



U.S. Department of Housing and Urban Development

New York State Office
Jacob K. Javits Federal Building
26 Federal Plaza, Room 3200
New York, NY 10278-0068
<http://www.hud.gov/> www.espanol.hud.gov
2AH

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FY 2010

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Memorandum For: All Owners/Managing Agents and PHAs Operating Subsidized Housing Programs

Teresa M. Bainton

From: Teresa M. Bainton, Director, New York Multifamily Hub, 2AH

Subject: Utility Allowances

Projects in which tenants pay all or some utilities must have HUD-approval. Each request for an increase in HUD authorized rent potential must be accompanied by a recommended utility allowance for each unit type. The recommended utility allowance should represent the owner's best estimate of the average monthly utility cost that an energy conscious resident will incur for the year.

In an effort to comply with HUD regulations, effective June 1, 2010, owners will continue to be required to submit their utility analysis with rent increases. The utility allowance should either be increased, decreased, or remain the same depending on the data collected. Both the proposed and the current allowance levels should be included in the notices to the tenants.

For further guidance, please review Chapter 7, paragraph 7-24 of the 4350.1 Handbook. If you have any questions, please call Ms. Stacey Schrager, Chief, Project Management at (212) 542-7840.