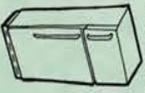


ENGINEERED UTILITY ALLOWANCES



EFFICIENT APPLIANCES



PENNSYLVANIA

COLORADO

EFFICIENT LIGHTING



MISSOURI



ARE YOUR UAs TOO HIGH?



DISTRICT OF COLUMBIA

PUERTO RICO

MAXIMIZE REVENUES



HAWAII

GET STARTED COLLECT \$\$

GO!



Across The Affordable Housing Industry



- ▶ Rising utility allowances due to over-estimated HUSM calculations



- ▶ Changing state and federal regulations are limiting revenue growth potential and making the process more difficult



- ▶ Organizations are married to the current way of doing things resulting in reluctance to change

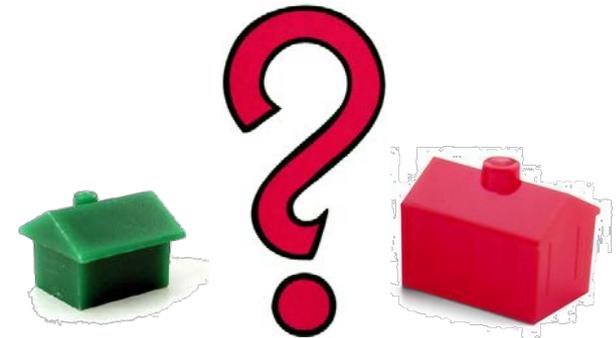


- ▶ **The Affordable Housing Industry loses over a billion dollars annually in rent revenues due to over-estimated utility allowances.**

- ▶ Based on 2.4 million Affordable Housing units as of 2012 with a utility allowance reduction of \$35 per unit x 12months

Engineered Utility Allowances are...

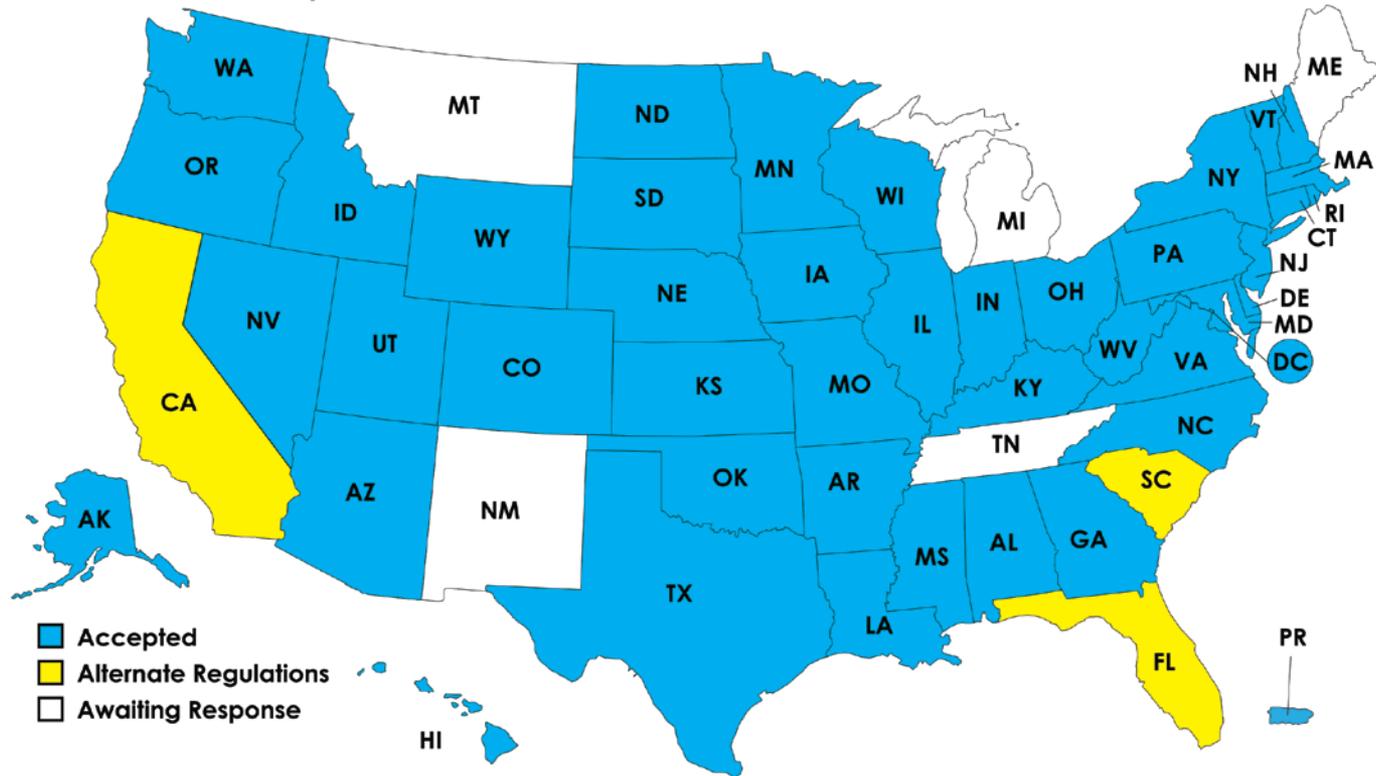
- ▶ Based on hour-by-hour computer simulations and independent third-party research of residential behavior
- ▶ Evaluates utility performance based on systems and construction specific to each unique property
- ▶ Generates an estimate of expected utility usage for a conserving household of modest means
- ▶ Can be calculated for individual dwelling units
- ▶ Rewards investments in efficiency that are site specific



