



QSP 2022-8069;
Utility Allowance Services for HCV
ATTACHMENT A: SCOPE OF WORK

Under the provisions of the U.S. Housing Act of 1937, as amended, HUD provides housing assistance to approximately 1.3 million households living in public housing across the country, including CMHA. This assistance is provided through approximately 3,100 Public Housing Agencies (PHA). HUD has responsibility for the oversight of federally assisted public housing and establishes regulations to guide these PHAs in how they implement the federal housing assistance.

To keep assisted housing affordable for lower-income households, federal housing law directs that the resident's share of rent in federally assisted public housing should equal 30 – 40 percent of the household's adjusted monthly income. In interpreting the federal housing law, HUD has defined the Total Resident Payment for "rent" to include both shelter and the costs for reasonable amounts of utilities. The amount that a PHA determines is necessary to cover the resident's reasonable utility costs is the utility allowance.

Such allowances are estimates of the expenses associated with different types of utilities and their uses. The utilities for which allowances may be provided include electricity, natural gas, propane, fuel oil, and water and sewage service, as well as garbage collection. The functions, or end-uses, covered by an allowance may include space heating, water heating, cooling, refrigeration, lighting, or appliances. Allowances are not provided for telephone, satellite, internet, streaming or cable services.

Additionally, CMHA's HCV Program administers projects that has a combination of financial resources that includes, Project Based Vouchers (PBVs), Low Income Tax Credits (LITC) and HOME Investment Partnerships Program (HOME) funds. CMHA looks to establish utility allowances that will meet compliance requirements of the HCV, LITC and HOME programs.

1.0 Utility Method

The awarded vendor must be able to provide data that will enable CMHA to populate the HUD Utility Schedule Model (HUSM). The current HUSM is a web application that uses correlations and regression techniques to calculate allowances for end-uses, as specified on form HUD-52667 (Allowances for Tenant-Furnished Utilities and Other Services). This version of the model is primarily based on the 2009 Residential Energy Consumption Survey¹ (RECS) dataset that is published by the Energy Information Administration (EIA) of the Department of Energy (DOE). CMHA reserves the right to add or delete properties as needed.

HUD Utility Schedule Model (HUSM) (Revised Model Posted on 8/23/16)

The Office of Policy Development and Research (PD&R) has developed the HUD Utility Schedule Model to provide a consistent basis for calculating utility schedules. The current HUSM is a web application that uses correlations and regression techniques to calculate allowances for end-uses, as specified on form HUD-52667 (Allowances for Tenant-Furnished Utilities and Other Services). This version of the model is primarily based on the 2009 Residential Energy Consumption Survey¹ (RECS) dataset that is published by the Energy Information Administration (EIA) of the Department of Energy (DOE).

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Updates to this version of the model include:

- “floor” and “ceiling” values for all utilities types;
- providing users the ability to generate allowance estimates based on zip code, in addition to PHA;
- updating the underlying degree-day data with the latest NOAA 30-year weather data (1981-2010);
- updates to the water usage estimates based on U.S. Geological data;
- incorporating additional green discounts (i.e., LEED and Significant Green Retrofits);
- refining the model’s heating consumption estimates;
- incorporating a factor adjustment feature;
- updating the list of Section 8 PHAs.

Guidance and instruction for the HUSM can be accessed via this link:

www.huduser.gov/portal/resources/utilallowance.html

The 2013 Final HOME Rule requires Participating Jurisdictions (PJs) to determine an individual utility allowance for each HOME rental project either (1) by using the HUD Utility Schedule Model or (2) by otherwise determining the allowance based upon the specific utilities used at the project. After receiving guidance from our local HUD office, OHFA will require owners of projects that received HOME funds on or after August 23, 2013 to request a utility allowance from OHFA. Owners of these projects will no longer be able to use the Public Housing Authority (PHA) allowance for any HOME units in the project. Owners of these projects are required to submit an individual utility allowance by using either the HUD Utility Schedule Model, utility company estimate or engineer’s energy consumption model.

LIHTC/HOME Units with HCV Assistance Established after 8/23/13

The HOME program does not allow the PHA utility allowance to be utilized when determining gross rent. When the household also resides a housing choice voucher (HCV) tenant, the owner must use an OHFA approved UA for HOME and the PHA utility allowance for LIHTC. This means gross rent for a HCV unit that is also a LIHTC unit layered with HOME funds established after August 23, 2013, needs to be calculated two different ways. For LIHTC rent compliance, owners will use the PHA UA, tenant paid rent, and any non-optional charges to determine the gross rent. For the HOME program, owners will use the OHFA approved UA, tenant paid rent AND the Housing Choice Voucher Assistance Amount to determine Gross Rent. Owners must be in compliance with both programs max rent if they decide to make a HCV tenant a HOME unit. Example on the next page. Owners must demonstrate the unit is in compliance with the LIHTC and HOME rent requirements. The OHFA TIC will reflect the LIHTC rent compliance. Owners are required to add the specific LIHTC/HOME with HCV unit Clarification Record to the file that will illustrate HOME rent compliance. This clarification record should be filed behind page 2 of the TIC.

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The awarded vendor must also provide back-up documentation showing entry into the HUSM, and any documentation showing how rates, blocks, and charges were selected for each utility entered into the HUSM (if applicable).

Information on completing the model can be obtained in the following video (using the web-based form): https://www.youtube.com/watch?v=wJa8b2k_Zhc&t=135s Note: discusses HUSM use with HOME funds but the steps are the same.

Vendor will work with CMHA to obtain OHFA approval of established allowances prior to implementation.

2.0 COVID-19 REQUIREMENTS FOR ON-SITE WORK (IF APPLICABLE)

If applicable, vendors entering occupied work sites (buildings, properties, etc.) must wear PPE including but not limited to a mask that covers their mouth and nose. The mask should be worn throughout the entire period of service delivery. Contractor is to practice social distancing while on site.

In addition, Contractor personnel shall be neat and wear uniforms with the company name and an ID badge. This standard of neatness means Contractor staff must appear at the job site in freshly laundered clothing.

CMHA will issue badges to individual Contractor employees with their picture.

3.0 PERFORMANCE STANDARDS

- 3.1** Failure to establish allowances in accordance with program rules or to obtain approvals for implementation of established allowance will result in 50% reduction of costs.
- 3.2** For each time the Contractor violates any of the clauses in this QSP, the Contractor's fee may be reduced 10% for that service.
- 3.3** CMHA may waive the fee reductions at her discretion after discussing extenuating circumstances with the Contractor. Such waiver shall be in writing at the time of the service.

4.0 THE AUTHORITIES MOTTO AND GOLD PERFORMANCE STANDARDS

In 2012, the Authority implemented its motto "Being an Asset to Hamilton County" in addition to establishing Gold Performance Standards which consist of the principles and values by which the Agency performs and how our partners, vendors, contractors and consultants are measured. The Gold Performance Standards are:

Respect Timely Exceptional Initiative



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Excellent Quality Accurate Integrity
Value Creativity Accountability Professionalism

It is the Authority's intent to procure services from a contractor that shares these standards and can clearly demonstrate what they can bring to this project that no other planner can offer.

The contractor's proposal and overall presentation will be a direct reflection of their understanding of the Authority's Gold Performance Standards, i.e. quality, creativity and professionalism that the Authority may expect of the contractor as evaluated in the Gold Performance Standard Evaluation Factor.