utility Schedule Model, or calculated using an energy consumption model, the owner must (1) submit copies of the utility estimates to the agency having

The “Effective Date” of the new UA could be different than when the PHA makes the revised schedule available

PHA Utility Allowance: What Could Go Wrong?

90 day clock start HERE!



PHA Utility Allowance

Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0159
(exp. 4/30/2014)

See Public Reporting Statement and Instructions on back

Locality _____ Unit Type _____ Date (mm/dd/yyyy) _____

Utility or Service	Monthly Dollar Allowances						
	0 BR	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating							
a. Natural Gas							
b. Bottle Gas							
c. Oil / Electric							
d. Coal / Other							
Cooking							
a. Natural Gas							
b. Bottle Gas							
c. Oil / Electric							
d. Coal / Other							
Other Electric							
Air Conditioning							
Water Heating							
a. Natural Gas							
b. Bottle Gas							
c. Oil / Electric							
d. Coal / Other							
Water							
Sewer							
Trash Collection							
Range/Microwave							
Refrigerator							
Other -- specify _____							

_____ used by the family to compute allowance.

Complete below for the actual unit rented.

Name of Family _____

Address of Unit _____

Number of Bedrooms _____

Utility or Service	per month cost
Heating	\$ _____
Cooking	_____
Other Electric	_____
Air Conditioning	_____
Water Heating	_____
Water	_____
Sewer	_____
Trash Collection	_____
Range/Microwave	_____
Refrigerator	_____
Other	_____
Total	\$ _____

form HUD-52667 (12/97)
ref. Handbook 7420.8

Page 1 of 1

Previous editions are obsolete

Form HUD-52667
 Allowance for Tenant-Furnished
 Utilities and Other Services
www.hud.org

PHA Utility Allowance: What Could Go Wrong?

(HUD tenant assistance) is the applicable Public Housing Authority (PHA) utility allowance established for the Section 8 Existing Housing Program.

(ii) Other tenants.

(A) General rule. If none of the rules of paragraphs (b)(1), (2), (3), or (4)(i) of this section apply to determine the appropriate utility allowance for a rent-restricted unit, then the appropriate utility allowance is the applicable PHA utility allowance. However, if a local utility company estimate is obtained for any unit in the building in accordance with paragraph (b)(4)(ii)(B) of this section, that estimate becomes the appropriate utility allowance for all rent-restricted units of similar size and construction in the building. If a utility company estimate procedure is not available to which the rules of paragraph (b)(1), (2), (3), or (4)(i) of this section apply, then the applicable PHA utility allowance. However, if a local utility company estimate is obtained for any unit in the building in accordance with paragraph (b)(4)(ii)(B) of this section, that estimate becomes the appropriate utility allowance for all rent-restricted units of similar size and construction in the building. This local utility company estimate procedure is not available for and does not apply to units to which the rules of paragraph (b)(1), (2), (3), or (4)(i) of this section apply. However, if a local utility company estimate is obtained for any unit in the building under paragraph (b)(4)(ii)(B) of this section, a State or local housing credit agency (Agency) provides a building owner with an estimate for any unit in a building under paragraph (b)(4)(ii)(C) of this section, a cost estimate is calculated using the HUD Utility Schedule Model under paragraph (b)(4)(ii)(D) of this section, or a cost estimate is calculated by an energy consumption model under paragraph (b)(4)(ii)(E) of this section, then the estimate under paragraph (b)(4)(ii)(B), (C), (D), or (E) becomes the applicable utility allowance for all rent-restricted units of similar size and construction in the building. Paragraphs (b)(4)(ii)(B), (C), (D), and (E) of this section do not apply to units to which the rules of paragraphs (b)(1), (2), (3), or (4)(i) of this section apply.

