

## UTILITY ALLOWANCE ANALYSIS UPDATE PROCEDURE

Owners are required to review utility allowances with each request for a rent increase, but at least annually.

1. Backup (utility company print-outs or copies of tenant utility bills for all tenant paid utilities) shall be collected for 12 consecutive months on a representative sampling (size, exposure, floor) of each unit size in your development. The same tenant must have occupied each unit for the entire 12-month period. This sample shall consist of no less than 8 units of each unit size or 10% of each unit size, whichever, is greater.
2. An analysis of tenant utility costs and consumption levels shall be prepared and a recommended utility allowance shall be established.
3. In addition, the Owner must request a revised utility allowance whenever a utility rate change would cause a cumulative 10% increase or more in the most recently approved utility allowances.
4. A letter requesting a change in utility allowances or a letter requesting no change in utility allowances shall be forwarded to your Program Administration Officer at IHDA accompanied by the backup, analysis and the summary.
5. Owners must recommend at least one utility allowance for each unit size. Owners must recommend additional utility allowances if the project's design is such that utility costs will vary significantly for units of the same size (e.g., end units vs. interior units) or units of differing sizes but the same bedroom count. A summary of how the Owner/Agent arrived at that recommendation must be included.