

NOT ADOPTED

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
FEBRUARY 11, 2014**

RESOLUTION NO. 2014-02

WHEREAS, the Housing Authority of New Orleans (HANO) administers a Housing Choice Voucher Program (HCVP); and

WHEREAS, families participating in the Housing Choice Voucher Program that are responsible for paying the cost of tenant-provided utilities receive a utility allowance; and

WHEREAS, the utility allowance schedule must be determined based on the typical cost of utilities and services paid by households that occupy housing of similar size and type in the same locality, and in developing the schedule, HANO must use normal patterns of consumption for the community as a whole and current utility rates; and

WHEREAS, it is the responsibility of HANO to review and, if applicable, update the utility allowance annually and maintain information supporting its annual review of utility allowances and any revisions made in its utility allowance schedule; and

WHEREAS, units assisted in properties with Low Income Housing Tax Credits (LIHTC) built to green standards may utilize a consumption-based energy efficient utility allowance based on an Energy Consumption Model calculated by a properly licensed engineer or qualified professional; and

WHEREAS, HANO has not adopted a consumption-based energy efficient utility allowance; and

WHEREAS, HANO is interested in applying the same utility allowance to HCVP families assisted in LIHTC assisted properties; and

WHEREAS, HANO proposes amending the HCVP Administrative Plan to facilitate the application of consumption-based energy efficient utility allowances to LIHTC assisted units that are rented to participants of both the tenant-based and project-based Housing Choice Voucher Program

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THEREFORE, BE IT RESOLVED, that Board of Commissioners of the Housing Authority hereby authorizes the Administrative Receiver or his designee to implement the amended policies and procedures of HANO's HCVP Administrative Plan as attached to permit the application of a consumption-based energy efficient utility allowance using an independently calculated Energy Consumption Model. These allowances will be applied to properties built to green energy efficient standards and assisted by the Housing Choice Voucher Program in LIHTC properties.

Executed this 11th day of February, 2014

NOT APPROVED:

A large, stylized handwritten signature in black ink, appearing to read 'D. Gilmore', is written over a horizontal line. The signature is highly cursive and extends to the right beyond the line.

DAVID GILMORE
ADMINISTRATIVE RECEIVER
CHAIRMAN, BOARD OF COMMISSIONERS



February 11, 2014

MEMORANDUM

**To: David Gilmore
Administrative Receiver
Chairman, Board of Commissioners**

**From: Arthur N. Waller
Director, Housing Choice Voucher Program**

Re: Amendment to the HCVP Administrative Plan – Utility Allowances

This amendment to the Administrative Plan of the Housing Authority of New Orleans (HANO) Section 8 Housing Choice Voucher Program (HCVP) will permit tenant-based or project-based HCVP participants living in units assisted with Low Income Housing Tax Credits (LIHTC) to be credited with the same utility allowance as non-HCVP residents by using the energy efficiency-based utility allowance generated through independent energy consumption modeling. This gives a much more accurate reading of energy consumption for residents of the energy-efficient units that are assisted by LIHTC's, and provides consistent utility allowances to identical units within the same project.

Currently, Project-Based Voucher (PBV) projects assisted with Low Income Housing Tax Credits are required to utilize the same utility allowance that has been developed for tenant-based Housing Choice Voucher participants. However, recent HUD guidelines in the development community have advocated "Green" construction and expanded incentives to developers of projects with energy efficient improvements.

Owners of LIHTC developments have undertaken the challenges and expenses of "Green" construction and created units that are held to a higher standard for energy efficiency. In accordance with IRS Regulations, the Louisiana Housing Corporation provides an option which allows developers to use utility allowances based on an Energy Consumption Model calculated by a properly licensed engineer or qualified professional. Residents of LIHTC-assisted units reap the benefits of a highly efficient thermal environment that results in a significantly lower utility cost per month. In turn, they receive a utility allowance that more closely reflects true usage costs instead of the inflated standard utility allowance adopted by most Public Housing Agencies, including HANO.

In LIHTC projects layered with PBV assistance, the PBV units must use the HANO utility allowance while LIHTC-only assisted units benefit from the energy efficiency-based utility allowance. This results in significantly different utility allowances for residents living in the same property with the same number of bedrooms, bathrooms, and amenities.

This amendment would permit HANO to apply the same energy efficiency-based utility allowance to PBV or HCV-assisted units as units assisted exclusively with LIHTC's, thus ensuring accuracy and fairness to all residents.

