



UPDATE TO ADMINISTRATIVE PLAN POLICIES REGARDING UTILITY ALLOWANCES IN THE PROJECT-BASED VOUCHER PROGRAM

Housing Authority
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Administrative Plan

- The Administrative Plan is the major policy document for the Housing Choice Voucher Program
- Project-Based Voucher (PBV) policies are part of the Administrative Plan
- Revisions to policies are reviewed and adopted through the public meeting process

Project-Based Voucher Policy

- Proposed revisions will allow 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 with the California Utility Allowance Calculator (CUAC) to use the CUAC in the PBV assisted units if approved by the Department of Housing and Urban Development.

Policy Background

- Affordable housing developments generally require the use of multiple funding sources to achieve financial viability
- Different funding sources use different methodologies to determine the tenant utility allowance in the residential project
- May result in disparities in the utility allowance across units in the same project
- May result in overestimation of utility allowance which has a negative impact on the project financing

Utility Allowances

- The California Tax Credit Allocation Committee (CTCAC) has authorized use of an energy consumption model developed by the California Energy Commission for projects using LIHTC
- The California Utility Allowance Calculator (CUAC) is widely used by tax credit properties in California
- The utility cost estimates calculated through the CUAC model more accurately reflect utility consumption than the standard Public Housing Agency (PHA) utility allowance
- Projects using PBV may only use the PHA utility allowance unless an alternate is approved by the PHA and HUD

Recommendation

- It is recommended by the Housing and Community Services Department that the Housing Authority, by resolution, adopt the revisions to the Housing Choice Voucher Program Administrative Plan Chapter 17 – Project Based Vouchers to allow 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 with the California Utility Allowance Calculator (CUAC) to use the CUAC in the PBV assisted units if approved by the Department of Housing and Urban Development.