

Department of Housing and Urban Development
Office of the Secretary
24 CFR Part 888
[Docket No. FR-4157-N-01]
Section 8 Housing Assistance Payments Program-
Contract Rent Annual Adjustment Factors
Fiscal Year 1997

AGENCY: Office of the Secretary, HUD.

ACTION: Notice of Revised Contract Rent Annual Adjustment Factors.

SUMMARY: The United States Housing Act of 1937 requires that the assistance contracts signed by owners participating in the Department's Section 8 Housing Assistance Payments programs provide for annual or more frequent adjustment in the maximum monthly rentals for units covered by the contract to reflect changes based on Fair Market Rents (FMRs) prevailing in a particular market area, or on a reasonable formula. This notice announces revised Annual Adjustment Factors (AAFs) for assistance contract anniversaries from October 1, 1996. The factors are based on a formula using data on residential rent and utilities cost changes from the most current Bureau of Labor Statistics Consumer Price Index (CPI) survey and from HUD Random Digit Dialing (RDD) rent change surveys.

EFFECTIVE DATE: October 1, 1996.

FOR FURTHER INFORMATION CONTACT: Gerald J. Benoit, Rental Assistance Division, Office of Public and Indian Housing [(202) 708-0477], for questions relating to the Section 8 Voucher, Certificate, and Moderate Rehabilitation programs; Barbara D. Hunter, Program Management Division, Office of Multifamily Asset Management and Disposition [(202) 708-4162], for questions relating to all other Section 8 programs; Alan Fox, Economic and Market Analysis Division, Office of Policy Development and Research [(202) 708-0590; e-mail alan_fox@hud.gov], for technical information regarding the development of the schedules for specific areas or the methods used for calculating the AAFs. Mailing address for above persons: Department of Housing and Urban Development, 451 Seventh Street SW, Washington, DC 20410. Hearing- or speech-impaired persons may contact the Federal Information Relay Service at 1-800-877-8339 (TDD) (Other than the "800" TDD number, the above-listed telephone numbers are not toll-free.)

SUPPLEMENTARY INFORMATION

A special requirement for determining the AAF used for the adjustment of Section 8 contract rents is applicable in Federal Fiscal Year 1997 (October 1, 1996 to September 30, 1997.) In FY 1997, the law provides (42 U.S.C. 1437f(c)(2)(A), as amended in 108 Stat. 2315 (9/28/94) and 110 Stat 2874 (9/26/96)):

"Except for assistance under the certificate program, for any unit occupied by the same family at the time of the last annual rental adjustment, where the assistance contract provides for the adjustment of the maximum monthly rent by applying an annual adjustment factor and where the rent for a unit is otherwise eligible for an adjustment based on the full amount of the factor, 0.01 shall be subtracted from the amount of the factor, except that the factor shall not be reduced to less than 1.0. In the case of assistance under the certificate program, 0.01 shall be subtracted from the amount of the annual adjustment factor (except that the factor shall not be reduced to less than 1.0), and the adjusted rent shall not exceed the rent for a comparable unassisted unit of similar quality, type, and age in the market area."

This provision was amended by the FY 1997 appropriation (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act of 1997, Public Law 104-204, approved September 26, 1996, 110 Stat. 2874). To implement the law, HUD is again publishing two separate AAF tables, contained in Schedule C, tables 1 and 2 of this notice. Each AAF in table 2 is computed by subtracting 0.01 from the annual adjustment factor in table 1.

APPLICABILITY OF AAFs TO VARIOUS SECTION 8 PROGRAMS

AAFs established by this Notice are used to adjust contract rents for Section 8 Housing Assistance Payments Program units. However, the specific application of the AAFs is determined by the law, the HAP contract, and appropriate program regulations or requirements.

AAFs are not used for the Section 8 voucher program.

Contract rents for some projects receiving Section 8 subsidies under the loan management program (24 CFR part 886, subpart A) and for projects receiving Section 8 subsidies under the property disposition program (24 CFR part 886, subpart C) are adjusted, at HUD's option, either by applying the AAFs or by adjusting rents in accordance with 24 CFR 207.19(e).

