

U.S. Department of Housing and Urban Development

Special Attention of

All Multifamily Hub Directors
All Program Center Directors
All Project Managers
All Field Office Directors

Notice H10-03

Issued: January 11, 2010

Expires: January 31, 2011

Cross References

Handbook 4571.2 (811)

Handbook 4571.3 REV-1 (202)

SUBJECT:

Fiscal Year 2009 Annual Operating Cost Standards – Section 202 Supportive Housing for the Elderly and Section 811 Supportive Housing for Persons with Disabilities Programs

Attached are the Operating Cost Standards (OCS), which HUD Office staff should use for calculating the annual per person/per unit amount of a Project Rental Assistance Contract (PRAC) when making Fiscal Year 2009 subsidy fund reservations for Capital Advance applications under the subject programs.

These Standards have been updated using the National Consumer Price Index (CPI) of housing changes for 2009. Each HUD Office should adjust these Standards downward to accommodate any lower cost area within its jurisdiction when locally developed cost data so indicate.

Historically, some areas significantly exceed the National CPI average. To assure that those areas are not precluded from program participation, each HUD Office noted below is authorized to adjust its annual OCS by up to the additional percentage shown: Chicago – 0.6 percent; Miami – 12.2 percent; New York – 39.5 percent; Philadelphia – 13.6 percent; Los Angeles – 28.6 percent; San Francisco – 26.9 percent; and Seattle – 24.1 percent.

To determine the total amount of an annual PRAC, multiply the OCS by the number of residential spaces in a group home or by the number of revenue-producing units in either an independent living facility or an elderly project. For the six cities listed above, the result thus obtained would be multiplied by part or all of the additional percentage, as needed.

In accordance with the waiver authority provided in the Fiscal Year 2009 HUD Appropriations Act, the Secretary is waiving the following statutory and regulatory provisions in the FY 2009 Program NOFA for the Section 202 and Section 811 Programs.

The term of the PRAC is reduced from 5 years to 3 years. The Department anticipates that, at the end of the contract terms, renewals will be approved subject to the availability of funds. In addition to this provision, the Department will reserve PRAC funds based on 75 percent rather than 100 percent of the current OCS for approved units in order to take into account the average tenant contribution toward rent.

Should you have questions, please contact Adia Hayes at (202) 708-3000, Extension 2463.

David H. Stevens, Assistant Secretary for
Housing –Federal Housing Commissioner

Attachments

Distribution: W-3-1,

Previous editions are obsolete

form HUD-21-B (3/80)

NATIONAL AVERAGE FOR 2008 – 216.1

<u>CITIES</u>	<u>ANNUAL AVERAGE 2008</u>	<u>PERCENTAGE INCREASE</u>
Chicago-Gary-Kenosha, IL-IN-WI	215.5	0.6
Los Angeles-Riverside- Orange County, CA	244.7	28.6
Miami-Fort Lauderdale, FL	228.3	12.2
NY-Northern NJ-Long Island, NY-NJ-CT-PA	255.6	39.5
Phil-Wilmington-Atlantic City, PA-NJ-DE-MD	229.7	13.6
San Francisco-Oakland- San Jose, CA	243.0	26.9
Bremerton, WA Seattle-Tacoma	240.2	24.1

FISCAL YEAR 2009
Operating Cost Standards
Section 202 and 811

OFFICE

2009 OPERATING COST STANDARDS

BOSTON HUB

Boston	\$6,886
Hartford	\$6,488
Manchester	\$5,238
Bangor	\$5,389
Burlington	\$5,252
Providence	\$6,416

NEW YORK HUB

New York City	\$7,796
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BUFFALO HUB

Buffalo	\$5,488
Albany	\$5,620

PHILADELPHIA HUB

Charleston	\$5,156
Newark	\$6,748
Camden	\$6,118
Pittsburgh	\$4,993
Philadelphia	\$6,150
Wilmington	\$5,687

BALTIMORE HUB

Baltimore	\$5,354
Richmond	\$4,787
Washington	\$5,451

GREENSBORO HUB

Columbia	\$4,257
Greensboro	\$4,620

ATLANTA HUB

Atlanta	\$4,355
San Juan	\$4,257
Louisville	\$4,620
Knoxville	\$4,256
Nashville	\$4,092
Memphis	\$4,355

OFFICE**2009 OPERATING COST STANDARDS****JACKSONVILLE HUB**

Jacksonville	\$4,220
Miami	\$4,517
Tampa	\$3,990
Birmingham	\$4,257
Jackson	\$4,386

CHICAGO HUB

Chicago	\$5,186
Indianapolis	\$4,920

COLUMBUS HUB

Cincinnati	\$4,954
Cleveland	\$5,520
Columbus	\$4,890

DETROIT HUB

Detroit	\$5,517
Grand Rapids	\$4,589

MINNEAPOLIS HUB

Milwaukee	\$5,019
Minneapolis	\$5,354

FT. WORTH HUB

Ft. Worth	\$4,620
Albuquerque	\$4,520
Lubbock	\$4,456
Houston	\$4,589
Little Rock	\$3,958
New Orleans	\$4,125
Shreveport	\$4,256
San Antonio	\$4,240

KANSAS CITY HUB

Des Moines	\$4,491
Kansas City	\$5,019
Topeka	\$4,421
Omaha	\$4,520
Oklahoma City	\$4,256
Tulsa	\$4,361
St. Louis	\$5,289

OFFICE**2009 OPERATING COST STANDARDS****DENVER HUB**

Denver	\$4,890
Casper	\$4,153
Fargo	\$4,153
Helena	\$4,520
Salt Lake City	\$4,288
Sioux Falls	\$4,125

SAN FRANCISCO HUB

Honolulu (Guam)	\$6,416
Reno	\$5,186
Phoenix	\$4,520
Sacramento	\$5,754
San Francisco	\$6,378

LOS ANGELES HUB

Los Angeles	\$5,988
San Diego	\$5,552
Santa Ana	\$5,988

SEATTLE HUB

Anchorage	\$9,155
Portland	\$4,787
Boise	\$4,655
Seattle	\$5,089
Spokane	\$4,984