**PART I 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 THAT DO NOT EXCEED
THE EXISTING HOUSING FAIR MARKET RENTS AND FOR ALL LMSA AND PD
SECTION 8 CONTRACT TYPES.
(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 $_____

STEP 1:   **If this contract is a New Construction or a Substantial Rehab contract**, then is the current gross rent f
for this unit type (before application of the AAF) below the Existing Housing FMR?;

OR

If this contract is an LMSA or PD contract, is the method of adjustment for gross rent the application of the
AAF (as opposed to budget-based)? (**NOTE:** Budget-based rents are NOT processed under this Notice. See
Chapter 7, Handbook 4350.1)

If the answer to the **applicable question is YES**, then proceed to Step 2.

If the answer to the **applicable question is NO**, and the first question is applicable, then this unit type
should be adjusted under Part I of this Notice. This worksheet does not apply. Please find Part I Adjust-
ments Worksheet at the beginning of Appendix 2.

If the second question is applicable and the answer is NO, then this Notice is not applicable and the rents
should be adjusted under Chapter 7, Handbook 4350.1.

STEP 2:   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

$_____   x   _____   = $_____
Current Rent   Table I Factor   New Rent Level

Units with no Turnover

$_____   x   _____   = $_____
Current Rent   Table II Factor   New Rent Level

STEP 3: The new rent level(s) for _____ unit type is:

$_____ for units with turnover (Number of Units _____)

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

STEP 4: Since the calculation in Step 3 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 3 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 divided by _____ units   = $_____
                                                                                              New Rent Level

STEP 5: The new rent level for all _____BR units is approved at $_____.