



Tennessee Housing Development Agency

Andrew Jackson Building Third Floor
502 Deaderick St., Nashville, TN 37243

Bill Haslam
Governor

Ralph M. Perrey
Executive Director

NOTICE

TO: All Interested Parties
FROM: Multifamily Development Division
SUBJECT: Usage of ENERGY STAR Utility Allowance for Low-Income Housing Tax Credit Developments
DATE: December 19, 2016

As a Public Housing Authority ("PHA"), THDA estimates utility allowances for the counties where we issue Housing Choice Vouchers. THDA uses the HUD Utility Schedule Model ("HUSM"), which includes an ENERGY STAR Utility Allowance.

In order to use the HUSM PHA ENERGY STAR Utility Allowance, each building in the development must meet the Environmental Protection Agency ("EPA") standard as an ENERGY STAR building. The Multifamily Development Division has noted an increase in the use of the ENERGY STAR Utility Allowance. The purpose of this document is to provide guidance regarding documentation needed to ensure compliance with federal regulations.

To be eligible to use the ENERGY STAR Utility Allowance, the following **must** be submitted to THDA:

- **At Placed In Service:** Documentation as submitted to the EPA by the EPA approved Licensed Professional along with copies of the Qualified New Home Certification given by ENERGY STAR.
- **Active Properties:** Annually, during the Owner's Annual Certification submission, provide copies of the ENERGY STAR certification for each building that supports the tenant information submitted as part of the Owner's Annual Certification. ENERGY STAR Certifications are given on an annual basis, so a building must maintain high performance to be certified each year and eligible to continue the use of the ENERGY STAR Utility Allowance.

If documentation to support the ENERGY STAR Utility Allowance as listed above is not submitted, further review will take place to ensure the property is not out of compliance with federal regulations.

NOTE: If you received points for ENERGY STAR appliances or are required to have ENERGY STAR appliances, you are NOT automatically eligible to use the ENERGY STAR Utility Allowance. You must be certified annually and must meet all applicable requirements as outlined by the EPA.

To find out more about the EPA's strict energy performance standards for ENERGY STAR, visit <https://www.energystar.gov/>.