

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:

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

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

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

$(85,442 + 88,474 + 88,170) / (238 + 243 + 239) = \mathbf{\$364.01}$

Single Month: $88,170 / 239 = \mathbf{\$368.91}$ (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 = $\$368.91 \times 1.0074171 = \mathbf{\$371.65}$

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**