

PART I ADJUSTMENTS WORKSHEET

U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

FIELD OFFICE WORKSHEET FOR
PROCESSING RENT INCREASES FOR AAF RENTS FOR NEW CONSTRUCTION
AND SUBSTANTIAL REHABILITATION UNIT TYPES WHICH EXCEED THE
EXISTING HOUSING FAIR MARKET RENTS
(NOT FOR USE ON BUDGET BASED RENT INCREASES)

Property Name: _____ Unit Type: _____

ESSENTIAL INFORMATION

Existing FMR Level
for Unit Type \$_____

Current Gross
Rent for Unit Type \$_____

AAF from
Table I _____

Estimated Market Rent
from HUD-92273-S8 \$_____ (Line 46)

Initial Difference Submitted by Owner (if any) \$_____

STEP 1: Is this contract a New Construction or Sub Rehab contract?; **AND**
Is the current rent for this unit type (before application of the AAF) above the Existing Housing
FMR?

If the answer to **BOTH** questions is **YES**, then proceed to Step 2.

If the answer to **EITHER** question is **NO**, this worksheet does not apply. This unit type should be
adjusted under Part II of this Notice. Please find Part II Adjustments Worksheet at Appendix 2.

STEP 2: Apply the appropriate AAF in Table I to the current contract rent. (**NOTE:** Throughout this
Worksheet, when applying the published AAF, the factor of 1.000 should be used in all cases where
the published factor is below 1.000.)

_____	x	_____	=	_____
Current		Factor Used		Rent Level
Rent for Unit Type				Produced by the AAF

STEP 3: Is the Rent Level developed in Step 2 greater than the Estimated Market Rent Level on form HUD-92273-S8, for the particular unit type?

$$\frac{\text{Rent Level produced by the AAF}}{\text{Estimated Market Rent Level form HUD-92273-S8}} >$$

Yes, then go to Step 4

No, then the AAF is granted. For units in which turnover occurred in the last year, use AAF Table I to calculate the rents. For units in which no turnover occurred in the last year, use Table II to calculate the rents. Go to Step 6(b) and document the new rent levels.

STEP 4: Since the AAF rent level derived in Step 2 is greater than the estimated market rent submitted by the owner, then the initial difference must be added to the estimated market rent.

If documented evidence of the initial difference was submitted by the owner from the original underwriting documents, then use the dollar amount submitted by the owner. If not, then use 10% of the initial Section 8 Contract Rent as a substitute.

\$ _____
Dollar Amount of the Initial Difference

Method Used for the Initial Difference:

Owner Submission		Calculated by HUD
\$ _____		_____
Estimated Market Rent Level	+ Initial Difference	= Adjusted Estimated Market Rent Level

STEP 5: Is the estimated market rent level (derived above) greater than the rent level obtained by applying the AAF in Step 2?

$$\frac{\text{Adjusted Estimated Market Rent Level}}{\text{Rent Level Produced by the AAF (See Step 2)}} >$$

Yes, then AAF is granted.
Rent levels cannot go higher than the AAF.

For units in which turnover occurred in the last year, use AAF Table I to calculate the rents. For units in which no turnover occurred in the last year use AAF Table II to calculate the rents. (NOTE: Throughout this Worksheet, when applying the published AAF, the factor of 1.000 should be used in all cases where the published factor is below 1.000.)

Turnover units

$$\frac{\text{Current Rent}}{\text{Table 1 Factor}} \times = \text{New Rent Level}$$

Units with no Turnover

$$\frac{\text{Current Rent}}{\text{Table 2 Factor}} \times = \text{New Rent Level}$$

Document these rent levels in Step 6(b) and proceed through Steps 7 and 8.

No, then the adjusted estimated market rent will be the new rent level for all units without regard to turnover. Document this rent level in Step 6(a).

STEP 6: The new rent level(s) for unit type is:

a) \$_____ for all units (*Document this rent level in Step 8*); **OR**

b) \$_____ for units with turnover (Number of Units _____);

AND \$_____ for units with no turnover (Number of Units _____).

STEP 7: If Step 6 resulted in different rent levels for the same unit type, then a common rent level for this unit type must be derived. Use the rent levels listed in Step 6(b) above to derive a new monthly Gross Rent Potential (GRP).

\$_____ for units with turnover X _____(No. of Units) = \$_____
\$_____ for units with no turnover X _____(No. of Units) = \$_____

Add the two numbers that you just calculated to derive total GRP:

\$_____ + _____ = \$_____
Turnover GRP No Turnover GRP Total GRP

Divide Total GRP by the number of units for this unit type to obtain the new rent level for all _____ BR units.

\$_____ Total GRP divide by _____ units = \$_____
New Rent Level

STEP 8: The new rent level for all _____BR units is approved at \$_____.