This amendment is applicable to tenant-based and project-based Housing Choice Voucher Program (HCVP) assistance.

Your approval of the amendment to adopt an energy efficiency-based utility allowance option for units assisted in LIHTC properties through the tenant-base or project-based HCVP Program is hereby requested.

UTILITY ALLOWANCE FOR ENERGY EFFICIENT PROJECTS RECEIVING LOW INCOME HOUSING TAX CREDITS

Under the Housing Choice Voucher program, HANO recognizes and adopts the use of project specific utility allowances that have been approved for use in qualified Low Income Housing Tax Credit (LIHTC) projects, provided that the utility allowances for the project are:

- (i) Developed pursuant to regulations prescribed by the Internal Revenue Service (IRS) and any requirements set by the Louisiana Housing Corporation (LHC);
- (ii) Calculated using procedures recognized by the LHC; and
- (iv) Reviewed and updated pursuant to IRS and LHC requirements and compliance procedures to reflect changes in energy tariffs.

Background

Utility allowances for the HCV program and LIHTC program are established through different processes. The result is that the utility allowances for HCV participants vary substantially from the utility allowances approved by LHC for non-voucher units even though the building characteristics for the residential units are the same.

Additionally, the methods used to set utility allowances for the HCV program do not consider new construction standards and practices or the above-code energy efficiency investments commonly made by developers of LHC-funded Tax Credit projects. As a result, the utility allowances set by public housing authorities do not accurately reflect the lower energy consumption and costs associated with LIHTC projects. It is commonly understood among affordable housing organizations that the overstatement of energy consumption and costs adversely affects the property's ability to cover added investment costs for high efficiency measures and may also affect the underlying cash flow and financial stability of the property.

This disparity was formally recognized by the IRS and resulted in an amendment to its regulations governing utility allowances, § 1.42-10. On July 29, 2008, the IRS issued a Final Notice permitting use of alternative approaches for estimating tenant utility costs including the use of utility allowance estimates set by state housing finance agencies, use of HUD's Utility Schedule Model, or use of an Energy Consumption Model.

Following issuance of the IRS rule, the LHC began authorizing use of independent Energy Consumption model estimates to calculate utility allowances for individual projects. The utility cost estimates calculated through this modeling more accurately reflect utility consumption than the standard allowances used by HANO for the HCV Program.

Justification

Using Independent energy modeling for individual projects provides a well documented, objective, and sound analytical basis for estimating tenant utility costs and setting utility allowances in LIHTC properties. The process requires the use of energy professionals known as Home Energy Rating System (HERS) raters in making utility estimates and has sufficient safeguards and checks in place to ensure that utility allowances are properly calculated and reasonable. Compliance procedures ensure that utility allowances, once set under the LIHTC program, will be reviewed on an ongoing basis and updated to reflect changes in utility costs.

Adopting utility allowances generated using energy consumption model estimates will not result in additional HANO project administration costs.

Review of Process for Setting Utility Allowances Under Low Income Housing Tax Credit Program and Potential Utilization for Housing Choice Vouchers Used in Qualified Tax Credit Properties

Under the LIHTC program, applicants for LIHTCs must estimate the monthly income and expenses for proposed projects. As part of the calculation, applicants need to provide an estimate of tenant utility costs. A utility allowance is set based on what a reasonable energy consuming household consumes, which is the same standard used for HUD programs.

In tax credit projects, the gross rent for the unit is reduced by the utility allowance. This is consistent with the approach used in HUD programs to determine the amount of rent the tenant pays the property owner.

Until recently, the most common source of the utility cost estimates has been Public Housing Authority (PHA) utility allowance schedules. This changed in 2008 with the issuance of the amended regulation by the IRS. The underlying reason for amending the IRS' regulation is that PHA utility allowances based on older buildings are inaccurate and overstate utility costs for newer tax credit properties built to higher energy efficiency standards and with lower energy consumption.

Since utility allowances for the HCV program are set independently from the LIHTC program, when a household using a voucher moves into a Tax Credit project, a different utility allowance is used, which results in different utility allowances being applied to units in the same building with the same characteristics affecting energy consumption. In some cases this results in different utility allowances for identical units on either side of a duplex. To correct this disparity, HANO should consider a modification to its Administrative Plan to allow for the use of consumption-based utility allowances in properties built to energy efficient standards.

