

# NAHMA Analysis

## News and Analysis of Breaking Issues in Affordable Housing



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### Rent Increases for Increasing Utility Costs Revised Form - Attachment 1

Late last week HUD issued a revision to the Utility Cost Memo and related forms. The primary change is a revision to Attachment 1, the Energy Lump Sum Cost Worksheet. In properties with partial Section 8 assistance the utility cost lump sum payment is prorated to cover only the Section 8 units. If you compare the form that appears on pages 2 and 3 with the one we distributed in NAHMA Analysis 2001-112 you will note that Paragraph's A and B have been added to page 1 to set out the full costs, and the pro-rated costs.

You will need to use this revised form with any submissions you make for a lump sum payment.

HUD has set a due date for lump sum payment applications of July 31, 2001. No lump sum applications will be accepted after September 30, 2001.

We've had calls about how Section 236 properties with partial assistance are handled, those will be done using two different methods, a lump sum application for the Section 8 units, and a rent increase package for the 236 units. In both cases the Tenant PBE's (Utility Allowances) will need to be updated as well.

The Memorandum only had two words changed and some formatting changes, the substance is unchanged. If you want a copy of the most current version, that is available on the NAHMA Web Site at [www.NAHMA.org](http://www.NAHMA.org). A Microsoft Word version of the revised Attachment 1 is available for download in the Member section as well.

**ENERGY LUMP SUM COST WORKSHEET**  
**Attachment 1**

Project Name: \_\_\_\_\_

Project Owner: \_\_\_\_\_ FHA Project #: \_\_\_\_\_

Section 8 #: \_\_\_\_\_ No. of Units \_\_\_\_\_

Total Number of Unassisted Units in Property: \_\_\_\_\_

Date of Last Rent Adjustment: \_\_\_\_\_ [ ] OCAF or [ ] Budget Based

Check One: [ ] OPTION 1 [ ] OPTION 2 [ ] OPTION 3 [ ] OPTION 4 [ ] OR [ ] OPTION 5

INDICATE WHICH UTILITY IS TENANT PAID, IF APPLICABLE \_\_\_\_\_

Gas/Oil/Electric

IF TENANT PAID, INDICATE DATE UTILITY ALLOWANCES LAST UPDATED \_\_\_\_\_

**A. Total Utility Increase Amount**

- |   |          |
|---|----------|
| 1. Total of invoices from September 1999 - March 2000 | \$ _____ |
| 2. Total of invoices from September 2000 - March 2001 | \$ _____ |
| 3. <b>Amount of increase</b> (Line 2. minus Line 1.)  | \$ _____ |

(Attach September 1999 - March 2000 invoices and September 2000 - March 2001 invoices to support increased amounts. If invoices straddle months, do not prorate, however, be consistent for each month instead).

**B. Prorated Utility Increase**

If partially assisted, prorate the total increase based on the Section 8 rent potential percentage.

- |   |          |
|---|----------|
| 1. Total Rent Potential for all units in the property                             | \$ _____ |
| 2. Total Rent Potential for all Section 8 units                                   | \$ _____ |
| 3. Percentage of rent potential that is Section 8<br>(Line 2. divided by Line 1.) | _____%   |

Amount of Increase (Line A. 3 above) X Section 8 rental percentage (Line B. 3 above)

**TOTAL PRORATED ENERGY INCREASE = \$ \_\_\_\_\_**

**ENERGY LUMP SUM AMOUNT CALCULATION**

**LINE 1** CURRENT ANNUAL SECTION 8 RENT POTENTIAL: \$ \_\_\_\_\_

**LINE 2** TOTAL PRORATED ENERGY INCREASE: \$ \_\_\_\_\_  
(FROM CALCULATION ON PREVIOUS PAGE)  
(EXCLUDE TENANT PORTION, IF APPLICABLE)

**LINE 3** CURRENT ANNUAL SECTION 8 RENT  
POTENTIAL + LUMP SUM ENERGY AMOUNT= \$ \_\_\_\_\_  
(LINE 1 + LINE 2)

**The following must be completed if rents are subject to comparability:**

**LINE 4** TOTAL COMPARABLE RENT POTENTIAL  
(Based on Last RCS, adjusted annually by OCAF, or Attached Updated RCS): \$ \_\_\_\_\_

**LINE 5** TOTAL NEW SECTION 8 RENT POTENTIAL RESULTING FROM ADDED LUMP SUM  
(enter results from line 3 above) \$ \_\_\_\_\_

**IMPORTANT:** Compare Line 5 with Line 4. Total new Section 8 rent potential must be no higher than Line 4.)

**LINE 6** ADJUSTED LUMP SUM AMOUNT \$ \_\_\_\_\_  
(If Line 5 exceeds Line 4 reduce lump sum amount excess so that total does not exceed Line 4)

**LINE 7** TOTAL ESTIMATED LUMP SUM AMOUNT TO BE VOUCHERED FOR:  
(From either Line 2 above or Line 6, if subject to comparability) \$ \_\_\_\_\_

I (We) certify that prior to requesting this energy lump sum adjustment, all other sources of funding have been exhausted. Under the penalties and provisions of Title 18, United States Code, Chapter 47, Section 1001, the statements contained in this request have been examined by me (us) and to the best of our knowledge and belief are true, correct and complete.

\_\_\_\_\_  
(OWNER OR OWNER'S REPRESENTATIVE  
SIGNATURE)

\_\_\_\_\_  
DATE

\_\_\_\_\_  
(HUD PROJECT MANAGER OR  
CONTRACT ADMINISTRATOR SIGNATURE)

\_\_\_\_\_  
DATE

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