Under the Section 8 moderate rehabilitation program (both the regular program and the single room occupancy program), the public housing agency (PHA) applies the AAF to the base rent component of the contract rent, not the full contract rent.

ADJUSTMENT PROCEDURES UNDER FISCAL YEAR 1997 APPROPRIATION

The discussion in this Federal Register Notice is intended to provide a broad orientation on procedures for adjustment under the FY 1997 appropriations. Technical details and requirements will be described in HUD notices (by the HUD Office of Housing and the HUD Office of Public and Indian Housing).

Because of statutory and structural distinctions between the various Section 8

programs, separate procedures are used for three program categories:

Category 1: Section 8 New Construction, Substantial Rehabilitation and Moderate Rehabilitation Programs

In the Section 8 New Construction and Substantial Rehabilitation programs, the published AAF factor is applied to the pre-adjustment contract rent. In the Section 8 Moderate Rehabilitation program, the published AAF is applied to the pre-adjustment base rent.

For category 1 programs, the Table 1 AAF factor is applied before determining comparability (rent reasonableness.) Comparability applies if the pre-adjustment gross rent (pre-adjustment contract rent plus any allowances for tenant-paid utilities) is above the published FMR.

If the comparable rent level (plus any initial difference) is lower than the contract rent as adjusted by application of the table 1 AAF, the comparable rent level (plus any initial difference) will be the new contract rent. However, the pre-adjustment contract rent will not be decreased by application of comparability.

In all other cases (i.e., unless contract rent is reduced by comparability):

- The table 1 AAF is used for a unit occupied by a new family since the last annual contract anniversary.
- The table 2 AAF is used for a unit occupied by the same family as at the time of the last annual contract anniversary.

Category 2: The Loan Management Program (Part 886, Subpart A) or Property Disposition Program (Part 886 Subpart C), Where Rents are Adjusted by Applying the AAF

At this time, rent adjustment in the Category 2 programs is not subject to comparability. (Comparability will again apply if HUD establishes regulations for conducting comparability studies under 42 U.S.C. 1437f(c)(2)(C).) Rents are adjusted by applying the full amount of the applicable AAF under this notice.

The applicable AAF is determined as follows:

- The table 1 AAF is used for a unit occupied by a new family since the last annual contract anniversary.
- The table 2 AAF is used for a unit occupied by the same family as at the time of the last annual contract anniversary.

Category 3: Section 8 Certificate Program

The same adjustment procedure is used for rent adjustment in both the tenant-based and project-based certificate programs. The following procedures are used:

- The Table 2 factor is always used in the Section 8 certificate program; the Table 1 factor is not used in this program.
- The Table 2 AAF factor is *always* applied before determining comparability (rent reasonableness).
- Comparability *always* applies. If the comparable rent level is lower than the contract rent as adjusted (by application of the Table 2 AAF), the comparable rent level will be the new contract rent. However, under the old form of HAP contract the housing authority may not reduce the rent below the initial rent.

AAF Tables

The AAFs for fiscal year 1996 are contained in Schedule C, tables 1 and 2 of this notice. Two columns are shown in this table. The first column is to be used for units where the highest cost utility is included in the contract rent. The second column is to be used where it is excluded from the contract rent.

AAF Areas

Each AAF applies to a specified geographic area and to units of all bedroom sizes. AAFs are provided:

(1) for the metropolitan parts of the ten HUD regions exclusive of CPI areas; (2) for the nonmetropolitan parts of these regions, and (3) for 102 separate metropolitan AAF areas for which local CPI survey data are available.

With the exceptions discussed below, the AAFs shown in Schedule C use the Office of Management and Budget's (OMB) most current definitions of metropolitan areas. HUD uses the OMB Metropolitan Statistical Area (MSA) and Primary Metropolitan Statistical Area (PMSA) definitions for AAF areas because of their close correspondence to housing market area definitions.

