

**U.S. Department of Housing and Urban Development**

**Special Attention of:**

All Multifamily Hub Directors  
All Multifamily Program Center  
Directors  
All Project Managers  
All Secretary's Representatives  
All Community Builders

**Notice** H 2001-08

Issued: 8-1-2001

Expires: 8-31-2002

Cross References:

**Subject** Fiscal Year 2001 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 2001 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 2000. 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: Atlanta - 0.7 percent; Chicago - 8.0 percent; New York - 16.5 percent; Philadelphia - 6.2 percent; Los Angeles - 1.7 percent; San Francisco - 31.9 percent; and Seattle - 15.9 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 seven cities listed above, the result thus obtained would be multiplied by part or all of the additional percentage, as needed.

**Distribution: W-3-1**

In accordance with the waiver authority provided in the Fiscal Year HUD Appropriations Act, (Pub. L. 105-377-Appendix A, 1141A-19), the Secretary is waiving the following statutory and regulatory provisions in the FY 2001 Program NOFAs for the Section 202 (66 FR 12269) and Section 811 (66 FR 12303) Programs as published in the Federal Register on February 26, 2001:

The term of the PRAC is reduced from 20 years to a minimum term of 5 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 any questions, please contact Frank Tolliver at (202) 708-0614, extension 3821.

John C. Weicher, Assistant Secretary for  
Housing-Federal Housing Commissioner

Attachments

NATIONAL AVERAGE FOR 2000 - 171.9

<u>CITIES</u>	<u>ANNUAL AVERAGE</u> 2000	<u>PERCENTAGE</u> <u>INCREASE</u>
Atlanta, GA	172.6	0.7
Chicago-Gary-Kenosha IL-IN-WI	179.9	8.0
Los Angeles-Riverside- Orange County, CA	173.6	1.7
NY-Northern NJ-Long Island, NY-NJ-CT-PA	188.4	16.5
Phil-Wilmington-Atlantic City, PA-NJ-DE-MD	178.1	6.2
San Francisco-Oakland- San Jose, CA	203.8	31.9
Seattle-Tacoma, Bremerton, WA	187.8	15.9

FISCAL YEAR 2001  
Operating Cost Standards  
Section 202 and 811

OFFICE

2001 OPERATING COST STANDARDS

**BOSTON HUB**

Boston	\$ 5,374
Hartford	5,063
Manchester	4,087
Bangor	4,206
Burlington	4,100
Providence	5,008

**NEW YORK HUB**

New York City	6,084
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**BUFFALO HUB**

Buffalo	4,283
Albany	4,385

**PHILADELPHIA HUB**

Charleston	4,023
Newark	5,267
Camden	4,775
Pittsburgh	3,896
Philadelphia	4,801
Wilmington	4,439

**BALTIMORE HUB**

Baltimore	4,178
Richmond	3,736
Washington	4,255

**GREENSBORO HUB**

Columbia	3,323
Greensboro	3,607

**ATLANTA HUB**

Atlanta	3,399
San Juan	3,323
Louisville	3,607
Knoxville	3,322
Nashville	3,193
Memphis	3,399

FISCAL YEAR 2001  
Operating Cost Standards  
Section 202 and 811

OFFICE

2001 OPERATING COST STANDARDS

**JACKSONVILLE HUB**

Jacksonville	3,294
Miami	3,525
Tampa	3,114
Birmingham	3,323
Jackson	3,424

**CHICAGO HUB**

Chicago	4,047
Indianapolis	3,840

**COLUMBUSHUB**

Cincinnati	3,866
Cleveland	4,308
Columbus	3,816

**DETROIT HUB**

Detroit	4,305
Grand Rapids	3,582

**MINNEAPOLIS HUB**

Milwaukee	3,918
Minneapolis	4,178

**FT. WORTH HUB**

Ft. Worth	3,607
Albuquerque	3,527
Lubbock	3,477
Houston	3,582
Little Rock	3,089
New Orleans	3,219
Shreveport	3,322
San Antonio	3,309

FISCAL YEAR 2001  
Operating Cost Standards  
Section 202 and 811

OFFICE

2001 OPERATING COST STANDARD

**KANSAS CITY HUB**

Des Moines	3,504
Kansas City	3,918
Topeka	3,452
Omaha	3,527
Oklahoma City	3,322
Tulsa	3,424
St. Louis	4,128

**DENVER HUB**

Denver	3,816
Casper	3,242
Fargo	3,242
Helena	3,527
Salt Lake City	3,346
Sioux Falls	3,219

**SAN FRANCISCO HUB**

Honolulu (Guam)	5,008
Reno	4,047
Phoenix	3,527
Sacramento	4,491
San Francisco	5,008

**LOS ANGELES HUB**

Los Angeles	4,674
San Diego	4,333
Santa Ana	4,674

**SEATTLE HUB**

Anchorage	7,145
Portland	3,736
Boise	3,634
Seattle	3,972
Spokane	3,892