PRAC Operating Cost Standards for FY 2018 Section 202 Supportive Housing for the Elderly Program (202 Capital Advance)

Introduction

The tables below establish the initial Operating Cost Standards (i.e., the contract rents), net of utility expenses, that will be included in the 202 Project Rental Assistance Contract ("PRAC") upon execution. At project completion, HUD will provide initial subsidy funding to cover the difference between the operating cost standards and the tenants' contribution towards rent (i.e. 30 percent of tenants' adjusted monthly income). Once in operation, owners may subsequently request an adjustment to the contract rents on the basis of an operating budget history.

Project-paid utility expenses. Since the configuration of utilities of proposed properties will vary, the amounts below are net of any project-paid or tenant-paid utilities. Owners must identify the proposed configuration for utilities:

- Within their application - identify the project-paid utilities and provide a reasonable estimate of the cost of such utilities, which would be added to the amounts listed in the tables below to create the contract rent
- Prior to operation - calculate an initial utility allowance for residents based on Housing Notice 2015-04

Methodology

HUD calculated the operating cost standards for the geographies listed based on Annual Financial Statements ("AFS") submitted into HUD's Financial Assessment Subsystem – Multifamily Housing ("FASS-MF") for over 2,800 active properties supported by 202 PRACs. After excluding properties with incomplete AFS submissions, HUD developed baseline operating cost standards for each Metropolitan Statistical Area ("MSA") with at least eight valid observations ("MSA Operating Cost Standards"). HUD then used the remaining sample of properties in each state to develop baseline operating cost standards applicable to all parts of the state not covered in the MSA Operating Cost Standards ("Non-MSA Operating Cost Standards"). Accordingly, some MSAs with insufficient observations (i.e., active 202 PRACs) will utilize the Non-MSA Operating Cost Standards. The Non-MSA Operating Cost Standards, which are listed by state, generally exclude any observations that were used to develop the MSA Operating Cost Standards, unless by excluding the MSA data the state would have 10 or fewer observations.

For each active property, HUD computed a 3-year average of the following AFS Account lines:

- 6500T Total Operating and Maintenance Expenses:
- 6263T Total Administrative Expenses
- 6700T Total Taxes and Insurance:

HUD then took the averages of each property by MSA or non-MSA as describe above. As noted above, utility expenses were excluded from this analysis given that they vary significantly based on the specific configuration each property (i.e., property-paid vs. tenant-paid utilities). Additionally, service coordinator funding and annual replacement reserve deposits were excluded from the baseline derived from AFS data due to the inconsistency in reporting. Instead, HUD built into the Operating Cost Standards listed in the tables below annual Service Coordinator expenses of $66,000 per year ($110 per unit per month) and a monthly deposit to the capital replacement reserve of $600 per year ($50 per unit per month).

The -Operating Cost Standards, net of utility expenses, for MSAs are listed in Table 1. The Operating Cost Standards, net of utility expenses, for each state is listed in Table 2.

Table 1: MSA Operating Cost Standards

Metropolitan Statistical Area	Operating Cost Standards, net of utility expenses (per unit per year)
Akron, OH PMSA	$7,037
Albany-Schenectady-Troy, NY MSA	$6,695
Albuquerque, NM MSA	$6,463
Alexandria, LA MSA	$7,264
Allentown-Bethlehem-Easton, PA MSA	$7,242
Altoona, PA MSA	$7,322
Anchorage, AK MSA	$8,490
Appleton-Oshkosh-Neenah, WI MSA	$6,344
Asheville, NC MSA	$6,486
Atlanta, GA MSA	$6,446
Atlantic-Cape May, NJ PMSA	$8,157
Augusta-Aiken, GA-SC MSA	$6,617
Austin-San Marcos, TX MSA	$7,366
Bakersfield, CA MSA	$7,626
Baltimore, MD PMSA	$7,828
Bangor, ME MSA	$6,798
Barnstable-Yarmouth, MA MSA	$8,779
Baton Rouge, LA MSA	$6,793
Beaumont-Port Arthur, TX MSA	$6,433
Bergen-Passaic, NJ PMSA	$9,039
Biloxi-Gulfport-Pascagoula, MS MSA	$7,051
Birmingham, AL MSA	$6,352
Boise City, ID MSA	$6,269
Boston, MA-NH PMSA	$9,401
Bridgeport, CT PMSA	$9,108
Buffalo-Niagara Falls, NY MSA	$6,815
Burlington, VT MSA	$9,116
Canton-Massillon, OH MSA	$6,460
Cedar Rapids, IA MSA	$5,920
Charleston-North Charleston, SC MSA	$7,238
Charleston, WV MSA	$6,199
Charlotte-Gastonia-Rock Hill, NC-SC MSA	$5,611
Chattanooga, TN-GA MSA	$5,583
Chicago, IL PMSA	$9,758
Cincinnati, OH-KY-IN PMSA	$6,667
Cleveland-Lorain-Elyria, OH PMSA	$7,688
Columbia, SC MSA	$6,222
Columbus, OH MSA	$7,016
Dallas, TX PMSA	$6,797