The exceptions are for certain large metropolitan areas, where HUD considers the area covered by the OMB definition to be larger than appropriate for use as a housing market area definition. In those areas, HUD has deleted some of the counties that OMB had added to its revised definitions. The following counties are deleted from the HUD definitions of AAF areas:

Metropolitan Area	Deleted Counties
Atlanta, GA:	Carroll, Pickens, and Walton Counties.
Chicago, IL:	DeKalb, Grundy and Kendall Counties.

Cincinnati-Hamilton, OH-KY-IN:

	Brown County, Ohio; Gallatin, Grant and Pendleton Counties in Kentucky; and Ohio County, Indiana.
Dallas, TX:	Henderson County.
Flagstaff, AZ-UT:	Kane County, UT.
New Orleans, LA:	St. James Parish.
Washington, DC-VA-MD-WV:	Berkeley and Jefferson Counties in West Virginia; and Clarke, Culpeper, King George and Warren counties in Virginia.

Separate AAFs are listed in this publication for the above counties. They and the metropolitan area of which they are a part are identified with an asterisk (*) next to the area name. The asterisk denotes that there is a difference between the OMB metropolitan area and the HUD AAF area definition for these areas.

To make certain that they are using the correct AAFs, users should refer to the area definitions section at the end of Schedule C. For units located in metropolitan areas with a local CPI survey, AAFs are listed separately. For units located in areas without a local CPI survey, the appropriate HUD regional Metropolitan or Nonmetropolitan AAFs are used.

The AAF area definitions shown in Schedule C are listed in alphabetical order by State. The associated HUD region is shown next to each State name. Areas whose AAFs are determined by local CPI surveys are listed first. All metropolitan CPI areas have separate AAF schedules and are shown with their corresponding county definitions or as metropolitan counties. Listed after the metropolitan CPI areas (in those states that have such areas) are the non-CPI metropolitan and nonmetropolitan counties of each State. In the six New England States, the listings are for counties or parts of counties as defined by towns or cities.

Puerto Rico and the Virgin Islands use the Southeast AAFs. All areas in Hawaii use the AAFs identified in the table as "STATE: Hawaii," which are based on the CPI survey for the Honolulu metropolitan area. The Pacific Islands use the Pacific/Hawaii Nonmetropolitan AAFs. The Anchorage metropolitan area uses the AAFs based on the local CPI survey; all other areas in Alaska use the Northwest/Alaska Nonmetropolitan AAFs.

SECTION 8 CERTIFICATE PROGRAM AAFS FOR MANUFACTURED HOME SPACES

The AAFs in this publication identified as "Highest Cost Utility Excluded" are to be used to adjust manufactured home space contract rents. The applicable AAF is determined by reference to the geographic listings contained in Schedule C, as described in the preceding section.

HOW FACTORS ARE CALCULATED

For Areas With CPI Surveys:

- (1) Changes in the shelter rent and utilities components were calculated based on the most recent CPI annual average change data.
- (2) The Highest Cost Utility Excluded column in Schedule C was calculated by eliminating the effect of heating costs that are included in the rent of some of the units included in the CPI surveys.
- (3) The Highest Cost Utility Included column in Schedule C was calculated by weighing the rent and utility components with the corresponding components from the 1990 Census.

For Areas Without CPI Surveys:

- (1) HUD used RDD regional surveys to calculate AAFs. The RDD survey method is based on a sampling procedure that uses computers to select a statistically random sample of rental housing, dial and keep track of the telephone calls, and process the responses. RDD surveys are conducted to determine the rent change factors for the metropolitan parts (exclusive of CPI areas) and nonmetropolitan parts of the 10 HUD regions, a total of 20 surveys.
- (2) The change in rent including the highest cost utility was calculated using the ratio of the most recent RDD survey median gross rents for the respective metropolitan or nonmetropolitan parts of the HUD region.
- (3) The change in rent excluding the highest cost utility was calculated by subtracting the median value of utilities costs from the median gross rent. The median cost of utilities was determined from the units in the RDD sample which reported that all utilities were paid by the tenant.

Other Matters

Environmental Impact

An environmental assessment is unnecessary, since revising Annual Adjustment Factors is categorically excluded from the Department's National Environmental Policy Act procedures under 24 CFR 50.200(l).

