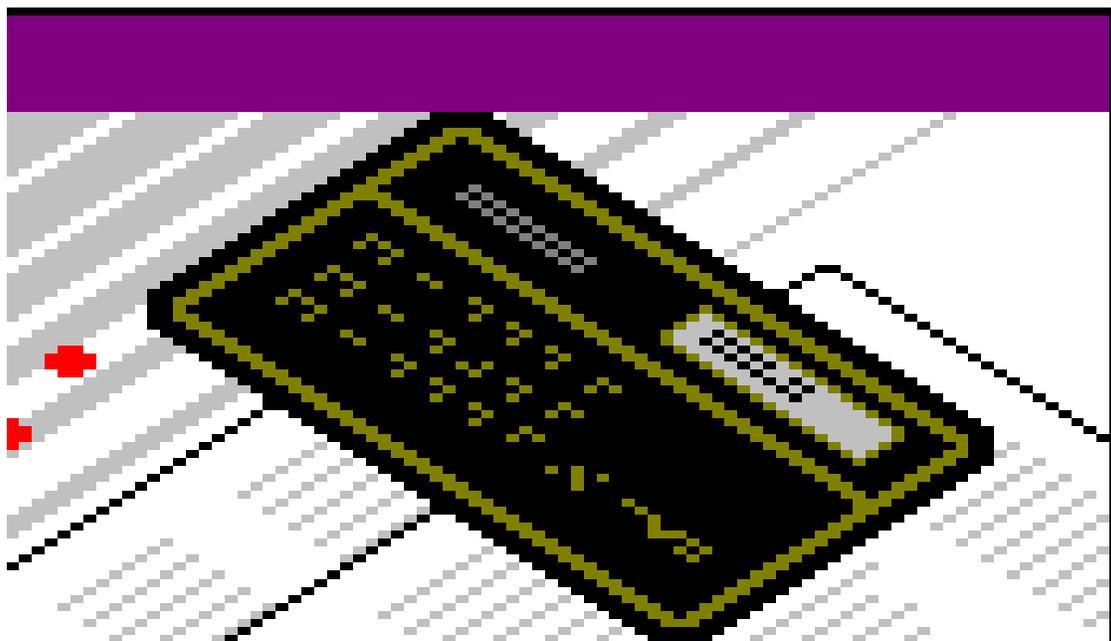


INTERIM FORMULA CALCULATOR TECHNICAL DESIGN DOCUMENT





Interim Formula Calculator Design

Interim Formula Calculator Design

The Interim Formula Calculator is designed in Microsoft Excel for Windows 95 Version 7.0a and provides users with the ability to calculate an estimate of the operating subsidy of Public Housing Authorities (PHAs) following the guidelines of forms *HUD-52723 Calculation of Performance Funding System Operating Subsidy*, *HUD-52722-A Calculation of Allowable Utilities Expense Level*, *HUD 52722-B Adjustment for Utility Consumption and Rates*, as well as the tentative consensus of the Operating Fund Negotiated Rulemaking Committee regarding the new formula for the allocation of the public housing budget.

This design document is divided into four sections. The first section lists the data sources used to produce the Interim Formula Calculator. The next three sections describe the differences of the three HUD forms listed above compared to the Interim Formula Calculator:

- I. Interim Formula Calculator Data Sources
- II. *Form HUD-52723 Calculation of Performance Funding System Operating Subsidy*
- III. *Form HUD-52722-A Calculation of Allowable Utilities Expense Level*
- IV. *Form HUD 52722-B Adjustment for Utility Consumption and Rates*

I. Interim Formula Calculator Data Sources

The following data sources were used to produce the Interim Formula Calculator.

| Interim Formula Calculator Line Item Name | Data Source |
|--|---|
| HA Code and Project Number | Regional Operating Budget and Obligation Tracking System (ROBOTS) |
| HA Name | ROBOTS |
| Allowable Expense Level (AEL) | Joseph P. Riley Economic Market Analysis Division Office of Policy, Development, and Research Department of Housing and Urban Development |
| Dwelling Rental Income Adjustment Factor | Stephen H. Sprague Funding and Financial Management Division Office of Public and Indian Housing Department of Housing and Urban Development |

II. Form HUD-52723 Calculation of Performance Funding System Operating Subsidy

The following list cites differences between *form HUD-52723* and the **Subsidy Calculator** worksheet of the Interim Formula Calculator.

