

**FY 2003
HUD INCOME LIMITS
BRIEFING MATERIAL**

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FY 2003 INCOME LIMITS BRIEFING MATERIAL

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I. OVERVIEW OF HUD PUBLIC HOUSING/ SECTION 8 INCOME LIMITS

Overview

The Department of Housing and Urban Development (HUD) is required by law to set income limits that determine the eligibility of applicants for HUD's assisted housing programs. The major active assisted housing programs are the Public Housing program, the Section 8 Housing Assistance Payments program, and Section 202 housing for the elderly and Section 811 housing for persons with disabilities.

Income limits are calculated for metropolitan areas and non-metropolitan counties in the United States and its territories using the Fair Market Rent (FMR) area definitions used in the Section 8 program. They are based on HUD estimates of median family income, with adjustments for family size. Adjustments are also made for areas that have unusually high or low income to housing cost relationships.

The statutory basis for HUD's income limit policies is Section 3 of the U.S. Housing Act of 1937, as amended. Attachment 1 provides the key excerpts relevant to income limits, which may be summarized as follows:

- Low-income families are defined as families whose incomes do not exceed 80 percent of the median family income for the area.
- Very low-income families are defined as families whose incomes do not exceed 50 percent of the median family income for the area.
- The 1998 Act amendments establish a 30 percent of median family income program targeting standard.
- Income limits for non-metropolitan areas may not be less than limits based on the State non-metropolitan median family income level.
- Income limits are adjusted for family size.
- Income limits are adjusted for areas with unusually high or low family income or housing-cost-to-income relationships.
- The Secretary of Agriculture is to be consulted prior to establishing income limits for rural areas, since these limits also apply to certain Rural Housing and Community Development Service programs.

Median Income Estimates

Income limits start with the development of estimates of median family¹ income for the 356 metropolitan areas and 2,302 non-metropolitan FMR/income limit areas (including U.S. territories). Attachment 2 provides a detailed explanation of how median family income estimates are calculated. The major steps are as follows:

- Decennial Census 2000 income distributions are aggregated to the FMR/income limit area level, and mid-1999 estimates of median family income (MFI) are estimated based on these data.² (The Census asks for total income for 1999; the closest "as of" date for this reporting is mid-1999)
- The mid-1999 MFI Census-based estimate is updated to mid-2000 using the Census Current Population Survey (CPS) P-60 series data for 1999 and 2000.
- The American Community Survey (ACS) data for 2000 and 2001 were used to estimate state-level changes in family incomes. The ACS has larger samples than the CPS and provides more precise and localized income estimates, but it started too late to provide a good indicator of the change in incomes between mid-1999 and mid-2000.
- Bureau of Labor Statistics (BLS) data are used to calculate if areas within a state deserve a higher or lower income change factor than the state average. The state-level ratio of the BLS and CPS/ACS changes is used to produce local change factors.
- Delays in the availability of BLS, CPS, and ACS data mean that estimates need to be trended to produce a current estimate. There is a one and three-fourths year difference between the "as of" date of the CPS/ACS income change factors developed by HUD and the "as of" date of the HUD income estimates. The trending factor used is 3.5 percent per year, which is based on the average change in MFI's between the last two Censuses.

¹ Family refers to the Census definition of a family, which is a householder with one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The definition of family excludes one-person households.

² HUD calculates median family incomes using released Census income data aggregations rather than published Census MFI's based on non-aggregated data. Estimates based on non-aggregated data are more accurate, but the Census MFI's figures are not available for all geographical groupings and cannot be accurately used to update estimates for areas with changes in OMB area definitions. The HUD and Census estimates differ by a fraction of a percent for areas with comparable geographies. (Attachment 8 shows these differences by state.)

- For the outlying territories, which lack CSP or ACS coverage, the BLS wage change data are used as a surrogate measure of income change.

Accuracy of Median Income Estimates

The reliability of HUD income estimates can be measured by comparing FY 1999 HUD estimates with 2000 Census estimates.³ The "as of" dates that most closely approximate the mid-points in time of the MFI's for these two surveys differ slightly, and the estimation methodologies differ substantially. The FY 1999 HUD estimates were prepared in 1998 using 1990 Census data updated with 1989-1996 BLS and 1989-1997 CPS data. The 2000 Census estimates are based on income reported in early 2000 for calendar year 1999.

