



Control Number: 48934



Item Number: 530

Addendum StartPage: 0

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May, 24, 2019

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PUBLIC UTILITY COMMISSION
FILING CLERK

**Public Utilities Commission of Texas
Attn: Filing Clerk, Central Records
1701 N Congress Avenue
PO Box 13326
Austin, TX 78711-3326**

**Re: Application for Approval to Waive Submeter Requirement and Permit
Allocated Billing for Palladium Fort Worth**

To Whom It May Concern:

Please accept this letter and supplemental information as application for approval from the Public Utility Commission of Texas ("Commission") to waive the submeter requirement for purposes of water quantity measurement for Palladium Fort Worth, located at 9520 Club Ridge Drive, Fort Worth, Texas 76108 ("the Property"), and permit allocated billing pursuant to P.U.C. SUBST. R. 24.123(d). The rule requires that a property owner obtain written approval from the Commission in order to switch from a submetered water/sewer billing method to an approved allocation method. Further, the owner must follow all rental agreement requirements under the rules and demonstrate good cause to switch methods, including equipment failures, meter reading, or billing problems that cannot feasibly be corrected (P.U.C. SUBST. R. 24.123(d)(1)(2)).

While the Property is about to complete construction, the installation of submeters continues to remain cost-prohibitive as the Property is comprised of mostly rent-controlled Class A+ housing (representing 92 units), with the remainder as market-rate units (58 units). The rent-controlled units will not be permitted to be billed water/sewer utility costs pursuant to the community housing plan and utility allowances established for the Property. (See Exhibit A). This permits only 58 units (market-rate) to be billed for water-sewer utility costs. The cost to install submeters at this Property would be approximately \$14,880.00 based on the attached Proposal, Exhibit B, and unfortunately such financial commitment is not feasible for the Property at this time, nor over a period of time due to the setup of the Property. In order to bill the 58 market-rate units for their full water/sewer consumption, our best option is to switch to an allocation method based upon the 50/50 square footage and occupancy count methodology. This will also seek to support our mission of providing affordable housing to our community. As such, we are seeking Commission approval to allocate water/sewer charges in this manner.

Should the Commission approve the switch in billing methodology from the submetered method requirement to an allocation method for the Property, all required residential notices and lease documentation will be provided to the residents at least 35 days prior to implementation as required. Our third party billing provider will implement a common area deduction based on the Property's common area characteristics in accordance with the rules. Upon receipt of approval, we will then file a revised registration form with the Commission reflecting the allocation method and common area deduction.

530

We hope the Commission finds the information provided herein helpful in demonstrating good cause to switch permitted billing methods. We are confident that the market-rate residents of our community will be able to maintain greater control over their level of water/sewer charges through this approval rather than costs being included in their rent. Should the Commission have any further questions or concerns, please contact me at your earliest convenience. We appreciate the Commission's time and effort in looking into this matter and look forward to receipt of a response.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'Fred D'Lizarraga', with a long horizontal line extending to the right.

Fred D'Lizarraga
Senior Vice President – COO
Palladium USA
Omnium Management Company
13455 Noel Road Suite 400
Dallas, Texas 75240



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

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December 7, 2018

Writer's direct phone # (512) 475-3821
Email: cara.pollei@tdhca.state.tx.us

Thomas Huth
Palladium Fort Worth, Ltd.
Dallas, TX
tom@palladiumusa.com

RE: Palladium Fort Worth

CMTS ID: 5302

Dear Mr. Huth:

The Texas Department of Housing and Community Affairs (Department) has received the request submitted on October 1, 2018, for Palladium Fort Worth to calculate the utility allowance using the HUD Utility Schedule Model method described in 10TAC §10.614(c)(3)(C) for the commencement of leasing activities. Your request is hereby granted is based on the following representations:

1. That the buildings are not HUD-Regulated;
2. That the building(s) are not RHS assisted or have RHS assisted tenants;
3. That the residents are financially responsible for electricity and that the utility is not paid to or through the owner of the building based on an allocation formula or RUBS; and,
4. That the only building type is Apartments (5+ units).

Please note that, in accordance with Treasury Regulation §1.42-10, the utility allowance for those units occupied by Section 8 voucher holders remains the applicable Public Housing Authority utility allowance established from where the resident receives the assistance.

Please see attached utility allowance schedule dated December 7, 2018. It is the sole responsibility of the owner to implement the allowance to ensure that rents are restricted and, if applicable, all additional rent and occupancy restrictions are met. The Department will review rents during the next onsite monitoring review and, failure to implement timely, will result in noncompliance.

Please be advised that the utility allowance must be reviewed at least once a calendar year. 10TAC§10.614(g) outlines requirements for annual review. If the owner wishes to switch the methodology used to calculate the utility allowance, prior approval from the Department is required.

If you have questions about this review, please contact Cara Pollei at (512) 475-3821 or via email: cara.pollei@tdhca.state.tx.us.