Executive Order 12612, Federalism

The General Counsel, as the Designated Official under section 6(a) of Executive Order 12612, Federalism, has determined that the policies contained in this Notice do not have federalism implications and, thus, are not subject to review under the Order. The Notice merely announces the adjustment factors to be used to adjust contract rents in the Section 8 Housing Assistance Payment programs, as required by the United States Housing Act of 1937.

Executive Order 12606, The Family

The General Counsel, as the Designated Official under Executive Order 12606, The

SCHEDULE C - TABLE 1 - CONTRACT RENT AAFS

PREPARED ON 111396

	HIGHEST COST UTILITY			HIGHEST COST UTILITY	
	INCLUDED	EXCLUDED		INCLUDED	EXCLUDED
New England Metropolitan	1.008	1.013	New England Nonmetropolitan	1.023	1.035
New York/New Jersey Metropolitan	1.004	1.002	New York/New Jersey Nonmetropolitan	1.024	1.026
Mid-Atlantic Metropolitan	1.026	1.036	Mid-Atlantic Nonmetropolitan	1.011	1.017
Southeast Metropolitan	1.030	1.030	Southeast Nonmetropolitan	1.012	1.004
Midwest Metropolitan	1.022	1.027	Midwest Nonmetropolitan	1.019	1.025
Southwest Metropolitan	1.028	1.025	Southwest Nonmetropolitan	1.009	1.000
Great Plains Metropolitan	1.025	1.026	Great Plains Nonmetropolitan	1.021	1.011
Rocky Mountain Metropolitan	1.058	1.062	Rocky Mountain Nonmetropolitan	1.040	1.037
Pacific/Hawaii Metropolitan	1.020	1.021	Pacific/Hawaii Nonmetropolitan	1.014	1.012
Northwest/Alaska Metropolitan	1.018	1.020	Northwest/Alaska Nonmetropolitan	1.025	1.025
STATE Hawaii	1.009	1.006	PMSA Akron, OH	1.023	1.032
MSA Anchorage, AK	1.014	1.017	PMSA Ann Arbor, MI	1.015	1.018
*Atlanta, GA	1.043	1.057	PMSA Atlantic-Cape May, NJ	1.016	1.014
PMSA Baltimore, MD	1.008	1.011	PMSA Bergen-Passaic, NJ	1.026	1.028
*COUNTY Berkeley, WV	1.019	1.022	PMSA Boston, MA-NH	1.029	1.034
PMSA Boulder-Longmont, CO	1.045	1.051	PMSA Brazoria, TX	1.009	1.028
PMSA Bremerton, WA	1.018	1.018	PMSA Bridgeport, CT	1.025	1.029
PMSA Brockton, MA	1.029	1.034	*COUNTY Brown, OH	1.021	1.040
PMSA Buffalo-Niagara Falls, NY	1.022	1.031	*COUNTY Carroll, GA	1.035	1.057
*Chicago, IL	1.040	1.043	*Cincinnati, OH-KY-IN	1.027	1.036
*COUNTY Clarke, VA	1.019	1.022	PMSA Cleveland-Lorain-Elyria, OH	1.023	1.032