Assessment of Utility Costs Estimates Using an Energy Consumption Model

IRS Rules allow independent energy consultants, working for affordable housing developers, to establish a more accurate estimate of what tenants will pay for utilities, taking into account the energy affecting features of the proposed building, the photovoltaic (PV) system designed for it, and the applicable tariff/utility rate. This modeling is used with:

1. New construction projects in the design phase (brand new, never previously used buildings);
2. Newly constructed projects placed in service during or after 2009 that meet Title 24, Part 6 standards (2008 edition); and on a case-by-case basis subject to discretion of LHFA's Executive Director
3. Substantial Rehabilitation or adaptive reuse projects that involve rebuilding a project to Title 24, Part 6 standards.

Appropriate use of Energy Consumption Modeling requires verifying what is actually built, as opposed to what had been proposed, so that a project is accurately modeled.

Energy analysts investigate and confirm the relevant energy efficiency measures which are actually used in construction of the project, once the project has been completed, and model the units and building(s) as built. These relevant energy efficiency measures include any components, materials, systems, etc. that impact the building's energy efficiency, including but not limited to the building envelope, heating systems, cooling systems, domestic hot water systems, and installed lighting systems.

Assessment of Owner/Developer Requirements

In order to qualify for the use of a project-specific utility allowance, developers must meet certain requirements and must be awarded LIHTCs or other LHC funds for income restricted projects. These requirements apply whether the applicant is seeking, or has already been awarded, competitive 9% tax credits, or credits used in conjunction with tax exempt bond financing, or "ARRA Funding"- Tax Credit Exchange Program (Section 1602) funds, Tax Credit Assistance Program (TCAP) funds, or other state or federal funds.

Project specific energy consumption models will be completed by an independent third party and will be at the expense of the developer. The consultant will be a certified Home Energy Rating System (HERS) Rater or a Louisiana licensed mechanical engineer, architect, or electrical engineer.

A list of CEPEs with current residential certifications is available at:

http://dnr.louisiana.gov/assets/TAD/programs/residential/hero/Active_HERO_Raters_20120904.pdf

All estimates will include a report, signed by the qualified professional energy analyst certifying the following:

- Date the estimate was prepared and the name of project the estimate was prepared for.
- Name, address and phone number of the analyst who prepared and certified to the accuracy of the estimate. (NOTE: The preparer and certifying analyst must be the same person).
- Proof of the energy analyst's qualifications, including a current Louisiana Home Energy Rating Systems (HERS) certification number.
- A statement that the analyst and the owner of the project, the project applicant, and the project's principals (general partners, members, etc.), are not related parties as defined by TCAC Regulation 10302(g) and the Internal Revenue Code section 267(b) and 707(b).
- A statement that an average of utility usage by unit type (1br, 2br, etc.) for the project was derived using individual unit estimates or by a sampling of individual units if the estimate for the project was derived using such methods. Sampling rate at a minimum rate of 1:8 units
- A statement that the estimate is based solely on the professional building energy modeling and analysis completed by the qualified professional building analyst who signed the estimate.
- A copy of the completed tariff eligibility analysis done.

Additional Requirements for Projects Recently Placed In Service

Energy analysts who are submitting an estimate for a newly completed project must confirm the energy efficiency measures of the project's units and buildings. The energy analyst will confirm the data used in completing the estimate is accurate, including all relevant energy efficiency measures. If unable to confirm the energy efficiency measures actually used in the completed units and building(s), the analyst will use conservative default assumptions needed to meet the minimum requirements under the appropriate standards.

The analyst also must identify the utility providers, confirm that the appropriate tariff was used in the estimate, confirm building orientation, and determine the building's unit mix, apartment features and unit floor plan layout. This process will be done through direct observation (including field testing or sampling at a minimum rate of 1:8 units), official documentation, or reliable third-party resources.

All estimates will include a report, certifying to all of the items listed above, as well as the following additional items:

- Explanation of any testing or sampling done to confirm the constructed units and/or building(s) features.
- A list of all third-party resources used to confirm the constructed buildings features, including copies of the building permits and the name and phone

number of any HERS rater(s) who conducted review(s) of the project's units and /or building(s).

- Copies of any documentation relied upon to confirm the energy efficiency measures used in the modeling of the constructed units and/or building(s).
- Copies of any completed residential compliance forms for the project's units and/or building(s) that were completed at the design phase and upon final construction.
- A list and justification of any conservative default assumptions that were used by the energy analyst in the event the energy analyst was unable to independently confirm the building(s) energy efficiency measures.

