



## Calculation & Approval of Utility Allowances

### City of Seattle Office of Housing Program Requirements

The City of Seattle Office of Housing (OH) does not require properties receiving only OH Seattle Housing Levy funding to submit annual utility allowance calculations for approval; however, such calculations and supporting documentation must be available for review if requested by the City.

### Acceptable Methodologies

For OH Seattle Housing Levy **only** financed properties, owners may choose one of the following options for determining annual utility allowance:

1. [Public Housing Authority Utility Allowance](#)\*
2. [Multifamily Housing Utility Analysis](#)\*\*
3. HUD regulated properties approved utility allowance
4. [HUD Utility Schedule Model](#)\*\*\*
5. Utility Company Estimate\*\*\*\*
6. Low Income Housing Tax Credit Agency Estimate (incorporated in WSHFC's "Actual Usage Estimate" and "Energy Consumption Model" methods). \*\*\*\*\*

### City HOME-Funding Program Requirements

Office of Housing does require properties receiving City HOME or City HOME/OH funding to submit annual utility allowance calculations for approval. Utility Allowance submissions, including all back up documentation, must accompany the [HOME Program-Annual Rent Approval Cover Page](#) and, if applicable, the [HOME Program – Annual Rent Approval Form](#).

*If your project's utility allowance has already been approved by the Washington State Department of Commerce and/or the Washington State Housing Finance Commission, please submit their approval documentation to your Office of Housing Asset Manager.*

[24 CFR Section 92.252\(d\)\(1\) Initial rent schedule and utility allowances](#) requires the Participating Jurisdictions (PJ) to establish maximum monthly allowances for utilities and services (excluding telephone) and update the allowances annually. The Participating Jurisdiction must use the HUD Utility Schedule Model or otherwise determine the utility allowance for the project based on the type of utilities used at the project.

HUD provided further guidance on when the utility allowance (UA) requirement under 24 CFR Section 92.252(d)(1) established in the 2013 HOME Final Rule (HOME Rule) became effective, and what methods a Participating Jurisdiction (PJ) may use to establish the UA for HOME-assisted rental units. This guidance is contained in HOMEfires – Vol. 13 No. 2, originally published in May 2016 and revised in August 2016. <https://www.hudexchange.info/resource/5034/homefires-vol-13-no-2-guidance-on-how-to-establish-utility-allowances-for-home-assisted-rental-units/>



### **City HOME funds committed prior to August 23, 2013**

Office of Housing may approve one of the following methods when establishing a property specific utility allowance:

1. [Public Housing Authority Utility Allowance](#)\*
2. [Multifamily Housing Utility Analysis](#)\*\*
3. [HUD Utility Schedule Model](#)\*\*\*
4. Utility Company Estimate\*\*\*\*
5. Low Income Housing Tax Credit Agency Estimate (incorporated in WSHFC's "Actual Usage Estimate" and "Energy Consumption Model" methods).\*\*\*\*

### **City HOME funds committed on or after August 23, 2013**

Office of Housing may approve one of the following methods when establishing a project specific utility allowance:

1. [Multifamily Housing Utility Analysis](#)\*\*
2. [HUD Utility Schedule Model](#)\*\*\*
3. Utility Company Estimate\*\*\*\*
4. Low Income Housing Tax Credit Agency Estimate (incorporated in WSHFC's "Actual Usage Estimate" and "Energy Consumption Model" methods).\*\*\*\*

City HOME projects with funds committed on or after August 23, 2013 must notify Office of Housing when a recipient of a Housing Choice Voucher (HCV) is occupying a HOME unit and the utility allowance differs from the Office of Housing approved utility allowance. Once the HOME Period of Affordability (POA) ends, the property will follow the OH UA requirements.

### **Utility Allowance for Special Housing Types**

#### Single Room Occupancy (SRO)

Per 24 CFR CH. IX 982.605, utility allowances for an assisted person residing in SRO housing is 75 percent of the zero (0) bedroom utility allowance.

#### Group Home

Per 24 CFR CH. IX 982.612, utility allowances for each assisted person residing in a group home is the pro-rated portion of the utility allowance for the group home unit size.



## Resources

\*Seattle Housing Authority Utility Estimate Schedule: <http://www.seattlehousing.org/landlords/tenant/standards/>

\*\*Multifamily Housing Utility Analysis follows the methodology outlined in HUD Notice H-2015-04:  
<https://portal.hud.gov/hudportal/documents/huddoc?id=15-04hsgn.pdf>

\*\*\*HUD Utility Schedule Model: <http://huduser.org/portal/resources/utimodel.html>

\*\*\*\* Washington State Housing Finance Commission Utility Allowance Procedures are contained in Appendix O of the Tax Credit Compliance Manual:  
[http://www.wshfc.org/managers/ManualTaxCredit/290\\_AppendixOUtilityAllowanceProceduresForLIHTCProperties.pdf](http://www.wshfc.org/managers/ManualTaxCredit/290_AppendixOUtilityAllowanceProceduresForLIHTCProperties.pdf)

The Internal Revenue Service (IRS) outlines eligible utility allowance models for tax credit programs: [26 CFR 1.420-10 Utility Allowances](#), which includes the Utility Company Estimate, Actual Usage Estimate incorporated in WSHFC's "Actual Usage Estimate" and "Energy Consumption Model" methods and Energy Consumption Model.