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Metropolitan Statistical Area	Operating Cost Standards, net of utility expenses (per unit per year)
Davenport-Moline-Rock Island, IA-IL MSA	$5,756
Dayton-Springfield, OH MSA	$6,567
Daytona Beach, FL MSA	$6,800
Decatur, IL MSA	$7,408
Denver, CO PMSA	$7,471
Des Moines, IA MSA	$6,124
Detroit, MI PMSA	$6,925
Dothan, AL MSA	$5,994
Duluth-Superior, MN-WI MSA	$6,507
Dutchess County, NY PMSA	$7,507
El Paso, TX MSA	$6,010
Erie, PA MSA	$6,925
Eugene-Springfield, OR MSA	$5,753
Evansville-Henderson, IN-KY MSA	$6,506
Fayetteville, NC MSA	$5,233
Fayetteville-Springdale-Rogers, AR MSA	$5,316
Flint, MI PMSA	$5,859
Fort Lauderdale, FL PMSA	$7,461
Fort Myers-Cape Coral, FL MSA	$6,699
Fort Wayne, IN MSA	$5,996
Fort Worth-Arlington, TX PMSA	$6,631
Fresno, CA MSA	$7,161
Gainesville, FL MSA	$6,613
Gary, IN PMSA	$6,229
Grand Forks, ND-MN MSA	$5,773
Grand Rapids-Muskegon-Holland, MI MSA	$6,581
Greeley, CO PMSA	$6,318
Greensboro--Winston-Salem--High Point, NC MSA	$5,452
Greenville-Spartanburg-Anderson, SC MSA	$6,002
Hamilton-Middletown, OH PMSA	$6,485
Harrisburg-Lebanon-Carlisle, PA MSA	$6,805
Hartford, CT MSA	$8,873
Hickory-Morganton-Lenoir, NC MSA	$5,591
Honolulu, HI MSA	$7,130
Houston, TX PMSA	$6,666
Huntington-Ashland, WV-KY-OH MSA	$5,737
Huntsville, AL MSA	$6,360
Indianapolis, IN MSA	$6,313
Jackson, MS MSA	$6,447

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Metropolitan Statistical Area	Operating Cost Standards, net of utility expenses (per unit per year)
Jacksonville, FL MSA	$7,817
Jamestown, NY MSA	$5,981
Jersey City, NJ PMSA	$9,424
Johnson City-Kingsport-Bristol, TN-VA MSA	$4,976
Johnstown, PA MSA	$6,866
Jonesboro, AR MSA	$5,828
Joplin, MO MSA	$5,782
Kalamazoo-Battle Creek, MI MSA	$6,493
Kansas City, MO-KS MSA	$6,093
Knoxville, TN MSA	$5,461
Lafayette, LA MSA	$6,503
Lake Charles, LA MSA	$7,017
Lancaster, PA MSA	$5,965
Lansing-East Lansing, MI MSA	$5,469
Las Vegas, NV-AZ MSA	$6,586
Lawrence, MA-NH PMSA	$8,193
Lewiston-Auburn, ME MSA	$6,635
Lexington, KY MSA	$6,300
Lima, OH MSA	$6,349
Little Rock-North Little Rock, AR MSA	$6,060
Los Angeles-Long Beach, CA PMSA	$7,517
Louisville, KY-IN MSA	$6,504
Lowell, MA-NH PMSA	$9,069
Lynchburg, VA MSA	$5,410
Macon, GA MSA	$6,336
Madison, WI MSA	$6,657
Manchester, NH PMSA	$8,392
Mansfield, OH MSA	$6,224
Medford-Ashland, OR MSA	$6,087
Melbourne-Titusville-Palm Bay, FL MSA	$7,905
Memphis, TN-AR-MS MSA	$6,308
Miami, FL PMSA	$6,978
Middlesex-Somerset-Hunterdon, NJ PMSA	$8,703
Milwaukee-Waukesha, WI PMSA	$6,497
Minneapolis-St. Paul, MN-WI MSA	$6,907
Mobile, AL MSA	$6,196
Monmouth-Ocean, NJ PMSA	$8,221
Monroe, LA MSA	$5,764
Montgomery, AL MSA	$6,494