Part A. Allowable Expenses and Additions (*Part A. Allowable Expenses and Additions in Interim Formula Calculator*):

| Form HUD-52723 | Interim Formula Calculator Line Item |
|-----------------------|--|
| Line No. 01 | Line Item 1 Calculates FHA adjusted AEL: (1) 1.36% reduction to large PHA AELs with no AEL reduced below 85% of its FHA AEL; (2) PHAs with under 250 units AELs brought up to 85% of FHA*; and (3) PHAs with 250-499 units AELs brought up to 70% of FHA*. *Use 120% of FHA AEL if FY 2000 AEL is greater than 120% of FHA AEL. |
| Line No. 02a | Line Item 2a No change |
| Line No. 02b | Line Item 2b No change |
| Line No. 03 | Not in Interim Formula Calculator |
| Line No. 04 | Line Item 3 Replaced by Line No. 27 (Flood insurance premiums) divided by the current fiscal year Unit Months Available (UMAs) |
| Line No. 05 | Line Item 4 Total of Line Items 1, 2a, 2b, and 3 |
| Line No. 06 | Line Item 5 |

| Form HUD-52723 | Interim Formula Calculator Line Item |
|-----------------------|--|
| Line No. 07 | Line Item 6 |
| Line No. 07a | Line Item 6a |
| Line No. 07b | Line Item 6b |
| Line No. 08 | Line Item 10 <i>Located in Part B. Allowable Utilities Expense in Interim Formula Calculator</i> |
| Line No. 09 | Line Item 7 Cost of Independent Audit (IA) during subject fiscal year |
| Line No. 10 | Line Item 8 |
| Line No. 11 | Line Item 9 Calculation: Line Item 6 + Line Item 6a + Line Item 6b + Line Item 7 + Line Item 8 |

Part B. Dwelling Rental Income (*Part C. Dwelling Rental Income* in Interim Formula Calculator):

| Form HUD-52723 | Interim Formula Calculator Line Item |
|---|--|
| Line No. 12 | Line Item 11a |
| Line No. 13 | Line Item 11b |
| Line No. 14 | Line Item 11c Average Monthly Dwelling Rental Charge per Unit for Current Year |
| Line No. 14 (for prior budget year) | Line Item 12a Average Monthly Dwelling Rental Charge per Unit for First Immediate Prior Budget Year |
| Line No. 14 (for budget year two years ago) | Line Item 12b Average Monthly Dwelling Rental Charge per Unit for Second Immediate Prior Budget Year |
| Not on <i>form HUD-52723</i> | Line Item 12c Three-Year Average Monthly Dwelling Rental Charge per Unit |
| Not on <i>form HUD-52723</i> | Line Item 12d Average of Line Items 11c and 12c |
| Line No. 14 | Line Item 13 Replaced by Average Monthly Dwelling Rental Charge per Unit (lower of Line Items 11c and 12d) |
| Line No. 15 | Line Item 14 Dwelling Rental Income Adjustment Factor |

| Form HUD-52723 | Interim Formula Calculator Line Item |
|-----------------------|--|
| Line No. 16 | Not in Interim Formula Calculator |
| Line No. 17 | Line Item 15 |
| Line No. 18 | Line Item 16 Calculation: Line Item 13 * Line Item 14 * Line Item 15 |

Part C. Non-dwelling Income (*Part D. Other Income (new definition)*) in Interim Formula Calculator):

| Form HUD-52723 | Interim Formula Calculator Line Item |
|------------------------------|---|
| Line No. 19 | Not in Interim Formula Calculator |
| Not on <i>form HUD-52723</i> | Line Item 17 Excess Utilities |
| Line No. 20 | Line Item 19 Calculation: Line Item 17 + Line Item 18 |
| Line No. 21 | Line Item 18 Nondwelling Rental (new definition) |
| Line No. 22 | Line Item 20 Calculation: Line Item 16 + Line Item 19 |
| Line No. 23 | Not in Interim Formula Calculator |
| Line No. 24 | Line Item 21 Replaced by Total Operating Subsidy before Resident Participation and Other Add-ons and located in <i>Part E. Operating Subsidy before Resident Participation and Other Add-ons</i> Calculation: Line Item 9 + Line Item 10 - Line Item 20 |