Schedule

For a Tax Credit project, and most other affordable housing projects, the estimate will need to be produced or reproduced at multiple points in the life of a project.

1. At the point of initial application. This should be the "draft" version of the energy efficiency-based utility allowance.
2. At lease-up, so that tenants are appropriately charged for rent. This should be the "final" locked-in-place version of the energy efficiency-based utility allowance and represent the project "as built" as opposed to "as proposed." This estimate may or may not be the same as the draft version depending upon whether or not changes were made during the course of construction or rehabilitation of the project. This or a later "annual update" version of the utility allowance is also the utility allowance that should be sent to the LHC as part of any placed-in-service package.
3. The "final" version of the energy efficiency-based utility allowance should be updated periodically throughout the compliance period. This updating simply involves having the energy analyst reproduce the utility allowance using the latest version of LDNR lookup tables, which will contain the most up-to-date version of the utility company rates. This will bring the utility allowance up-to-date.

Updating Project-Specific Utility Allowance

The owner/developer is required to update the schedule of utility allowances at least annually, and must revise the schedule if there has been a change of 10 percent or more in any utility tariff/rate since the last time the allowance for that utility was revised.

The energy efficiency-based utility allowance update shall be conducted no later than the project's anniversary of its earliest Placed-In-Service date, or annually upon the tenant's lease renewal.

Under the proposal, the owner/developer must provide HANO the information supporting its annual review of the utility allowance and any revisions made in its utility

allowance schedule. HANO shall retain this information with all other utility allowance update data.

Insert the following text (underlined) Chapter 14: Payment Standards and Utility Allowances and in Chapter 22: Project-Based Vouchers

1) Chapter 14 will be amended to include:

UTILITY ALLOWANCES

24 CFR 982.517

A HANO-established utility allowance schedule is used in determining family share and HANO subsidy. HANO will maintain a utility allowance schedule for (1) all tenant-paid utilities, (2) the cost of tenant-supplied refrigerators and ranges, and (3) other tenant-paid housing services such as trash collection.

The utility allowance schedule will be determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. In developing the schedule, HANO will use normal patterns of consumption for the community as a whole, and current utility rates.

Reasonable Accommodation

HANO may approve a utility allowance amount higher than shown on HANO's schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability.

APPLICATION OF UTILITY ALLOWANCES

24 CFR 982.517(d), HCV GB, p. 12-5

At lease-up, HANO will apply the utility allowance in effect on the effective date of the lease-up.

At regular reexamination, HANO will apply the utility allowance in effect on the effective date of the reexamination.

At interim reexamination, HANO will apply the utility allowance in effect on the effective date of the interim reexamination.

The family share of the rent and HAP calculations must reflect any changes in the family's utility arrangement with the owner, or in HANO's utility allowance schedule.

When there are changes in the utility arrangement with the owner, HANO will use the utility allowances in effect at the time the new lease and HAP contract are executed.

Revised utility allowances will be applied to a family's rent and subsidy calculations at the first annual reexamination after the allowance is adopted.

SINGLE ROOM OCCUPANCY UTILITY ALLOWANCES

The utility allowance for an assisted person residing in SRO housing is 75 percent of the zero bedroom utility allowance.

UTILITY ALLOWANCE FOR ENERGY EFFICIENT PROJECTS RECEIVING LOW INCOME HOUSING TAX CREDITS

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- (i) Developed pursuant to regulations prescribed by the Internal Revenue Service (IRS) and any requirements set by the Louisiana Housing Corporation (LHC);
- (ii) Calculated using procedures recognized by the LHC; and
- (iv) Reviewed and updated pursuant to IRS and LHC requirements and compliance procedures to reflect changes in energy tariffs.

Background

Utility allowances for the HCV program and LIHTC program are established through different processes. The result is that the utility allowances for HCV participants substantially vary from the utility allowances approved by LHC for non-voucher units even though the building characteristics for the residential units are the same.

Additionally, the methods used to set utility allowances for the HCV program do not consider new construction standards and practices or the above-code energy efficiency investments commonly made by developers of LHC-funded Tax Credit projects. As a result, the utility allowances set by public housing authorities do not accurately reflect the lower energy consumption and costs associated with LIHTC projects. It is commonly understood among affordable housing organizations that the overstatement of energy consumption and costs adversely affects the property's ability to cover added investment costs for high efficiency measures and may also affect the underlying cash flow and financial stability of the property.