Engineered Utility Allowance State Approvals

UA^{pro}+ Current State Regulations

engineered allowances online

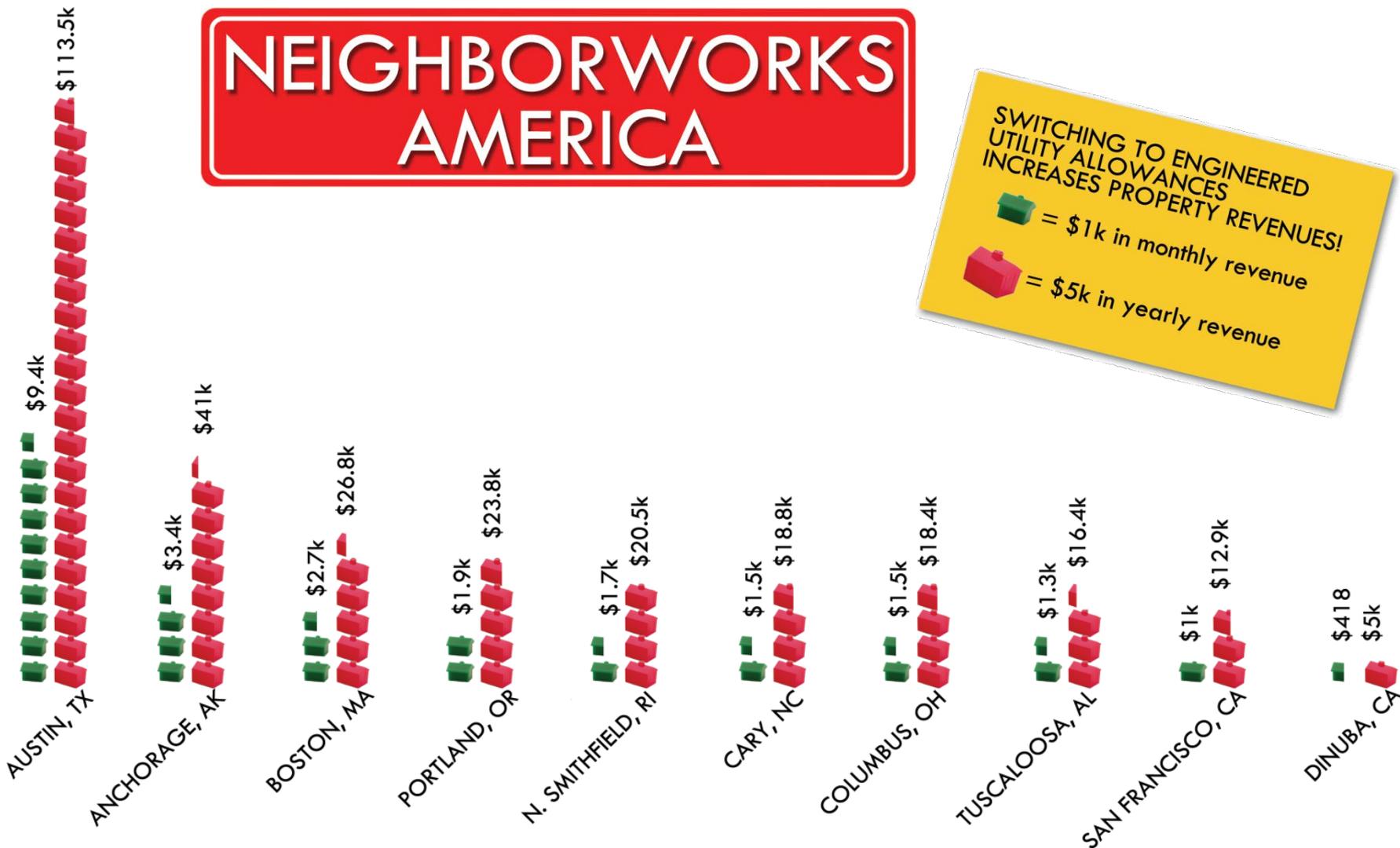


Engineered Utility Allowance Project Details

- ▶ Property and unit data was collected by a technician either through a site visit or property submits fillable pdf forms
 - ▶ Collected property data included building plans, floor plans, number of unit types, orientation of building, insulation values, construction/renovation dates
 - ▶ Collected unit data included HVAC, water heater, and appliance model numbers, door/window types and measurements, water fixture flow rates, lighting fixtures, wall specifications
- ▶ Current local utility rates were calculated
- ▶ Assistance with allowance submissions for HFA approval
- ▶ Provided 12-months of ongoing support and consultation
- ▶ Tenant education program launched



NEIGHBORWORKS AMERICA



SWITCHING TO ENGINEERED UTILITY ALLOWANCES INCREASES PROPERTY REVENUES!

 = \$1k in monthly revenue

 = \$5k in yearly revenue

Ideal Engineered Utility Allowance Property

- ✓ A LIHTC property
- ✓ Located in a state that has adopted the engineered allowances method under the 2010 IRS regulations
- ✓ At or close to max rent
- ✓ A property that incorporates energy efficient building features, newly constructed or recently renovated property
- ✓ Feeling like your allowances are unreasonably high

