

APPENDIX 14
WORKSHEET: CALCULATING CEILING RENTS

I. COST TO IHA METHOD

- (1)_____ Total Debt Service (provided by area ONAP)
- (2)_____ Operating expenses from line 620 of the Statement of Operating Receipts and Expenditures for the IHA's most recent fiscal year. Note: Costs attributable to de-pro-rammed units (if any) should be subtracted.
- (3)_____ Total cost (Line 1 + Line 2)
- (4)_____ Total Monthly cost (Line 3 - 12 months)
- (5)_____ Average per unit cost (Line 4 -- number of units)
- (6)_____ Total FMR Factors

(1)	(2)	(3)	(4) Total Factor
BR Size	Number of Units	Factor	(Column 2 x Column 3)
0 BR		0.70	
1 BR		0.85	
2 BR		1.00	
3 BR		1.25	
4 BR		1.40	
5 BR		1.61	
6 BR		1.82	
TOTAL			

- (7)_____ Average 2 BR Base cost (Line 4 divided by Line 6 Total)
- (8) Minimum Ceiling Rents not including Tenant-paid utilities. For each bedroom size multiply Line 7 x the factor shown in Col 3 above.

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
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-- SAMPLE --

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II. FAIR MARKET RENT (FMR) METHOD

Step 1: Enter the Section 8 Existing Housing FMR, or HUD-approved area-wide exception rent. The area ONAP can provided the most current FMRS.

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
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Step 2: For each bedroom size, make sure that the rent-based upon the FMR is at least equal to the cost to the IHA as shown in Line (8) under Method I plus the applicable utility allowance.

III. 95TH PERCENTILE METHOD

To use this method, you must have at least 50 units that are

comparable in size, design, and condition. See example on page three of this appendix.

Step 1: By bedroom size, list the rents currently paid by tenants from lowest to highest rent paid. You must have at least 60 units for any bedroom size to establish ceiling rents, using this method.

Step 2: Multiply the number of units used x .95. This will give the number of the family at the 95th percentile.

Step 3: Make sure that the proposed ceiling rent is at least equal to the cost to the IHA as calculated in Line (8) under Method 1.

-- SAMPLE --

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A-14.2

SAMPLE CALCULATION USING 95TH PERCENTILE METHOD

Step 1: The IHA has identified 53 two-bedroom units that are of comparable size, design, and quality. The rent for the tenants of those units are as follows:

Tenant	Rent	Tenant	Rent	Tenant	Rent
1	\$ 0	21	\$ 65	41	\$150
2	0	22	67	42	152
3	0	23	72	43	160
4	6	24	85	44	160
5	10	25	95	45	160
6	10	26	95	46	161
7	10	27	95	47	162
8	15	28	100	48	182
9	25	29	100	49	195
10	25	30	110	50	199
11	25	31	125	51	245
12	25	32	125	52	315
13	25	33	125	53	389
14	27	34	125		
15	28	35	125		
16	32	36	125		
17	36	37	125		
18	45	38	125		
19	48	39	125		
20	55	40	125		

Step 2: 53 units x 0.95 = 50.35. Therefore tenant number 50 is at the 95th percentile.

Step 3: Check to see if the rent at the 95th percentile, is at least equal to the cost to the IHA as calculated in Method I.

-- SAMPLE --

Appendix 14

A-14.3