Attachment 3 provides information on comparisons of HUD and decennial Census estimates of median family income for 1999. While the time coverage is not identical, timing differences should account for no more than a 1-2 percent difference between income estimates. To summarize, Attachment 3 shows the following:

- The FY 1999 HUD estimate for the nation as a whole was 3.6 percent less than the 2000 Census national median family income, and 1.1 percent less than the Census CPS estimate used for updating decennial Census estimates.⁴ Most of the difference between the HUD and the decennial Census national estimates is that HUD uses CPS data to update decennial Census data.
- The HUD state non-metropolitan median income estimates used to set state minimum income limits were within 15 percent of the 2000 Census-based estimate for all States except Rhode Island and Vermont, where HUD estimates were significantly lower (24% and 17% respectively). The State estimates are of special interest because they are used to establish minimum income limits for about 55 percent of all non-metropolitan counties whose income limits would otherwise be lower.
- Standard deviations (i.e., a measure of the difference between Census and HUD estimates) were calculated by comparing HUD estimates with Census estimates. The standard deviations were:

³ The median family income for the nation as a whole increased 55 percent from 1990 to 2000.

⁴ The Census 2000 MFI was \$50,056; the mid-1999 HUD-equivalent estimate was \$48,278 (the FY 1999 estimate plus 1 percent); the Census CPS estimate was \$48,952. See attachment 3 for an explanation of trending.

- \$2,328 for State non-metropolitan median family income estimates;
 - \$2,563 for metropolitan areas; and,
 - \$3,288 for non-metropolitan counties.
- Fifty nine percent of the metropolitan areas had estimates within 5 percent of the Census estimate, and 90 percent had estimates within 10 percent. Almost thirty seven percent of the non-metropolitan areas had estimates within 5 percent of the Census estimates and 66 percent were within 10 percent.
 - A large part of the differences in HUD and Census estimates are attributable to states that did not follow Census division income change patterns provided from CPS data. The Census divisions were the lowest geographical level at which income changes could reasonably be estimated until the start of the American Community Survey, which produces state-level estimates that HUD has started to use with its FY 2003 median family income estimates.

Income Limit Calculations

HUD's Public Housing/Section 8 very low-income and low-income limits are calculated in accordance with Section 3(b)(2) of the U.S. Housing Act of 1937, as amended. The very-low income limits (usually based on 50 percent of MFI) are considered to have the strongest statutory basis, partly because they are so well-defined and have been the subject of specific legislative adjustments, and partly because other income limits are linked to their calculation. Because there are currently several legislated income limit standards (e.g., 30%, 50%, 60%, 65%, 80%, 95%, 100%, 115%, 125%) which were intended to have progressive relationships, the very low income limits have been used as the basis for deriving other income limits (e.g., otherwise low-income limits would be less than very low income limits in areas where very low income limits had been adjusted upward by more than 60 percent because of unusually low area median family incomes).

Very Low-Income Limits: Very low-income limits are calculated using a set of formula relationships. The first step is to calculate a four-person income limit equal to 50 percent of the estimated area median family income. Adjustments are then made if this estimate is outside formula constraints.

More specifically, the very low-income limit for a four-person family is calculated as follows:

- (1) 50 percent of the area median family income is calculated and set as the preliminary four-person family income limit;

- (2) if it is lower, the four-person income limit is increased to the amount at which 35 percent of it equals 85 percent of the annualized two-bedroom Section 8 FMR (this adjusts income limits upward for areas where rental housing costs are unusually high in relation to the median income);
- (3) if it is higher, the four-person income limit is reduced to the greater of the amount at which 30 percent of it equals 100 percent of the two-bedroom FMR or 80 percent of the U.S. median family income level (this adjusts income limits downward for areas of unusually high median family incomes);
- (4) to minimize program management problems, income limits are held at FY 2002 levels for areas where lower income limits would result because of FMR reductions; and,
- (5) in no instance are income limits less than if based on the State non-metropolitan median family income level.

Table 1 summarizes the rules governing very low-income limit determinations:

Table 1
Summary of Income Limits Determinations for
FY 2003 Very Low Income Limits

	Type Income Limit Calculation	Non-metro Counties	Metropolitan Areas
1.	Limits based on 50% of local median family income	669	196
2.	Limits based on State nonmetropolitan median family income level	1,273	33
3.	Limits increased to the amount at which 35% of 4-person family's income equals 85% of the 2-bedroom Section 8 FMR	7	10
4.	Limits decreased to the greater of 80% of the U.S. median family income or the amount at which 30% of a 4-person family's income equals 100% of the 2-bedroom FMR	1	1
5.	Limits maintained at last year's level if they would otherwise be decreased by Census rebenchmarking or reductions in FMRs	352	116

In implementing the 1987 HCD Act amendment that established minimum income limits for non-metropolitan areas based on the State non-metropolitan median family income level, HUD used its discretion to apply this policy to metropolitan areas. This avoids the inequitable anomaly of assigning higher income limits to a non-metropolitan county than are assigned to an adjacent metropolitan area whose median family income is less than the State non-metro level but above the non-metro county's level.

