

Resolution No. 7

Date: June 7, 2002

City: Washington, D.C.

NAHB Resolution

Title: Local Public Housing Authority Calculation of Utility  
Original Sponsor: Al Scott, NRP Group

WHEREAS, the gross rent calculation for tenants of low-income housing tax credit properties includes an allowance for utilities that are paid by the tenant;

WHEREAS, the Internal Revenue Service requires that units occupied by Section 8-assisted tenants use a utility allowance determined by the local public housing authority;

WHEREAS, local public housing authorities determine this utility allowance based upon the utility costs of existing multifamily housing stock in the community;

WHEREAS, much of existing housing stock is older and not as energy efficient as newer stock, resulting in higher utility allowances than are necessary;

WHEREAS, these higher utility allowances reduce cash flow which, in turn, negatively affects the underwriting and financial feasibility of low-income housing; and

WHEREAS, the establishment of two separate utility allowance calculations will make it more economically feasible to construct affordable housing under the Low-Income Housing Tax Credit program,

NOW, THEREFORE, BE IT RESOLVED that the National Association of Home Builders urge the Department of Housing and Urban Development to encourage local public housing authorities to establish two separate utility allowance calculations, one for newly constructed and another for rehabilitated multifamily housing.

Board of Directors Action:	<b>Approved</b>
Joint Executive/Resolutions Committee Action:	Recommends Approval
Resolutions Committee Action:	Recommends Approval
Housing Finance Committee Action:	Recommends Approval
Multifamily Finance Subcommittee of the Housing Finance Committee Action:	Recommends Approval
Taxation Subcommittee of the Federal Government Affairs Committee Action:	Recommends Approval
Multifamily Board of Directions Action:	Recommends Approval
Housing Credit Group of the Multifamily Board of Directions Action:	Recommends Approval