This disparity was formally recognized by the IRS and resulted in an amendment to its regulations governing utility allowances, § 1.42-10. On July 29, 2008, the IRS issued a Final Notice permitting use of alternative approaches for estimating tenant utility costs including the use of utility allowance estimates set by state housing finance agencies, use of HUD's Utility Schedule Model, or use of an Energy Consumption Model.

Following issuance of the IRS rule, the LHC began authorizing use of independent Energy Consumption model estimates to calculate utility allowances for individual projects. The utility cost estimates calculated through this modeling more accurately reflect utility consumption than the standard allowances used by HANO for the HCV Program.

Justification

Using Independent energy modeling for individual projects provides a well documented, objective, and sound analytical basis for estimating tenant utility costs and setting utility allowances in LIHTC properties.

The process requires the use of energy professionals known as Home Energy Rating System (HERS) raters in making utility estimates and has sufficient safeguards and checks in place to ensure that utility allowances are properly calculated and reasonable. Compliance procedures ensure that utility allowances, once set under the LIHTC program, will be reviewed on an ongoing basis and updated to reflect changes in utility costs.

Adopting utility allowances generated using energy consumption model estimates will not result in additional HANO project administration costs.

Review of Process for Setting Utility Allowances Under Low Income Housing Tax Credit Program and Potential Utilization for Housing Choice Vouchers Used in Qualified Tax Credit Properties

Under the LIHTC program, applicants for LIHTCs must estimate the monthly income and expenses for proposed projects. As part of the calculation, applicants need to provide an estimate of tenant utility costs. A utility allowance is set based on what a reasonable energy consuming household consumes, which is the same standard used for HUD programs.

In tax credit projects, the gross rent for the unit is reduced by the utility allowance. This is consistent with the approach used in HUD programs to determine the amount of rent the tenant pays the property owner.

Until recently, the most common source of the utility cost estimates has been Public Housing Authority (PHA) utility allowance schedules. This changed in 2008 with the issuance of the amended regulation by the IRS. The underlying reason for amending the IRS' regulation is that PHA utility allowances based on older buildings are inaccurate and overstate utility costs for newer tax credit properties built to higher energy efficiency standards and with lower energy consumption.

Since utility allowances for the HCV program are set independently from the LIHTC program, when a household using a voucher moves into a Tax Credit project, a different

utility allowance is used, which results in different utility allowances being applied to units in the same building with the same characteristics affecting energy consumption. In some cases this results in different utility allowances for identical units on either side of a duplex. To correct this disparity, the HANO has sought and obtained HUD approval to use the utility allowances approved for the LIHTC program.

Assessment of Utility Costs Estimates Using an Energy Consumption Model

IRS Rules allow independent energy consultants, working for affordable housing developers, to establish a more accurate estimate of what tenants will pay for utilities, taking into account the energy affecting features of the proposed building, the photovoltaic (PV) system designed for it, and the applicable tariff/utility rate. This modeling is used with:

1. New construction projects in the design phase (brand new, never previously used buildings);
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Appropriate use of Energy Consumption Modeling requires verifying what is actually built, as opposed to what had been proposed, so that a project is accurately modeled.

Energy analysts investigate and confirm the relevant energy efficiency measures which are actually used in construction of the project, once the project has been completed, and model the units and building(s) as built. These relevant energy efficiency measures include any components, materials, systems, etc. that impact the building's energy efficiency, including but not limited to the building envelope, heating systems, cooling systems, domestic hot water systems, and installed lighting systems.

Assessment of Owner/Developer Requirements

In order to qualify for the use of a project-specific utility allowance, developers must meet certain requirements and must be awarded LIHTCs or other LHC funds for income restricted projects. These requirements apply whether the applicant is seeking, or has already been awarded, competitive 9% tax credits, or credits used in conjunction with tax exempt bond financing, or "ARRA Funding" Tax Credit Exchange Program (Section 1602) funds, Tax Credit Assistance Program (TCAP) funds, or other state or federal funds.

Project specific energy consumption models will be completed by an independent third party and will be at the expense of the developer. The consultant will be a certified

Home Energy Rating System (HERS) Rater or a Louisiana licensed mechanical engineer, architect, or electrical engineer.

