



HOME PROGRAM MEMORANDUM

To: HOME Program Recipients
From: Charlie Lanter, Director, Grants & Special Programs
Date: October 1, 2018 – REVISED 11-6-18
Subject: HOME Program Rents and Utility Allowances Policy

This Program Memorandum establishes the Lexington-Fayette Urban County Government's policy for reviewing rent and utility allowances for HOME-funded units. As the Participating Jurisdiction (PJ), HUD requires LFUCG to review and either approve or disapprove rents and utility allowances for these units on an annual basis.

Process

Upon release of the new HUD Rent Limits each year, HOME-assisted properties will have two (2) months from the date of release to complete and submit their rent and utility allowance schedules and rent increase Request Forms to LFUCG for review using the attached "HOME Rent and Utility Allowance" cover sheet and request form (the "Request Form"). The request form can also be found on the LFUCG's Web site at <https://www.lexingtonky.gov/departments/grants-and-special-programs> along with other important forms and publications. Completed forms along with any documentation should be sent to Theresa Reynolds at teresar2@lexingtonky.gov.

By October 1 each year, LFUCG's Grants & Special Programs staff members will analyze and communicate their decision with the owner/manager. A formal letter will be sent indicating LFUCG's approval or disapproval of the rent and utility allowances. If rent and utility allowances are not approved, properties must resubmit prior to implementing new rent and utility allowance schedules.

HOME Rent Limits

HUD publishes new HOME Program rent limits annually, at varying times usually during the spring. The updated limits will be sent to properties each year by Grants & Special Programs staff. In addition, properties may sign up for notifications related to the HOME program, including rent and utility allowances, and to access current figures, at <https://www.hudexchange.info>. The published rent limits represent the gross rent that can be charged, including utility allowances.



If properties have Low HOME units in their HOME-assisted development that receive a state or Federal project-based rental subsidy, the rents charged for these units are governed by and should be consistent with the subsidy contract per 24 CFR 92.252(b)(2).

Please note that rents for all HOME-assisted units that are also assisted with a tenant-based subsidy must comply with the applicable HOME rent limit guidelines – tenant rent, subsidy and utility allowance cannot exceed the HOME rent limit.

Utility Allowances

For initial underwriting and rent up, HUD allows LFUCG to utilize the Low Income Housing Tax Credit for utility allowances, HUD Utility Schedule Model, or the Energy Consumption Model; however, once operations have commenced, for ongoing compliance, developments must use either an Actual Consumption Method or the HUD Utility Schedule Model, as described below. The Division of Grants & Special Programs must review and approve rents and utility allowances prior to units entering service.

The Actual Consumption Method is based upon the utilities used at the project. It allows properties to account for efficiencies. Data used in calculations, including but not limited to utility bills and/or consumption data provided by the utility, must be provided if this method is used.

The Utility Schedule Model was developed by HUD and enables the user to calculate utility schedules by housing type after inputting utility rate information. In addition to submitting the results generated by the USM calculator, projects must submit work product documents and printouts of data entry pages showing the numbers used to arrive at the final calculations. The model can be found at:

<https://www.huduser.gov/portal/datasets/husm/uam.html>.

Properties to which HOME funds were committed prior to August 23, 2013, must continue to use the PHA utility allowances for the balance of their affordability period.

Timeline for Submission

Upon release of the new HUD Rent Limits each year, HOME-assisted properties will have two (2) months to complete and submit their Request Forms to LFUCG. Therefore, LFUCG strongly encourages all HOME recipients to sign up to receive notification related to the HOME program at the HUD exchange at <https://www.hudexchange.info>.

If a request is not approved at initial submission, properties will have one week to resubmit an amended request.



Questions

Any questions regarding the LFUCG's HOME Program Rent and Utility Allowance Policy should be directed to Stacey Granville or Kimberly Jackson, at 859-258-3070.





LEXINGTON

Division of Grants and Special Programs HOME Rent and Utility Allowance Cover Sheet and Check List

Property Name: _____

Address: _____

Contact Person(s): _____

Property Management: _____

Office Phone: _____ Cell Phone: _____

Fax Number: _____ E-mail: _____

Tax Credit Property Yes No Number of HOME units: _____

Effective Date of Proposed Rent Increase (If applicable): _____

Effective Date of Utility Allowance: _____

Submit the following with the Request for HOME Rent and Utility Allowance:

Check List

- 1. Cover sheet is completed.
- 2. Request form is completed.
- 3. Completed utility allowance schedules for each bedroom size on the property.
- 4. Copies of completed utility allowance schedules for each bedroom size on the property.

If additional information is needed, the assignee has agreed to obtain the information to comply with the terms set forth in the agreement. Any questions regarding the HOME Program Rent and Utility Allowance Policy should be directed to Stacey Granville or Kimberly Jackson at (859) 258-3070.

Request for HOME Rent and Utility Allowance

HOME Rent Limit: High HOME Low HOME

\$ SRO One Br Two Br Three Br Four Br

\$ Specify Other (Br Size)

Method Used to Determine Utility Allowance**:

 Actual Consumption Method HUD Utility Schedule Model

Proposed Utility Allowance* per bedroom size:

\$ SRO One Br Two Br Three Br Four Br Specify Other

**Attach UA schedule

Please check if any of the utilities below are included in the monthly rent:

Electric Heat Gas Heat

Central Air

Sewer

Electric Oven Gas Oven

Water

Total Proposed Monthly Maximum Rent per bedroom size:

Current Rent:

\$ SRO One Br Two Br Three Br Four Br Specify Other

Proposed Rent:

\$ SRO One Br Two Br Three Br Four Br Specify Other

I, _____, CERTIFY THAT THE INFORMATION ABOVE IS TRUE, ACCURATE AND COMPLETE.

(Printed Name)

Property Manager Signature

Date

Printed Name

Contact Phone

Email