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Metropolitan Statistical Area	Operating Cost Standards, net of utility expenses (per unit per year)
Nashville, TN MSA	$6,278
Nassau-Suffolk, NY PMSA	$7,666
New Bedford, MA PMSA	$7,712
New Haven-Meriden, CT PMSA	$9,795
New London-Norwich, CT-RI MSA	$8,039
New Orleans, LA MSA	$6,790
New York, NY PMSA	$10,016
Newark, NJ PMSA	$8,472
Newburgh, NY-PA PMSA	$7,863
Norfolk-Virginia Beach-Newport News, VA-NC MSA	$6,304
Oakland, CA PMSA	$9,008
Oklahoma City, OK MSA	$6,032
Omaha, NE-IA MSA	$6,737
Orange County, CA PMSA	$7,485
Orlando, FL MSA	$7,217
Parkersburg-Marietta, WV-OH MSA	$6,269
Pensacola, FL MSA	$5,962
Peoria-Pekin, IL MSA	$7,441
Philadelphia, PA-NJ PMSA	$7,686
Phoenix-Mesa, AZ MSA	$6,668
Pittsburgh, PA MSA	$7,181
Pittsfield, MA MSA	$8,118
Ponce, PR MSA	$7,144
Portland, ME MSA	$7,476
Portland-Vancouver, OR-WA PMSA	$6,605
Providence-Fall River-Warwick, RI-MA MSA	$8,648
Racine, WI PMSA	$6,776
Raleigh-Durham-Chapel Hill, NC MSA	$5,545
Redding, CA MSA	$7,024
Richmond-Petersburg, VA MSA	$6,271
Riverside-San Bernardino, CA PMSA	$7,446
Roanoke, VA MSA	$6,421
Rochester, MN MSA	$7,109
Rochester, NY MSA	$6,882
Rockford, IL MSA	$8,055
Rocky Mount, NC MSA	$5,411
Sacramento, CA PMSA	$7,263
Saginaw-Bay City-Midland, MI MSA	$6,525
St. Cloud, MN MSA	$6,156

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Metropolitan Statistical Area	Operating Cost Standards, net of utility expenses (per unit per year)
St. Joseph, MO MSA	$5,145
St. Louis, MO-IL MSA	$6,662
Salem, OR PMSA	$6,063
Salt Lake City-Ogden, UT MSA	$6,798
San Antonio, TX MSA	$6,382
San Diego, CA MSA	$7,872
San Francisco, CA PMSA	$9,682
San Jose, CA PMSA	$9,200
San Juan-Bayamon, PR PMSA	$6,631
Santa Cruz-Watsonville, CA PMSA	$9,534
Santa Rosa, CA PMSA	$8,547
Sarasota-Bradenton, FL MSA	$7,351
Savannah, GA MSA	$8,971
Scranton--Wilkes-Barre--Hazleton, PA MSA	$6,497
Seattle-Bellevue-Everett, WA PMSA	$6,668
Sharon, PA MSA	$6,449
Shreveport-Bossier City, LA MSA	$6,277
Sioux City, IA-NE MSA	$5,103
Sioux Falls, SD MSA	$5,830
South Bend, IN MSA	$6,659
Spokane, WA MSA	$6,011
Springfield, MA MSA	$8,684
Stamford-Norwalk, CT PMSA	$9,925
Steubenville-Weirton, OH-WV MSA	$5,579
Stockton-Lodi, CA MSA	$6,476
Sumter, SC MSA	$6,383
Syracuse, NY MSA	$7,352
Tacoma, WA PMSA	$6,231
Tampa-St. Petersburg-Clearwater, FL MSA	$6,656
Toledo, OH MSA	$6,831
Topeka, KS MSA	$5,687
Trenton, NJ PMSA	$9,397
Tucson, AZ MSA	$6,376
Tulsa, OK MSA	$5,519
Utica-Rome, NY MSA	$6,621
Washington, DC-MD-VA-WV PMSA	$7,915
Waterbury, CT PMSA	$8,740
Waterloo-Cedar Falls, IA MSA	$6,111
West Palm Beach-Boca Raton, FL MSA	$7,650

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Metropolitan Statistical Area	Operating Cost Standards, net of utility expenses (per unit per year)
Wheeling, WV-OH MSA	$6,247
Wichita, KS MSA	$5,860
Wilmington-Newark, DE-MD PMSA	$7,237
Worcester, MA-CT PMSA	$8,370
Yakima, WA MSA	$5,484
Youngstown-Warren, OH MSA	$6,455

Non-MSA Operating Cost Standards

State	Operating Cost Standards, net of utility expenses (per unit per year)
Alaska	$10,179
Alabama	$5,854
Arkansas	$5,520
Arizona	$6,670
California	$7,206
Colorado	$6,522
Connecticut	$9,079
Delaware	$6,992
Florida	$7,083
Georgia	$6,012
Hawaii	$8,246
Iowa	$5,448
Idaho	$6,071
Illinois	$7,057
Indiana	$5,855
Kansas	$5,593
Kentucky	$5,745
Louisiana	$6,692
Massachusetts	$9,727
Maryland	$6,174
Maine	$7,037
Michigan	$6,189
Minnesota	$5,787
Missouri	$5,435
Mississippi	$6,325
Montana	$6,027
North Carolina	$5,404
North Dakota	$5,495
Nebraska	$5,607
New Hampshire	$7,758
New Jersey	$8,502
New Mexico	$5,825
Nevada	$6,552
New York	$6,653
Ohio	$6,516
Oklahoma	$5,502
Oregon	$6,189
Pennsylvania	$6,735
Puerto Rico	$6,858
Rhode Island	$8,664

Non-MSA Operating Cost Standards

South Carolina	$6,529
South Dakota	$5,261
Tennessee	$5,533
Texas	$6,261
Utah	$6,443
Virginia	$5,610
Virgin Islands	$11,375
Vermont	$7,548
Washington	$6,535
Wisconsin	$5,569
West Virginia	$6,210
Wyoming	$6,689