Sincerely,


Digitally signed
by Cara Pollei
Date:
2018.12.07
12:42:09 -06:00

Cara Pollei
Compliance Monitor



**Allowances for
Tenant-Furnished Utilities
and Other Services**

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

Locality		Green Discount		Unit Type		Date (mm/dd/yyyy)	
Palladium Fort Worth		None		Larger Apartment Bldgs. (5+ units)		12/7/2018	
Utility or Service		Monthly Dollar Allowances					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Space Heating	Natural Gas						
	Bottled Gas						
	Electric Resistance	\$10.18	\$11.01	\$12.41	\$13.80	\$15.20	\$16.59
	Electric Heat Pump						
	Fuel Oil						
Cooking	Natural Gas						
	Bottled Gas						
	Electric	\$2.21	\$2.60	\$3.76	\$4.92	\$6.08	\$7.24
	Other						
Other Electric		\$8.33	\$9.80	\$13.64	\$17.47	\$21.31	\$25.14
Air Conditioning		\$5.83	\$6.86	\$9.51	\$12.16	\$14.81	\$17.46
Water Heating	Natural Gas						
	Bottled Gas						
	Electric	\$5.08	\$5.98	\$7.63	\$9.28	\$10.93	\$12.58
	Fuel Oil						
Water							
Sewer							
Trash Collection							
Range/Microwave							
Refrigerator							
Other - specify							
Total		\$31.63	\$36.25	\$46.94	\$57.63	\$68.32	\$79.02
Total Allowance (Rounded Up)		\$32.00	\$37.00	\$47.00	\$58.00	\$69.00	\$80.00



Registration of Submetered OR Allocated Utility Service

NOTE: Please **DO NOT** include any person or protected information on this form (ex: tax identification #'s, social security #'s, etc.)

Date: _____
By: _____
Docket No. _____
(this number to be assigned by the
PUC after your form is filed)

PROPERTY OWNER: Do not enter the name of the owner's contract manager, management company, or billing company.

Name Palladium Fort Worth, LTD.

Mailing Address: 13455 Noel Road, #400 City Dallas State TX Zip 75240

Telephone # (972) 774-4436 Fax # (if applicable) () E-mail fredd@palladiumusa.com

NAME, ADDRESS, AND TYPE OF PROPERTY WHERE UTILITY SERVICE IS PROVIDED

Name Palladium Fort Worth

Mailing Address: 9520 Club Ridge Dr. City Fort Worth State TX Zip 76108

Telephone # (817) 560-9520 Fax # (if applicable) () E-mail manager@palladiumfortworth.com

☒ Apartment Complex ☐ Condominium ☐ Manufactured Home Rental Community ☐ Multiple-Use Facility

If applicable, describe the "multiple-use facility" here:

INFORMATION ON UTILITY SERVICE

Tenants are billed for ☒ Water ☒ Wastewater ☐ Submetered OR ☒ Allocated ★★★

Name of utility providing water/wastewater City of Fort Worth

Date submetered or allocated billing begins (or began) 05/23/2019 Required

METHOD USED TO OFFSET CHARGES FOR COMMON AREAS Check one line only.

☐ Not applicable, because ☐ Bills are based on the tenant's actual submetered consumption

☐ There are neither common areas nor an installed irrigation system

☐ All common areas and the irrigation system(s) are metered or submetered:

We deduct the actual utility charges for water and wastewater to these areas then allocate the remaining charges among our tenants.

☐ This property has an installed irrigation system that is not separately metered or submetered:

We deduct percent (we deduct at least 25 percent) of the utility's total charges for water and wastewater consumption, then allocate the remaining charges among our tenants.

☒ This property has an installed irrigation system(s) that is/are separately metered or submetered:

We deduct the actual utility charges associated with the irrigation system(s), then deduct at least 5 percent of the utility's total charges for water and wastewater consumption, then allocate the remaining charges among our tenants.

☐ This property does not have an installed irrigation system:

We deduct at least 5 percent of the retail public utility's total charges for water and wastewater consumption, and then allocate the remaining charges among our tenants.

★★★IF UTILITY SERVICES ARE ALLOCATED, YOU MUST ALSO COMPLETE PAGE TWO OF THIS FORM ★★★

Send this form by mail to:

Filing Clerk, Public Utility Commission of Texas

1701 North Congress Avenue

P.O. Box 13326

Austin, Texas 78711-3326

METHOD USED TO ALLOCATE UTILITY CHARGES

Check the box or boxes that describe the allocation method used to bill tenants.

☒ **Occupancy method:** The number of occupants in the tenant's dwelling unit is divided by the total number of occupants in all dwelling units at the beginning of the month for which bills are being rendered.

<input type="checkbox"/> Ratio occupancy method: The number of occupants in the tenant's dwelling unit is adjusted as shown in the table to the right. This adjusted value is divided by the total of these values for all dwelling units occupied at the beginning of the retail public utility's billing period.	Number of Occupants	Number of Occupants for Billing Purposes
	1	1.0
	2	1.6
	3	2.2
	>3	2.2 + 0.4 for each additional occupant

<input type="checkbox"/> Estimated occupancy method: The estimated occupancy for each unit is based on the number of bedrooms as shown in the table to the right. The estimated occupancy in the tenant's dwelling unit is divided by the total estimated occupancy in all dwelling units regardless of the actual number of occupants or occupied units.	Number of Bedrooms	Number of Occupants for Billing Purposes
	0 (Efficiency)	1
	1	1.6
	2	2.8
	>3	4.0 + 1.2 for each additional bedroom

☒ **Occupancy and size of rental unit** percent (**in which no more than 50%**) of the utility bill for water/wastewater consumption is allocated using the occupancy method checked above. The remainder is allocated according to either:

- the size of the tenant's dwelling unit divided by the total size of all dwelling units, **OR**
- the size of the space rented by the tenant of a manufactured home divided by the size of all rental spaces.

☐ **Submetered hot water:**
The individually submetered hot water used in the tenant's dwelling unit is divided by all submetered hot water used in all dwelling units.

☐ **Submetered cold water is used to allocate charges for hot water provided through a central system:**
The individually submetered cold water used in the tenant's dwelling unit is divided by all submetered cold water used in all dwelling units.

☐ **As outlined in the condominium contract.** Describe:

☐ **Size of manufactured home rental space:**

The size of the area rented by the tenant divided by the total area of all the size of rental spaces.

☐ **Size of the rented space in a multi-use facility:**

The square footage of the space rented by the tenant divided by the total square footage of all rental spaces.