

Attachment 2

Example of Renewal Funding Calculations - Funding Cap Applies

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

MONTH	UNITS LEASED	HAP COSTS
August 2002	320	\$108,800
September 2002	322	\$110,124
October 2002	325	\$112,450
November 2002	335	\$116,915
December 2002	329	\$116,795
January 2003	314	\$111,784
February 2003	308	\$113,344
March 2003	301	\$108,059
April 2003	295	\$106,090

FYE: 9/30/2003

Projected Unit Months Leased FY to date:

2207 reported for October thru April

630 estimated for May thru June (2207/7 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)

2837 TOTAL

Renewal Calculations for 6/30/2003 Expirations: (calculated 5/25/2003):

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

$(113,344 + 108,059 + 106,090) / (308 + 301 + 295) = \mathbf{\$362.27 \text{ (higher)}}$

Single Month: $106,090 / 295 = \mathbf{\$359.63}$

AAF: Published Rate: 1.03

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

Adjusted Per Unit Cost = $\$362.27 \times 1.0074171 = \mathbf{\$364.96}$

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: 2207
UMAs: 300 x 7 = 2100
Leasing Rate: 2207/2100 = **105%**

Units to Renew: 270 expiring units
Projected Units to Fund = 270 x 105% = 284
Projected Unit Months to Fund = 284 X 3 months = 852

Test for Cap: Authorized unit months for FY: 300 units x 12 months =	3600
Less: Projected Leasing thru June 30, all units:	2837
Less: Projected Leasing thru FYE for units not expiring:	
30 units x 105% x 3 months =	95
Maximum remaining to fund:	668

Result: For this renewal cycle, the HA would be funded for 668 unit months, versus 852 that would be funded if the cap was not applied. The cap is applied so that HUD does not provide FY 2003 funding for over-leasing

Renewal Funding = \$364.96 x 668 unit months = **\$243,793**