(B) Utility company estimate. Any interested party (tenant, a building owner, or an Agency) may obtain a utility company estimate for a unit. The estimate is obtained when the interested party obtains, in writing, information from a local utility company that utility for a unit of similar size and construction in the building containing the unit is located. If a utility company estimate procedure is not available to which the rules of paragraph (b)(1), (2), (3), or (4)(i) of this section apply, then the applicable PHA utility allowance. However, if a local utility company estimate is obtained for any unit in the building in accordance with paragraph (b)(4)(ii)(B) of this section, that estimate becomes the appropriate utility allowance for all rent-restricted units of similar size and construction in the building. This local utility company estimate procedure is not available for and does not apply to units to which the rules of paragraph (b)(1), (2), (3), or (4)(i) of this section apply. However, if a local utility company estimate is obtained for any unit in the building under paragraph (b)(4)(ii)(B) of this section, a State or local housing credit agency (Agency) provides a building owner with an estimate for any unit in a building under paragraph (b)(4)(ii)(C) of this section, a cost estimate is calculated using the HUD Utility Schedule Model under paragraph (b)(4)(ii)(D) of this section, or a cost estimate is calculated by an energy consumption model under paragraph (b)(4)(ii)(E) of this section, then the estimate under paragraph (b)(4)(ii)(B), (C), (D), or (E) becomes the applicable utility allowance for all rent-restricted units of similar size and construction in the building. Paragraphs (b)(4)(ii)(B), (C), (D), and (E) of this section do not apply to units to which the rules of paragraphs (b)(1), (2), (3), or (4)(i) of this section apply.

(ii) Other tenants.

(A) General rule. If none of the rules of paragraphs (b)(1), (2), (3), and (4)(i) of this section apply to determine the appropriate utility allowance for a rent-restricted unit, then the appropriate utility allowance for the unit is the applicable PHA utility allowance. However, if a local utility company estimate is obtained for any unit in the building in accordance with paragraph (b)(4)(ii)(B) of this section, that estimate becomes the appropriate utility allowance for all rent-restricted units of similar size and construction in the building. This local utility company estimate procedure is not available for and does not apply to units to which the rules of paragraph (b)(1), (2), (3), or (4)(i) of this section apply. However, if a local utility company estimate is obtained for any unit in the building under paragraph (b)(4)(ii)(B) of this section, a State or local housing credit agency (Agency) provides a building owner with an estimate for any unit in a building under paragraph (b)(4)(ii)(C) of this section, a cost estimate is calculated using the HUD Utility Schedule Model under paragraph (b)(4)(ii)(D) of this section, or a cost estimate is calculated by an energy consumption model under paragraph (b)(4)(ii)(E) of this section, then the estimate under paragraph (b)(4)(ii)(B), (C), (D), or (E) becomes the applicable utility allowance for all rent-restricted units of similar size and construction in the building. Paragraphs (b)(4)(ii)(B), (C), (D), and (E) of this section do not apply to units to which the rules of paragraphs (b)(1), (2), (3), or (4)(i) of this section apply.

PHA Utility Allowance: What Could Go Wrong?

Allowance for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0169
(exp. 04/30/2018)

See Public Reporting Statement and Instructions on back

Locality: ABC HOUSING AUTHORITY Unit Type: Multi-Family/Apts./Duplex Date (mm/dd/yyyy): 01/01/2019

Utility or Service	Unit Type	Date (mm/dd/yyyy)
Heating	a. Natural Gas	
	b. Bottle Gas	
	c. Oil / Electric	
	d. Coal / Other	
Cooking	a. Natural Gas	
	b. Bottle Gas	
	c. Oil / Electric	
	d. Coal / Other	
Other Electric		
Air Conditioning		
Water Heating	a. Natural Gas	
	b. Bottle Gas	
	c. Oil / Electric	
	d. Coal / Other	
Water		
Sewer		
Trash Collection		
Range/Microwave		

Refrigerator	10	10	10	10	10	10
Other – specify						
ATMOS	18	18	18	18	18	18
CUSTOMER CHARGE						

Actual Family Allowances – To be used by the family to compute allowance. Complete below for the actual unit rented.

Utility or Service	per month cost
Heating	\$
Cooking	
Other Electric	
Air Conditioning	
Water Heating	
Water	
Sewer	
Trash Collection	
Range/Microwave	
Refrigerator	
Other	
Total	\$

Name of Family: _____

Address of Unit: _____

Number of Bedrooms: _____

Utility or Service	Fuel Type
Heating	a. Natural Gas
	b. Bottle Gas
	c. Oil / Electric
	d. Coal / Other

Utility Allowance Schedule

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0169
exp. 7/31/2022

See Public Reporting and Instructions on back.

