

Utility Allowance Computation Methods:

As a result of HR 3221, the following method of calculating utility allowances for Low Income Housing Tax Credit, Tax Exempt Bond and HOME properties in South Carolina.

All methods of calculating the utility allowance must be updated and approved annually. Any changes such as energy conservation measures affecting the energy consumption of the building and changes in utility rates must be taken into account during the annual review.

1. Written Estimates from the Utility Provider. When submitting a third party certified utility company estimate, the estimate must be submitted on the utility provider's letterhead and should include the following:

- a. Name and location of the development
- b. Confirmation that the utility company providing the estimate is the company that will be providing utility services.
- c. Name, signature, title and contact information for the utility company representative providing the estimates.
- d. Effective date of the estimate being submitted.
- e. Description and /or type of unit the estimate is to be applied to, i.e., single family house, duplex, apartment, etc. number of bedrooms must also be included.

Rural Housing Services (RHS) Methodology. Any development assisted by or having units receiving rental assistance from RHS must utilize the RHS approved utility allowance methodology for all units. A copy of the RHS allowance used must be available during the on-site review conducted by the Authority.

3. HUD Regulated Buildings layered with any Department program. If neither the building nor any tenant in the building receives RHS rental assistance payment, and the rents and utility allowances of the building are reviewed by HUD on an annual basis, the applicable utility allowance for all rent restricted units in the building is the applicable HUD utility allowance.

4. Public Housing Authority (PHA). The applicable PHA allowance, as recognized by the participating PHA will be used for all units. Copies of the PHA utility allowance worksheet must be provided to the Authority representative conducting the on-site review or when otherwise requested.

The PHA utility allowance must be used as the utility allowance for residents with Section 8 Rental Assistance, regardless of the utility allowance used for the remainder of the units in the building.

5. Energy Consumption Model. The utility consumption estimate must be calculated by a properly licensed mechanical engineer or an individual holding a valid Residential Energy Service Network (RESNT) or Certified Energy Manager (CEM) certification. The individual must not be related to the owner as defined in Sections 267(b) or Section 707(b) of the Code. The consumption estimate must at a minimum, take into account the size of each unit, building orientation, design and materials, mechanical systems and appliances.

The model must use data no older than 60 days as of the end of the twelve month period, or not earlier than 60 days prior to the beginning of the 90 day notification period.

6. HUD Energy Consumption Model. This model may be used to calculate utility estimates and can be found on the HUD web site at www.huduser.org/datasets/lihtc.html.

The use of this model does not require the owner to collect utility consumption data.