

MANAGEMENT BULLETIN #436

Date September 19, 2013

To: All Section 8/236 Owners/Agents/Managers

From: Diane Smith, Asst. Director Asset Management

Re: Change in Utility Allowance Calculation and Sample Size

This bulletin changes and further explains utility allowance instructions issued August 30, 2011 in IHDA Management Bulletin #398. The following information is only intended to: 1) inform Owner/agents what **amount** HUD considers a proper change in a tenant's utility allowance and 2) explain the **new** sample size needed to request an adjustment in tenant utility allowance,

Please note:

- 1) Owner/Agents of multifamily housing properties receiving subsidy assistance (Section 8/236) for units which HUD provides a utility allowance are still required to adjust their properties' utility allowances every year at the time of the annual and/or special adjustment of the contract rent. **Be aware that any increase or decrease of the utility allowance recommended and documented by the Owner at the time of either adjustment of the contract rents should be made—even if only \$1.**

In addition, an owner is required to adjust the utility allowance if a utility rate change would result in a cumulative increase of **10 percent** or more in the most recently approved utility allowance. This 10 percent change may be at a time other than at the time of the annual or special adjustment of the contract rents.

- 2) Below is the **revised** sample size needed per bedroom size to change the utility allowance:

The sample size for Bedroom Sizes containing:

- 1 - 3 units— requires 100% of the units
- 4 - 59 units-- requires 50% of the units
- 60 units or greater requires a minimum of 30 units

Example: A property having 44 two-bedroom units must submit a minimum of 22 units in its sample.

If you have questions regarding this policy change, please contact your Program Administration Officer.