The following allowances are used to determine the total cost of tenant-furnished utilities and appliances.

Locality/PHA: ABC HOUSING AUTHORITY Unit Type: Multi-Family Date (mm/dd/yyyy): 01/01/2020

Utility or Service	Fuel Type
Heating	Natural Gas
	Bottled Gas
	Electric
	Electric – Heat Pump
	Fuel Oil
	Other

Range/Microwave	10	10	10	10	10	10
Refrigerator	10	10	10	10	10	10

Actual Family Allowances – May be used by the family to compute allowance while searching for a unit.

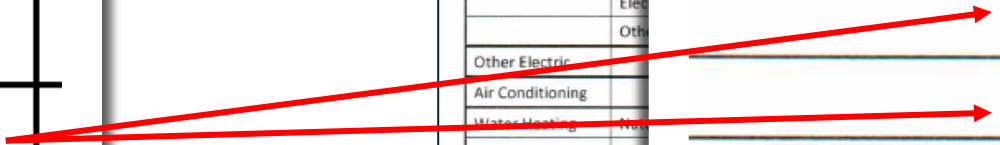
Utility/Service/Appliance	Allowance
Heating	
Cooking	
Other Electric	
Air Conditioning	
Water Heating	
Water	
Sewer	
Trash Collection	
Other	
Range/Microwave	
Refrigerator	
Total	

Head of Household Name: _____

Unit Address: _____

Number of Bedrooms: _____

Utility or Service	Fuel Type
Heating	Natural Gas
	Bottled Gas
	Electric
	Electric – Heat Pump
	Fuel Oil
	Other



PHA Utility Allowance: What Could Go Wrong?

Utility Allowance Schedule
See Public Reporting and Instructions on back.
The following allowances are used to determine the total cost of tenant-furnished utilities and appliances.

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
Date (mm/dd/yyyy): June 1, 2020

OMB Approval No. 25577-0169
exp.7/31/2022

Locality: **ABC Housing Authority** Unit Type: **Energy Efficient**

Utility or Service:						
Heating						
a. Natural Gas						
b. Bottle Gas/Propane						
c. Electric						
d. Electric Heat Pump						
e. Oil						
Cooking						
a. Natural Gas						
b. Bottle Gas/Propane						
c. Electric						
Other Electric & Cooling						
Other Electric (Lights & Appliances)						
Air Conditioning						
Water Heating						
a. Natural Gas						
b. Bottle Gas/Propane						
c. Electric						
d. Oil						
Water, Sewer, Trash Collection						
Water						
Sewer						
Trash Collection						
Tenant-supplied Appliances						
Range / Microwave Tenant-supplied	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00
Refrigerator Tenant-supplied	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Other--specify: Monthly Charges						
Electric Charge \$7.09	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00
Natural Gas Charge \$18.03	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
Actual Family Allowances						
To be used by the family to compute allowance. Complete below for the actual unit rented.	Utility or Service					per month cost
Name of Family	Heating					\$
	Cooking					\$
	Other Electric					\$
	Air Conditioning					\$
	Water Heating					\$
Address of Unit	Water					\$
	Sewer					\$
	Trash Collection					\$
	Range / Microwave					\$
	Refrigerator					\$
	Other					\$
Number of Bedrooms	Total					\$

Utility Allowance Schedule
See Public Reporting and Instructions on back.
The following allowances are used to determine the total cost of tenant-furnished utilities and appliances.

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
Date (mm/dd/yyyy): June 1, 2020

OMB Approval No. 25577-0169
exp.7/31/2022

Locality: **ABC Housing Authority** Unit Type: **Energy Efficient Apartment**

Utility or Service:	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
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What does it mean to be Energy Efficient?

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Utility Allowance Schedule
See Public Reporting and Instructions on back.
The following allowances are used to determine the total cost of tenant-furnished utilities and appliances.