A list of CEPEs with current residential certifications is available at:

[http://dnr.louisiana.gov/assets/TAD/programs/residential/hero/Active HERO Raters 20120904.pdf](http://dnr.louisiana.gov/assets/TAD/programs/residential/hero/Active%20HERO%20Raters%20120904.pdf)

All estimates will include a report, signed by the qualified professional energy analyst certifying the following:

- Date the estimate was prepared and the name of project the estimate was prepared for.
- Name, address and phone number of the analyst who prepared and certified to the accuracy of the estimate. (NOTE: The preparer and certifying analyst must be the same person).
- Proof of the energy analyst's qualifications, including a current Louisiana Home Energy Rating Systems (HERS) certification number.
- A statement that the analyst and the owner of the project, the project applicant, and the project's principals (general partners, members, etc.), are not related parties as defined by TCAC Regulation 10302(g) and the Internal Revenue Code section 267(b) and 707(b).
- A statement that an average of utility usage by unit type (1br, 2br, etc.) for the project was derived using individual unit estimates or by a sampling of individual units if the estimate for the project was derived using such methods. Sampling rate at a minimum rate of 1:8 units
- A statement that the estimate is based solely on the professional building energy modeling and analysis completed by the qualified professional building analyst who signed the estimate.
- A copy of the completed tariff eligibility analysis done.

Additional Requirements for Projects Recently Placed In Service

Energy analysts who are submitting an estimate for a newly completed project must confirm the energy efficiency measures of the project's units and buildings. The energy analyst will confirm the data used in completing the estimate is accurate, including all relevant energy efficiency measures. If unable to confirm the energy efficiency measures actually used in the completed units and building(s), the analyst will use conservative default assumptions needed to meet the minimum requirements under the appropriate standards.

The analyst also must identify the utility providers, confirm that the appropriate tariff was used in the estimate, confirm building orientation, and determine the building's unit mix, apartment features and unit floor plan layout. This process will be done through direct

observation (including field testing or sampling at a minimum rate of 1:8 units), official documentation, or reliable third party resources.

All estimates will include a report, certifying to all of the items listed above, as well as the following additional items:

- Explanation of any testing or sampling done to confirm the constructed units and/or building(s) features.
- A list of all third-party resources used to confirm the constructed buildings features, including copies of the building permits and the name and phone number of any HERS rater(s) who conducted review(s) of the project's units and /or building(s).
- Copies of any documentation relied upon to confirm the energy efficiency measures used in the modeling of the constructed units and/or building(s).
- Copies of any completed residential compliance forms for the project's units and/or building(s) that were completed at the design phase and upon final construction.
- A list and justification of any conservative default assumptions that were used by the energy analyst in the event the energy analyst was unable to independently confirm the building(s) energy efficiency measures.

Schedule

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3. The "final" version of the energy efficiency-based utility allowance should be updated periodically throughout the compliance period. This updating simply involves having the energy analyst reproduce the utility allowance using the latest version of LDNR lookup tables, which will contain the most up-to-date version of the utility company rates. This will bring the utility allowance up-to-date.

Updating Project-Specific Utility Allowance

The owner/developer is required to update the schedule of utility allowances at least annually, and must revise the schedule if there has been a change of 10 percent or more in any utility tariff/rate since the last time the allowance for that utility was revised.

The energy efficiency-based utility allowance update shall be conducted no later than the project's anniversary of its earliest Placed-In-Service date, or annually upon the tenant's lease renewal.

Under the proposal, the owner/developer must provide the HANO the information supporting its annual review of the utility allowance and any revisions made in its utility allowance schedule. The HANO shall retain this information with all other utility allowance update data.

2) Chapter 22 will be amended to include the following underlined text

Exception Payment Standards and Utility Allowances
24 CFR 983.301(f)

When determining the initial rent to owner, HANO will use the most recently established payment standard and the utility allowance schedule in effect at execution of the HAP contract. Any subsequent changes in rent will adhere to current rent reasonableness standards and the utility allowance schedule in effect.

Any HUD-approved exception payment standard amount under the tenant-based voucher program also applies to the project-based voucher program. HUD will not approve a different exception payment standard amount for use in the PBV program. (Chapter 22: Project-Based Voucher Programs Page 211, eff. 10-01-11)

The same utility allowance schedule applies to both the tenant-based and project-based voucher programs except as noted below:

For eligible units where the owner is participating in the Low Income Housing Tax Credit Program (LIHTC) and utilizing a utility allowance that has been created using an Energy Consumption Model Estimate, PBV assisted units may utilize the RESNET energy efficiency-based utility allowance applicable to that property.