Part D. Add-ons for changes in Federal law or regulation and other eligibility (*Part F. Resident Participation and Other Add-ons for Changes in Federal Law or Regulation and Other Eligibility* in Interim Formula Calculator):

| Form HUD-52723 | Interim Formula Calculator Line Item |
|------------------------------|---|
| Not on <i>form HUD-52723</i> | Line Item 22 Resident Participation Funding Calculation: \$25 * Line Item 22c |
| Not on <i>form HUD-52723</i> | Line Item 22a Number of Occupied Units |
| Not on <i>form HUD-52723</i> | Line Item 22b Units occupied by PHA Employees and Police Officers |
| Not on <i>form HUD-52723</i> | Line Item 22c Total Occupied Units for Resident Participation Calculation: Line Item 22a + Line Item 22b |
| Line No. 25 | Line Item 23 |
| Line No. 26 | Line Item 24 |
| Line No. 27 | Line Item 3 Moved to <i>Part A. Allowable Expenses and Additions</i> per unit month (PUM) |

| Form HUD-52723 | Interim Formula Calculator Line Item |
|-----------------------|---|
| Line No. 28 | Line Item 25 Calculation: Line Item 25a + Line Item 25b + Line Item 25c + Line Item 25d + Line Item 25e + Line Item 25f + Line Item 25g |
| Line No. 28a | Line Item 25a |
| Line No. 28b | Line Item 25b |
| Line No. 28c | Line Item 25c |
| Line No. 28d | Line Item 25d |
| Line No. 28e | Line Item 25e |
| Line No. 28f | Line Item 25f |
| Line No. 28g | Line Item 25g |
| Line No. 29 | Line Item 26 Calculation: Line Item 22 + Line Item 23 + Line Item 24 + Line Item 25 |

Part E. Calculation of Operating Subsidy Before Year-End Adjustments (now Part G.
Calculation of Operating Subsidy Eligibility in Interim Formula Calculator):

| Form HUD-52723 | Interim Formula Calculator Line Item |
|------------------------------|---|
| Line No. 30 | Not in Interim Formula Calculator |
| Line No. 31 | Not in Interim Formula Calculator |
| Not on <i>form HUD-52723</i> | Line Item 27 Total Operating Subsidy before Resident Participation and Other Add-ons |
| Not on <i>form HUD-52723</i> | Line Item 28 Resident Participation Funding |
| Not on <i>form HUD-52723</i> | Line Item 29 Other Add-ons Calculation: Line Item 26 - Line Item 22 |
| Line No. 32 | Line Item 30 Operating Fund Subsidy Eligibility before Utility Adjustment Calculation: Line Item 27 + Line Item 28 + Line Item 29 |
| Not on <i>form HUD-52723</i> | Line Item 32 Operating Fund Subsidy Eligibility after Utility Adjustment Calculation: Line Item 30 + Line Item 31 |

Part F. Calculation of Operating Subsidy Approvable for Subject Fiscal Year:

| Form HUD-52723 | Interim Formula Calculator Line Item |
|-----------------------|---|
| Line No. 34 | Not in Interim Formula Calculator |
| Line No. 35 | Not in Interim Formula Calculator |
| Line No. 36 | Not in Interim Formula Calculator |
| Line No. 37 | Not in Interim Formula Calculator |
| Line No. 38 | Not in Interim Formula Calculator |
| Line No. 39 | Not in Interim Formula Calculator |
| Line No. 40 | Not in Interim Formula Calculator |
| Line No. 41 | Not in Interim Formula Calculator |
| Line No. 43 | Not in Interim Formula Calculator |
| Line No. 44 | Not in Interim Formula Calculator |
| Line No. 45 | Not in Interim Formula Calculator |