Locality: **ABC Housing Authority**

Utility or Service:	0 BR
Heating	
a. Natural Gas	\$7.00
b. Bottle Gas/Propane	\$24.00
c. Electric	\$4.00
d. Electric Heat Pump	\$4.00
e. Oil	
Cooking	
a. Natural Gas	\$3.00
b. Bottle Gas/Propane	\$8.00
c. Electric	\$4.00
Other Electric & Cooling	
Other Electric (Lights & Appliances)	\$13.00
Air Conditioning	\$14.00
Water Heating	
a. Natural Gas	\$5.00
b. Bottle Gas/Propane	\$19.00
c. Electric	\$8.00
d. Oil	
Water, Sewer, Trash Collection	
Water	\$19.00
Sewer	\$20.00
Trash Collection	\$31.00
Tenant-supplied Appliances	
Range / Microwave Tenant-supplied	\$11.00
Refrigerator Tenant-supplied	\$12.00
Other--specify: Monthly Charges	
Electric Charge \$7.09	\$7.00
Natural Gas Charge \$18.03	\$18.00
Actual Family Allowances	
To be used by the family to compute allowance. Complete below if rented.	
Name of Family	
Address of Unit	
Number of Bedrooms	

Utility or Service:	0 BR
Heating	
a. Natural Gas	\$7.00
b. Bottle Gas/Propane	\$24.00
c. Electric	\$4.00
d. Electric Heat Pump	\$4.00
e. Oil	
Cooking	
a. Natural Gas	\$3.00
b. Bottle Gas/Propane	\$8.00
c. Electric	\$4.00
Other Electric & Cooling	
Other Electric (Lights & Appliances)	\$13.00
Air Conditioning	\$14.00
Water Heating	
a. Natural Gas	\$5.00
b. Bottle Gas/Propane	\$19.00
c. Electric	\$8.00
d. Oil	
Water, Sewer, Trash Collection	
Water	\$19.00
Sewer	\$20.00
Trash Collection	\$31.00
Tenant-supplied Appliances	
Range / Microwave Tenant-supplied	\$11.00
Refrigerator Tenant-supplied	\$12.00
Other--specify: Monthly Charges	
Electric Charge \$7.09	\$7.00
Natural Gas Charge \$18.03	\$18.00

Other	\$
Total	\$

Total: \$50

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Utility Allowance Schedule
See Public Reporting and Instructions on back.
The following allowances are used to determine the total cost of tenant-furnished utilities and appliances.

Locality: **ABC Housing Authority**

Utility or Service:	0 BR
Heating	
a. Natural Gas	\$6.00
b. Bottle Gas/Propane	\$22.00
c. Electric	\$4.00
d. Electric Heat Pump	\$3.00
e. Oil	
Cooking	
a. Natural Gas	\$2.00
b. Bottle Gas/Propane	\$5.00
c. Electric	\$3.00
Other Electric & Cooling	
Other Electric (Lights & Appliances)	\$11.00
Air Conditioning	\$11.00
Water Heating	
a. Natural Gas	\$5.00
b. Bottle Gas/Propane	\$13.00
c. Electric	\$6.00
d. Oil	
Water, Sewer, Trash Collection	
Water	\$18.00
Sewer	\$18.00
Trash Collection	\$31.00
Tenant-supplied Appliances	
Range / Microwave Tenant-supplied	\$11.00
Refrigerator Tenant-supplied	\$12.00
Other--specify: Monthly Charges	
Electric Charge \$7.09	\$7.00
Natural Gas Charge \$18.03	\$18.00
Actual Family Allowances	
To be used by the family to compute allowance. Complete below if rented.	
Name of Family	
Address of Unit	
Number of Bedrooms	

Utility or Service:	0 BR
Heating	
a. Natural Gas	\$6.00
b. Bottle Gas/Propane	\$22.00
c. Electric	\$4.00
d. Electric Heat Pump	\$3.00
e. Oil	
Cooking	
a. Natural Gas	\$2.00
b. Bottle Gas/Propane	\$5.00
c. Electric	\$3.00
Other Electric & Cooling	
Other Electric (Lights & Appliances)	\$11.00
Air Conditioning	\$11.00
Water Heating	
a. Natural Gas	\$5.00
b. Bottle Gas/Propane	\$13.00
c. Electric	\$6.00
d. Oil	
Water, Sewer, Trash Collection	
Water	\$18.00
Sewer	\$18.00
Trash Collection	\$31.00
Tenant-supplied Appliances	
Range / Microwave Tenant-supplied	\$11.00
Refrigerator Tenant-supplied	\$12.00
Other--specify: Monthly Charges	
Electric Charge \$7.09	\$7.00
Natural Gas Charge \$18.03	\$18.00

Other	\$
Total	\$

Total: \$42

PHA Utility Allowance: What Could Go Wrong?