SCHEDULE C - TABLE 1 - CONTRACT RENT AAFS

PREPARED ON 111396

	HIGHEST COST UTILITY			HIGHEST COST UTILITY	
	INCLUDED	EXCLUDED		INCLUDED	EXCLUDED
*COUNTY Culpeper, VA	1.019	1.022	*Dallas, TX	1.035	1.038
PMSA Danbury, CT	1.025	1.028	*COUNTY De Kalb, IL	1.040	1.043
PMSA Denver, CO	1.044	1.051	PMSA Detroit, MI	1.014	1.018
PMSA Dutchess County, NY	1.026	1.028	PMSA Fitchburg-Leominster, MA	1.029	1.034
PMSA Flint, MI	1.014	1.019	PMSA Fort Lauderdale, FL	1.027	1.029
PMSA Fort Worth-Arlington, TX	1.034	1.038	*COUNTY Gallatin, KY	1.020	1.041
PMSA Galveston-Texas City, TX	1.007	1.028	PMSA Gary, IN	1.039	1.044
*COUNTY Grant, KY	1.021	1.040	PMSA Greeley, CO	1.045	1.051
*COUNTY Grundy, IL	1.039	1.044	PMSA Hagerstown, MD	1.019	1.022
PMSA Hamilton-Middletown, OH	1.026	1.037	*COUNTY Henderson, TX	1.032	1.038
PMSA Houston, TX	1.011	1.028	*COUNTY Jefferson, WV	1.018	1.022
PMSA Jersey City, NJ	1.026	1.028	PMSA Kankakee, IL	1.039	1.044
MSA Kansas City, MO-KS	1.028	1.034	*COUNTY Kendall, IL	1.040	1.043
PMSA Kenosha, WI	1.040	1.043	*COUNTY King George, VA	1.019	1.022
PMSA Lawrence, MA-NH	1.029	1.035	PMSA Los Angeles-Long Beach, CA	1.000	1.000
PMSA Lowell, MA-NH	1.029	1.034	PMSA Manchester, NH	1.029	1.034
PMSA Miami, FL	1.027	1.029	PMSA Middlesex-Somerset-Hunterdon, NJ	1.026	1.028
PMSA Milwaukee-Waukesha, WI	1.038	1.052	MSA Minneapolis-St. Paul, MN-WI	1.026	1.028
PMSA Monmouth-Ocean, NJ	1.025	1.029	PMSA Nashua, NH	1.029	1.034
PMSA Nassau-Suffolk, NY	1.025	1.028	PMSA New Bedford, MA	1.029	1.034
PMSA New Haven-Meriden, CT	1.025	1.028	*New Orleans, LA	1.000	1.014

SCHEDULE C - TABLE 1 - CONTRACT RENT AAFS

PREPARED ON 111396

	HIGHEST COST UTILITY			HIGHEST COST UTILITY	
	INCLUDED	EXCLUDED		INCLUDED	EXCLUDED
PMSA New York, NY	1.026	1.028	*COUNTY Westchester, NY	1.026	1.028
PMSA Newark, NJ	1.026	1.028	PMSA Newburgh, NY-PA	1.026	1.028
PMSA Oakland, CA	1.016	1.015	*COUNTY Ohio, IN	1.022	1.040
PMSA Olympia, WA	1.018	1.018	PMSA Orange County, CA	1.000	1.000
*COUNTY Pendleton, KY	1.022	1.040	PMSA Philadelphia, PA-NJ	1.016	1.014
*COUNTY Pickens, GA	1.033	1.057	PMSA Pittsburgh, PA	1.025	1.028
PMSA Portland-Vancouver, OR-WA	1.029	1.031	PMSA Portsmouth-Rochester, NH-ME	1.029	1.034
PMSA Racine, WI	1.037	1.052	PMSA Riverside-San Bernardino, CA	1.000	1.000
*COUNTY St. James Parish, LA	1.000	1.014	MSA St. Louis, MO-IL	1.015	1.025
PMSA Salem, OR	1.029	1.031	MSA San Diego, CA	1.008	1.006
PMSA San Francisco, CA	1.016	1.015	PMSA San Jose, CA	1.016	1.015
PMSA Santa Cruz-Watsonville, CA	1.016	1.015	PMSA Santa Rosa, CA	1.017	1.015
PMSA Seattle-Bellevue-Everett, WA	1.018	1.018	PMSA Stamford-Norwalk, CT	1.026	1.028
PMSA Tacoma, WA	1.018	1.018	MSA Tampa-St. Petersburg-Clearwater, FL	1.022	1.025
PMSA Trenton, NJ	1.026	1.028	PMSA Vallejo-Fairfield-Napa, CA	1.017	1.015
PMSA Ventura, CA	1.000	1.000	PMSA Vineland-Millville-Bridgeton, NJ	1.016	1.014
*COUNTY Walton, GA	1.035	1.057	*COUNTY Warren, VA	1.019	1.022
*Washington, DC-MD-VA	1.020	1.021	PMSA Waterbury, CT	1.025	1.028
PMSA Wilmington-Newark, DE-MD	1.016	1.014	PMSA Worcester, MA-CT	1.029	1.034

