Attachment 1

Example of Renewal Funding Calculations - Funding Cap Does Not Apply

HA Data:
300 Authorized Units
270 Units expiring June 30, 2003; 30 Units expiring next HA FY
Leasing and HAP Costs reported by HA on Form HUD 52681B:

<table>
<thead>
<tr>
<th>MONTH</th>
<th>UNITS LEASED</th>
<th>HAP COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 2002</td>
<td>210</td>
<td>$71,400</td>
</tr>
<tr>
<td>September 2002</td>
<td>217</td>
<td>$74,214</td>
</tr>
<tr>
<td>October 2002</td>
<td>214</td>
<td>$72,760</td>
</tr>
<tr>
<td>November 2002</td>
<td>212</td>
<td>$73,352</td>
</tr>
<tr>
<td>December 2002</td>
<td>224</td>
<td>$78,176</td>
</tr>
<tr>
<td>January 2003</td>
<td>230</td>
<td>$81,650</td>
</tr>
<tr>
<td>February 2003</td>
<td>238</td>
<td>$85,442</td>
</tr>
<tr>
<td>March 2003</td>
<td>243</td>
<td>$88,474</td>
</tr>
<tr>
<td>April 2003</td>
<td>239</td>
<td>$88,170</td>
</tr>
</tbody>
</table>

FYE: 9/30/2003
Projected Unit Months Leased FY to date:
1600 reported for October thru April
457 estimated for May thru June (1600/7 x 2)
(if 3 or more months of actual data for current FY is available,
use average leasing of all reported months in current FY)
(if fewer than 3 months of actual data for current FY is available,
use average leasing of last three months reported)
2057 TOTAL


Per Unit Cost = Average of Last 3 Months or Latest Month Reported on HUD 52681B:
- Months: February, March, April
- Average: Total HAP Divided by Total Units Leased
- \( \frac{85,442 + 88,474 + 88,170}{238 + 243 + 239} = \$364.01 \)
- Single Month: 88,170 / 239 = \$368.91 (higher)

AAF:
- Published Rate: 1.03
- Apply prorated amount for estimated months: 1.03 to the 3/12 power = 1.0074171

Adjusted Per Unit Cost = $368.91 x 1.0074171 = $371.65
Leasing Rate = Unit Months Leased (UMLs), Fiscal Year to Date or Last 3 Months, 
Divided by Unit Months Available (UMAs) 
(if 3 or more months of actual data for current FY is available, 
use average leasing of all reported months in current FY) 
(if fewer than 3 months of actual data for current FY is available, 
use average leasing of last three months reported) 
Actual UMLs Data available for 7 months of current FY: October thru April 
UMLs: 1600 
UMAs: 300 x 7 = 2100 
Leasing Rate: 1600/2100 = 76% 

Units to Renew: 270 expiring units 
Projected Units to Fund = 270 x 76% = 205 
Projected Unit Months to Fund = 205 units X 3 months = 615 

Test for Cap: Authorized unit months for FY: 300 units x 12 months = 3600 
Less: Projected Leasing thru June 30, all units: 2057 
Less: Projected Leasing thru FYE for units not expiring: 
30 units x 76% x 3 months = 68 
Maximum remaining to fund: 1475 
Result: No need to cap funding of current renewal, as less than 1475 unit months 
are projected to be funded 

Renewal Funding = $371.65 x 615 unit months = $228,565