Chapter 18
Category 11m
Owner Did Not Properly

Definition

Definition

This category is used to report noncompliance with the utility allowance requirements outlined in Treas. Reg. §1.42-10. An allowance for the cost of any utilities, other than telephone, cable television, or Internet, paid directly by the tenant(s) and not by or through the owner of the building is included in the computation of gross rent under IRC §42(g)(2)(B). A separate estimate is computed for each utility and different methods can be used to compute the individual utility allowances. **The utility allowance is computed on a building-by-building basis.** The maximum rent that may be paid by the tenant must be reduced by utility allowance(s) obtained in the following manner.

(HUD tenant assistance) is the applicable Public Housing Authority (PHA) utility allowance established for the Section 8 Existing Housing Program.

5. Taxable years beginning before July 29, 2008: If neither the building nor tenants are subject to the rules described in 1-4 above, then the local public housing authority (PHA) allowance is used. However, if an estimate is obtained for any unit from a utility company, that estimate is used as the utility allowance for all similar units in the building.


Taxable years beginning after July 28, 2008: If neither the building nor tenants are subject to the rules described in 1-4 above, then the local public housing authority (PHA) allowance is used. However, if an estimate is obtained for any unit in the building, that estimate is used as the utility allowance for all similar

PHA Utility Allowance: What Could Go Wrong?

Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0169
(exp. 04/30/2018)

Locality: ABC Housing Authority						Unit Type: Manufactured/ Mobile Home	Date (mm/dd/yyyy) 6-1-2018
Utility or Service:		Monthly Dollar Allowances					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	a. Natural Gas	\$11.00	\$13.00	\$14.00	\$15.00	\$16.00	\$18.00
	b. Bottle Gas/Propane						
	c. Electric	\$13.00	\$16.00	\$16.00	\$17.00	\$17.00	\$17.00
	d. Oil / Other						
Cooking	a. Natural Gas	\$2.00	\$2.00	\$4.00	\$4.00	\$6.00	\$6.00
	b. Bottle Gas/Propane						

Watch for the Unit Type!

PHA Utility Allowance: What Could Go Wrong?

Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0169
(exp. 04/30/2018)

Locality: ABC Housing Authority		Unit Type: Manufactured/ Mobile Home				Date (mm/dd/yyyy) 6-1-2018	
Utility or Service:		Monthly Dollar Allowances					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	a. Natural Gas	\$11.00	\$13.00	\$14.00	\$15.00	\$16.00	\$18.00
	b. Bottle Gas/Propane						
	c. Electric	\$13.00	\$16.00	\$16.00	\$17.00	\$17.00	\$17.00
	d. Oil / Other						
Cooking	a. Natural Gas	\$2.00	\$2.00	\$4.00	\$4.00	\$6.00	\$6.00
	b. Bottle Gas/Propane						
	c. Electric	\$3.00	\$4.00	\$5.00	\$7.00	\$9.00	\$10.00

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Implementing Changes in Income Limits and Utility Allowances



National Council of
State Housing Agencies



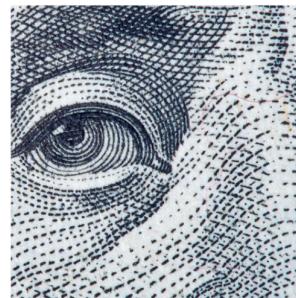
**MRBs and
Other Federal
Homeownership
Programs**
FEBRUARY 1 – 3



Housing Credit
FEBRUARY 3 – 5



**Section 8 and
Other Federally
Assisted
Multifamily
Housing**
FEBRUARY 8 – 10



**HOME and
Housing Trust
Fund**
FEBRUARY 10 – 12