Low-Income Limits: Most four-person low-income limits are the higher of 80 percent of the area median family income or 80 percent of the State non-metropolitan median family income level. Because the very low income limits are not always based on 50 percent of median, calculating low income limits as 80 percent of median would produce anomalies inconsistent with statutory intent (e.g., very low income limits could be higher than low income limits). The calculation normally used, therefore, is to set the four-person low-income limit at 1.6 (i.e., 80%/50%) times the relevant four-person very low-income limit. The only exception is that the resulting income limit may not exceed the U.S. median family income level (\$50,056 for FY 2003) except when justified by high housing costs. Use of very low-income limits as a starting point for calculating other income limits tied to Section (3)(b)(2) of the U.S. Housing Act of 1937 has the effect of adjusting income limits in areas where the very low income limits have been adjusted because of unusually high or low housing-cost-to-income relationships.

HUD has adjusted low-income limits for areas of unusually high or low income since passage of the 1974 legislation that established the basic income limit system now used. Underlying the decision to set minimum and maximum low-income limits is the assumption that families in unusually poor areas should be defined as low-income if they are unable to afford standard quality housing even if their incomes exceed 80 percent of the local median family income. Similarly, families in unusually affluent areas are not considered low-income even if their income is less than 80 percent of the local median family income level unless justified by area housing costs.

Table 2 summarizes the rules governing low-income limit determinations and how many areas are affected by each provision:

Table 2
Summary of Income Limits Determinations
for FY 2003 Low Income Limits

	Type Income Limit Calculation	Non-metro Counties	Metropolitan Areas
1.	Limits based on 80% of local median family income	656	181
2.	Limits based on State nonmetropolitan median family income level	1,273	33
3.	Limits increased for high housing costs proportional to such increases for very low-income limits (i.e., set at 80/50ths of the adjusted very low-income limits)	7	15
4.	Limits decreased because of unusually high incomes in relationship to housing costs	0	0
5.	Four-person base low-income limit capped at the higher of the U.S. median of \$56,500 or 80/50ths of the minimum 4-person very low-income limit	20	30
6.	Limits maintained at last year's level if they would otherwise be decreased by Census rebenchmarking or reductions in FMRs	346	97

30 Percent of Area Median Family Income Limits: The Quality Housing and Work Responsibility Act of 1998 established a new income limit standard based on 30 percent of median family income. The Act specified that the standard could be adjusted for areas of unusually high or low family income. Another statutory change was made in 1999 to clarify that these income limits should be tied to the Section 8 very low-income limits. The 30 percent income limits therefore are calculated as 30/50ths (60 percent) of the Section 8 very low-income limits. They are then checked against Supplemental Security Income (SSI) benefits, which provide the minimum entitlement income for elderly and disabled households. The one-person 30 percent income limits are increased if they would otherwise be less than the minimum SSI level.

Family Size Adjustments

The statutory guidance governing income limits requires that income limits are to be higher for larger families and lower for smaller families. The same family size adjustments are used for all income limits. They are as follows:

Number of Persons in Family and Percentage Adjustments

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>
70%	80%	90%	Base	108%	116%	124%	132%

Income limits for families with more than eight persons are not included in the printed lists because of space limitations. For each person in excess of eight, 8 percent of the four-person base should be added to the eight-person income limit. (For example, the nine-person limit equals 140 percent [132 + 8] of the relevant four-person income limit.) Income limits are rounded to the nearest \$50.

Income Limit Applications

HUD income limits apply to the following programs:

<u>Program</u>	<u>Income Limits Standard</u>
Dept. of HUD:	
Public Housing	Very low-income or low-income standards
All Section 8 Programs	Very low-income or low-income standards
Indian Housing (1996 Act)	"Low-Income" is defined as the greater of 80% of the median family income for the Indian area or of the U.S. national median family income
Section 202 Elderly and Section 811 Handicapped programs	Very low-income or low-income standards
Section 235 (Homeownership program)	"95 percent" of area median income, or higher cost-based income limits
Section 236 (Rental program)	Low-income standard
Section 221(d) (3) (BMIR) (Below Market Interest Rate rental program)	"95 percent" of area median income, defined as 95/80ths of low-income definition
Community Planning and Development programs	Very low-income or low-income standards for current programs under management