Part G. Memorandum of Amounts Due HUD, Including Amounts on Repayment Schedules:

| Form HUD-52723 | Interim Formula Calculator Line Item |
|-----------------------|---|
| Line No. 46 | Not in Interim Formula Calculator |
| Line No. 47 | Not in Interim Formula Calculator |
| Line No. 48 | Not in Interim Formula Calculator |
| Line No. 49 | Not in Interim Formula Calculator |

Part H. Calculation of Year-end Adjustment for Subject Fiscal Year:

| Form HUD-52723 | Interim Formula Calculator Line Item |
|-----------------------|--|
| Line No. 50 | Not in Interim Formula Calculator |
| Line No. 51 | Not in Interim Formula Calculator |
| Line No. 52 | Not in Interim Formula Calculator |
| Line No. 53 | Not in Interim Formula Calculator |
| Line No. 54 | <p>Line Item 31, located in <i>Part G. Calculation of Operating Subsidy Eligibility</i> in Interim Formula Calculator.</p> <p>Use data from <i>form HUD-52722-A</i> and <i>form HUD-52722-B</i> for the year which is two years prior to the Interim Formula Calculator year (i.e., if completing the Interim Formula Calculator for PHA fiscal year ending June 30, 2002, use data from <i>form HUD-52722-A</i> and <i>form HUD-52722-B</i> from PHA fiscal year ending June 30, 2000).</p> <p>Utility Adjustment is prorated by proration factor for the year corresponding to the utility adjustment.</p> |
| Line No. 55 | Not in Interim Formula Calculator |
| Line No. 56 | Not in Interim Formula Calculator |
| Line No. 57 | Not in Interim Formula Calculator |
| Line No. 58 | Not in Interim Formula Calculator |
| Line No. 61 | Not in Interim Formula Calculator |
| Line No. 62 | Not in Interim Formula Calculator |
| Line No. 63 | Not in Interim Formula Calculator |

III. Form HUD-52722-A Calculation of Allowable Utilities Expense Level

The following list cites differences between *form HUD-52722-A* and the **Utility Helper** worksheet of the Interim Formula Calculator.*

| Form HUD-52722-A | Interim Formula Calculator Line Item |
|-------------------------|---|
| Line No. 01 | Line 01 |
| Line No. 02 | Line 02 |
| Line No. 03 | Line 03 |
| Line No. 04 | Line 04 |
| Line No. 05 | Line 05 |
| Line No. 06 | Line 06 |
| Line No. 07 | Line 07 |
| Line No. 08 | Line 08 |
| Line No. 09 | Line 09 |
| Line No. 10 | Line 10 |
| Line No. 11 | Line 11 |
| Line No. 12 | Line 12 |
| Line No. 12a | Line 12a |
| Line No. 12b | Line 12b |

*The description column is removed from the Interim Formula Calculator and replaced with embedded notes.

IV. Form HUD 52722-B Adjustment for Utility Consumption and Rates

The following list cites differences between *form HUD-52722-B* and the **Utility Helper** worksheet of the Interim Formula Calculator.*

| Form HUD-52722-B | Interim Formula Calculator Line Item |
|--------------------------------|--|
| Line No. 13 | Line 13 |
| Line No. 14 | Line 14 |
| Line No. 15 | Line 15 |
| Line No. 16 | Line 16 |
| Line No. 17 | Line 17 |
| Line No. 18 | Line 18 multiplies consumption by a factor of .75 instead of .50 |
| Line No. 19 | Line 19 multiplies utility costs by a factor of .25 instead of .50 |
| Line No. 20 | Line 20 |
| Line No. 21 | Line 21 |
| Line No. 22 | Line 22 |
| Not on <i>form HUD-52722-B</i> | Line 23 Proration Factor for year corresponding to Utility Adjustment |
| Not on <i>form HUD-52722-B</i> | Line 24 Utility Adjustment after Proration Calculation: Line 22 * Line 23 This number is used to populate the Line Item 31. Utility Adjustment in <i>Part G. Calculation of Operating Subsidy Eligibility</i> of the Interim Formula Calculator |

*The description column is removed from the Interim Formula Calculator and replaced with embedded notes.