

XV. UTILITY ALLOWANCES {24 CFR 982.517}

**Utility allowance schedule.**

*(a) Maintaining schedule. (1) The PHA must maintain a utility allowance schedule for all tenant-paid utilities (except telephone), for cost of tenant-supplied refrigerators and ranges, and for other tenant-paid housing services (e.g., trash collection (disposal of waste and refuse)). (2) The PHA must give HUD a copy of the utility allowance schedule. At HUD's request, the PHA also must provide any information or procedures used in preparation of the schedule.*

*(b) How allowances are determined. (1) The utility allowance schedule must 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, the PHA must use normal patterns of consumption for the community as a whole and current utility rates.(2)(i) a PHA's utility allowance schedule, and the utility allowance for an individual family, must include the utilities and services that are necessary in the locality to provide housing that complies with the housing quality standards. However, the PHA may not provide any allowance for non-essential utility costs, such as costs of cable or satellite television. (ii) In the utility allowance schedule, the PHA must classify utilities and other housing services according to the following general categories: space heating; air conditioning; cooking; water heating; water; sewer; trash collection (disposal of waste and refuse); other electric; refrigerator (cost of tenant-supplied refrigerator); range (cost of tenant-supplied range); and other specified housing services. The PHA must provide a utility allowance for tenant-paid air-conditioning costs if the majority of housing units in the market provide centrally air-conditioned units or there is appropriate wiring for tenant-installed air conditioners.(3) The cost of each utility and housing service category must be stated separately. For each of these categories, the utility allowance schedule must take into consideration unit size (by number of bedrooms), and unit types (e.g., apartment, row-house, town house, single-family detached, and manufactured housing) that are typical in the community.(4) The utility allowance schedule must be prepared and submitted in accordance with HUD requirements on the form prescribed by HUD.*

*(c) Revisions of utility allowance schedule. (1) a PHA must review its schedule of utility allowances each year, and must revise its allowance for a utility category if there PHAs been a change of 10 percent or more in the utility rate since the last time the utility allowance schedule was revised. The PHA must maintain information supporting its annual review of utility allowances and any revisions made in its utility allowance schedule. (2) At HUD's direction, the PHA must revise the utility allowance schedule to correct any errors, or as necessary to update the schedule.*

*(d) Use of utility allowance schedule. (1) The PHA must use the appropriate utility allowance for the size of dwelling unit actually leased by the family (rather than the family unit size as determined under the PHA subsidy standards).(2) At reexamination, the PHA must use the PHA current utility allowance schedule.*

*(e) Higher utility allowance as reasonable accommodation for a person with disabilities. On request from a family that includes a person with disabilities, the PHA must approve a utility allowance which is higher than the applicable amount on the utility allowance schedule if a higher utility allowance is needed as a reasonable accommodation in accordance with 24 CFR part 8 to make the program accessible to and usable by the family member with a disability.*

### **CDC Policy**

A CDC-established utility allowance schedule is used in determining family share and CDC subsidy. CDC must 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 must 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, CDC must use normal patterns of consumption for the community as a whole, and current utility rates.

The utility allowance must include the utilities and services that are necessary in the locality to provide housing that complies with housing quality standards. Costs for telephone, cable/satellite television, and internet services are not included in the utility allowance schedule.

In the utility allowance schedule, CDC must classify utilities and other housing services according to the following general categories:

- space heating;
- air conditioning;
- cooking;
- water heating;
- water;
- sewer;
- trash collection;
- other electric;
- cost of tenant-supplied refrigerator;
- cost of tenant-supplied range;
- and other specified housing services.

The cost of each utility and housing service must be stated separately by unit size and type. Chapter 16 of the *HCV Guidebook* provides detailed guidance to CDC about establishing utility allowance schedules.

### **Air Conditioning**

An allowance for air conditioning must be provided when the majority of housing units in the market have central air conditioning or are wired for tenant-installed air conditioners. Due to the number of housing units with air conditioning, CDC has included an allowance for air conditioning in its schedule.

### **Reasonable Accommodation**

HCV program regulations require CDC to approve a utility allowance amount higher than shown on CDC's schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability. For example, if a family member

with a disability requires such an accommodation, CDC will approve an allowance for a specific calculated amount.

### **Utility Allowance Revisions**

CDC must review its schedule of utility allowances each year, and must revise the schedule if there has been a change of ten percent (10%) or more in any utility rate since the last time the allowance for that utility was revised. CDC must maintain information supporting its annual review of utility allowance and any revisions made in its utility allowance schedule.

### **Attachment**

**Federal Register /Vol. 79, No. 122/ Wednesday, June 25, 2014 / Rules and Regulations**

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT 24 CFR Parts 5, 943, and 982**

**[Docket No. FR-5778-N-01]**

**HUD Implementation of Fiscal Year 2014 Appropriations Provisions on Public Housing Agency Consortia, Biennial Inspections, Extremely Low- Income Definition, and Utility Allowances**

**AGENCY:** Office of the Assistant Secretary for Housing—Federal Housing Commissioner and Office of the Assistant Secretary for Public and Indian Housing, HUD.

**ACTION:** Notice of statutory changes.

**DATES:** *Effective Date:* July 1, 2014.

#### **Part II. Implementation Requirements D. Utility Allowances.**

Section 242 of the 2014 Appropriations Act limits the utility allowance payment for tenant-based vouchers to the family unit size for which the voucher is issued, irrespective of the size of the unit rented by the family, with an exemption for families with a person with disabilities.

Under section 242, the utility allowance for a family shall be the lower of:

- (1) The utility allowance amount for the family unit size: or
- (2) The utility allowance amount for the unit size of the unit rented by the family.

However, upon the request of a family that includes a person with disabilities, the CDC must approve a utility allowance higher than the applicable amount if such a higher utility allowance is needed as a reasonable accommodation in accordance with HUD's

regulations in 24 CFR part 8 to make the program accessible to and usable by the family member with a disability.

This provision applies only to vouchers issued after the effective date of this notice and to current program participants. For current program participants, CDC must implement the new allowance at the family's next annual reexamination, provided that the CDC is able to provide a family with at least 60 days notice prior to the reexamination.