SCHEDULE C - TABLE 2 - CONTRACT RENT AAFS FOR

PREPARED ON 111396

	HIGHEST COST UTILITY			HIGHEST COST UTILITY	
	INCLUDED	EXCLUDED		INCLUDED	EXCLUDED
New England Metropolitan	1.000	1.003	New England Nonmetropolitan	1.013	1.025
New York/New Jersey Metropolitan	1.000	1.000	New York/New Jersey Nonmetropolitan	1.014	1.016
Mid-Atlantic Metropolitan	1.016	1.026	Mid-Atlantic Nonmetropolitan	1.001	1.007
Southeast Metropolitan	1.020	1.020	Southeast Nonmetropolitan	1.002	1.000
Midwest Metropolitan	1.012	1.017	Midwest Nonmetropolitan	1.009	1.015
Southwest Metropolitan	1.018	1.015	Southwest Nonmetropolitan	1.000	1.000
Great Plains Metropolitan	1.015	1.016	Great Plains Nonmetropolitan	1.011	1.001
Rocky Mountain Metropolitan	1.048	1.052	Rocky Mountain Nonmetropolitan	1.030	1.027
Pacific/Hawaii Metropolitan	1.010	1.011	Pacific/Hawaii Nonmetropolitan	1.004	1.002
Northwest/Alaska Metropolitan	1.008	1.010	Northwest/Alaska Nonmetropolitan	1.015	1.015
STATE Hawaii	1.000	1.000	PMSA Akron, OH	1.013	1.022
MSA Anchorage, AK	1.004	1.007	PMSA Ann Arbor, MI	1.005	1.008
*Atlanta, GA	1.033	1.047	PMSA Atlantic-Cape May, NJ	1.006	1.004
PMSA Baltimore, MD	1.000	1.001	PMSA Bergen-Passaic, NJ	1.016	1.018
*COUNTY Berkeley, WV	1.009	1.012	PMSA Boston, MA-NH	1.019	1.024
PMSA Boulder-Longmont, CO	1.035	1.041	PMSA Brazoria, TX	1.000	1.018
PMSA Bremerton, WA	1.008	1.008	PMSA Bridgeport, CT	1.015	1.019
PMSA Brockton, MA	1.019	1.024	*COUNTY Brown, OH	1.011	1.030
PMSA Buffalo-Niagara Falls, NY	1.013	1.021	*COUNTY Carroll, GA	1.025	1.047
*Chicago, IL	1.030	1.033	*Cincinnati, OH-KY-IN	1.017	1.026
*COUNTY Clarke, VA	1.009	1.012	PMSA Cleveland-Lorain-Elyria, OH	1.013	1.022

