



December 23, 2019

VHDA Compliance & Asset Management

VHDA Utility Allowance Options and Procedures Change Effective March 1, 2020

The IRS Tax Credit regulations provide several methods for establishing utility allowances. The regulations allow state agencies to approve or disapprove a method of determining certain utility allowances. After careful consideration of all utility allowance options, VHDA has elected to amend the options available for project utility allowances.

Effective March 1, 2020, the following utility allowance options will no longer be accepted:

Agency Estimate

- Viridiant (EarthCraft Virginia), is a Licensed, Certified Professional approved to continue providing energy estimates using the available options

HUD Utility Schedule Model (HUSM), Option A

- Completed by the owner for a fee paid to VHDA
- Only a HUSM completed by a Licensed or Certified Professional will now be accepted.

VHDA review and approval is required before implementing alternative utility allowances for non-RHS (RD), and HUD Assisted Buildings. All requests for alternative utility allowance estimates must be completed by the local utility company that offers utility services to the project building, or an unrelated Licensed or Certified Professional.

The following alternative utility allowance methods are approved by VHDA:

- Local Utility Company Estimate
- Energy Consumption Model
- HUD Utility Schedule Model

If your project currently uses the Agency Estimate or the HUD Utility Schedule Model, Option A, a new utility allowance option must be selected for future utility allowance reviews.

Visit our [website](#) to view the revised VHDA Utility Allowance Options and Procedures.

Contact us via email at utilityallowances@vhda.com if there are any questions. Include **Utility Allowance Changes** in the email subject line.

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