




MARTIN O'MALLEY
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Secretary
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Deputy Secretary

MEMORANDUM

TO: Low-Income Housing Tax Credit Program Property Owners and Managers

FROM: Cheri Curley, Senior Manager, Tax Credit Program 

DATE: March 25, 2011

RE: Utility Allowance Procedures for Tax Credit Properties

The following clarification is provided under the procedures for determining utility allowances for the Low-Income Housing Tax Credit Program as last updated on January 7, 2011 and posted to the Department's website at www.mdhousing.org/Website/Programs/lihtc/compliance.aspx.

Option B – Utility Company Estimate

A utility allowance estimate for the upcoming year under Option B may be determined by the averaging of prior actual consumption and expenditure data obtained from the utility company. This estimate **must be obtained in writing from the utility company** on the company's letterhead and must provide the estimated per unit cost of the utility. Attached is a sample letter which may be used for this purpose.

Options C and D – HUD Utility Schedule and Energy Consumption Models

Professional engineers or qualified professionals retained to calculate utility allowances under Options C and D must be on CDA's Approved Engineer/Qualified Professional Listing located on the Department's website at www.mdhousing.org/Website/Programs/lihtc/compliance.aspx. The listing itemizes the information required to be provided by an engineer/qualified professional to be added to the list. The request for approval should not be submitted simultaneously with the utility allowance estimate.

If you should have any questions, please contact me at 410.514.7488 or by email at curley@mdhousing.org. You may also contact Zabrina Morten at 410.514.7474 or by email at morten@mdhousing.org.

cc: John Maneval
Zabrina Morten
Deborah Bechetti

Attachment



Sample Utility Company Estimate Letter

TO: [Insert property owner contact information]

RE: Utility Estimate for:

Property Name: _____

Address: _____

BIN#: _____

You, as the owner of the above referenced property, asked [insert name of utility company] to estimate the potential monthly utility payments of tenants at the property based on consumption for the period beginning [insert applicable 12-month period].

We understand the building utilizes the following utility sources: [Insert source for each type of tenant-paid utility such as electric heating, natural gas cooking, electric lighting and refrigeration, etc.] in their dwelling units.

Based on averaging 12 month actual expenditure and consumption data for the above reference property aggregated from [insert name of utility company] database or from monthly utility bills and as detailed in the attached schedule, [insert name of utility company] estimates the monthly utility expense by bedroom type for the period [insert applicable 12-month period] for the above referenced property to be:

One-Bedroom	\$ _____
Two-Bedroom	\$ _____
Etc.	\$ _____

Sincerely,