SCHEDULE C - TABLE 2 - CONTRACT RENT AAFS FOR

PREPARED ON 111396

	HIGHEST COST UTILITY			HIGHEST COST UTILITY	
	INCLUDED	EXCLUDED		INCLUDED	EXCLUDED
*COUNTY Culpeper, VA	1.009	1.012	*Dallas, TX	1.025	1.028
PMSA Danbury, CT	1.015	1.018	*COUNTY De Kalb, IL	1.030	1.033
PMSA Denver, CO	1.034	1.041	PMSA Detroit, MI	1.004	1.008
PMSA Dutchess County, NY	1.016	1.018	PMSA Fitchburg-Leominster, MA	1.019	1.024
PMSA Flint, MI	1.004	1.009	PMSA Fort Lauderdale, FL	1.017	1.019
PMSA Fort Worth-Arlington, TX	1.024	1.028	*COUNTY Gallatin, KY	1.010	1.031
PMSA Galveston-Texas City, TX	1.000	1.018	PMSA Gary, IN	1.029	1.034
*COUNTY Grant, KY	1.011	1.030	PMSA Greeley, CO	1.035	1.041
*COUNTY Grundy, IL	1.029	1.034	PMSA Hagerstown, MD	1.009	1.012
PMSA Hamilton-Middletown, OH	1.016	1.027	*COUNTY Henderson, TX	1.022	1.028
PMSA Houston, TX	1.001	1.018	*COUNTY Jefferson, WV	1.008	1.012
PMSA Jersey City, NJ	1.016	1.018	PMSA Kankakee, IL	1.029	1.034
MSA Kansas City, MO-KS	1.018	1.024	*COUNTY Kendall, IL	1.030	1.033
PMSA Kenosha, WI	1.030	1.033	*COUNTY King George, VA	1.009	1.012
PMSA Lawrence, MA-NH	1.019	1.025	PMSA Los Angeles-Long Beach, CA	1.000	1.000
PMSA Lowell, MA-NH	1.019	1.024	PMSA Manchester, NH	1.019	1.024
PMSA Miami, FL	1.017	1.019	PMSA Middlesex-Somerset-Hunterdon, NJ	1.016	1.018
PMSA Milwaukee-Waukesha, WI	1.028	1.042	MSA Minneapolis-St. Paul, MN-WI	1.016	1.018
PMSA Monmouth-Ocean, NJ	1.015	1.019	PMSA Nashua, NH	1.019	1.024
PMSA Nassau-Suffolk, NY	1.015	1.018	PMSA New Bedford, MA	1.019	1.024
PMSA New Haven-Meriden, CT	1.015	1.018	*New Orleans, LA	1.000	1.004

SCHEDULE C - TABLE 2 - CONTRACT RENT AAFS FOR

PREPARED ON 111396

	HIGHEST COST UTILITY			HIGHEST COST UTILITY	
	INCLUDED	EXCLUDED		INCLUDED	EXCLUDED
PMSA New York, NY	1.016	1.018	*COUNTY Westchester, NY	1.016	1.018
PMSA Newark, NJ	1.016	1.018	PMSA Newburgh, NY-PA	1.016	1.018
PMSA Oakland, CA	1.006	1.005	*COUNTY Ohio, IN	1.012	1.030
PMSA Olympia, WA	1.008	1.008	PMSA Orange County, CA	1.000	1.000
*COUNTY Pendleton, KY	1.012	1.030	PMSA Philadelphia, PA-NJ	1.006	1.004
*COUNTY Pickens, GA	1.023	1.047	PMSA Pittsburgh, PA	1.015	1.018
PMSA Portland-Vancouver, OR-WA	1.019	1.021	PMSA Portsmouth-Rochester, NH-ME	1.019	1.024
PMSA Racine, WI	1.027	1.042	PMSA Riverside-San Bernardino, CA	1.000	1.000
*COUNTY St. James Parish, LA	1.000	1.004	MSA St. Louis, MO-IL	1.005	1.015
PMSA Salem, OR	1.019	1.021	MSA San Diego, CA	1.000	1.000
PMSA San Francisco, CA	1.006	1.005	PMSA San Jose, CA	1.006	1.005
PMSA Santa Cruz-Watsonville, CA	1.007	1.005	PMSA Santa Rosa, CA	1.007	1.005
PMSA Seattle-Bellevue-Everett, WA	1.008	1.008	PMSA Stamford-Norwalk, CT	1.016	1.018
PMSA Tacoma, WA	1.008	1.008	MSA Tampa-St. Petersburg-Clearwater, FL	1.012	1.015
PMSA Trenton, NJ	1.016	1.018	PMSA Vallejo-Fairfield-Napa, CA	1.007	1.005
PMSA Ventura, CA	1.000	1.000	PMSA Vineland-Millville-Bridgeton, NJ	1.007	1.004
*COUNTY Walton, GA	1.025	1.047	*COUNTY Warren, VA	1.009	1.012
*Washington, DC-MD-VA	1.010	1.011	PMSA Waterbury, CT	1.015	1.018
PMSA Wilmington-Newark, DE-MD	1.006	1.004	PMSA Worcester, MA-CT	1.019	1.024