HOME Investment Partnerships Act of 1990	"60 percent of median" and "65 percent of median" are used as income targeting and qualification requirements; both limits are tied to Section 8 income limit determinations
National Homeownership Trust Act of 1990	"95 percent" of median is referenced as the eligibility standard, with a "115 percent" of median standard for high cost areas
Low-Income Housing Preservation and Resident Homeownership Act of 1990	Affordability of units for current occupant of "moderate income" affects terms under which mortgage may be prepaid; "moderate income" is defined as 80-95 percent of median, with "80 percent" defined as the Section 8 low-income standard

Rural Housing and Community Development Service:

Rental and ownership assistance programs	Assistance based on HUD Section 8 very low-income or low-income standards, or income limits tied to these standards
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Dept. of Treasury:

Low Income Rental Tax credits and Tax-exempt Rental Housing Bonds	Current standard is Section 8 very low-income standard or 120% of that definition (i.e., the "60%" of median standard)
Tax-exempt Mortgage Revenue Bonds for homeownership financing	Generally set at 115% of area median income, with "115%" defined as 230% of the Section 8 very low-income standard
"Difficult-to-Develop" Area Designation	Areas with the worst housing cost problems use the FMR-to-median family-income ratio as an indicator of problems; this designation is awarded to 20 percent of the metro and non-metro areas (using HUD area definitions) with the most severe problems and is recalculated annually; such areas receive special additional tax benefits under this program
"Qualified Census Tract" (Tax Credit Program Definition)	Areas, as defined by the Census, where 50% of all households have incomes less than 60 percent of the area median family income, adjusted for household size; such areas receive special additional tax benefits under this program; this calculation is based on 1990 Census data and income limit policies and area definitions in effect as of the date estimates are prepared
"Qualified Census Tract" (Mortgage Revenue Bond Program)	Areas, as defined by the Census, where 50% of all families have incomes less than 80 percent of the area median family income, based on 1990 Census data

Federal Deposit Insurance Corporation:

Disposition of Multifamily Housing to Non-profit and	Not less than 35 percent of all dwelling units must be made available for occupancy and be affordable for low-income families, and at
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Public Agencies least 20 percent must be made available for occupancy and be affordable for every low-income families. An "affordable rent" is defined as the rent that would be paid by a family paying 30 percent of income for rent whose income is "65 percent of median". This 65 percent figure is defined in relation to the very low-income standard (i.e., normally as 65/50ths of the standard)

Disposition of Single Family Housing For rentals, priority is given to non-profits and public agencies that make the dwellings affordable by low-income households. Households who intend to occupy a dwelling as their primary residence whose adjusted income does not exceed 115 percent of area median income, as determined by the Secretary of HUD, are given a purchase priority for the first 3 months a property is for sale.

Federal Housing Finance Board:

Rental program funding Priorities Very low-income, "60% of median" (defined as 120% of very low-income), and low-income standards used

Homeownership funding priorities 115% and 140% of median family income limits are used

Other Federal Banking Regulatory Provisions:

Targeting of loan funds to low-income households and areas Varies by agency

Veterans Administration

Eligibility of disability income support payments to veterans Eligibility for non-service related income support payments is restricted to families with incomes below the HUD low-income standard

ATTACHMENT 1

U.S. HOUSING ACT OF 1937 PROVISIONS
RELATED TO INCOME LIMITS
(As Amended through 1999)

Section 3:

(a) (1) Dwelling units assisted under this Act shall be rented only to families who are low-income families at the time of their initial occupancy of such units.....

(b) When used in this Act:

(1) The term "low-income housing" means decent, safe, and sanitary dwellings assisted under this Act....

(2) The term "low-income families" means those families whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceiling higher or lower than 80 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low family incomes. The term "very low-income families" means lower income families whose incomes do not exceed 50 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes. Such ceilings shall be established in consultation with the Secretary of Agriculture for any rural area, as defined in section 520 of the Housing Act of 1949, taking into account the subsidy characteristics and types of programs to which such ceilings apply. In determining median incomes (of persons, families, or households) for an area or establishing any ceilings or limits based on income under this Act, the Secretary shall determine or establish area median incomes and income ceilings and limits for Westchester and Rockland Counties, in the State of New York, as if each such county were an area not contained within the metropolitan statistical area in which it is located. In determining such area median incomes or establishing such income ceilings or limits for the portions of such metropolitan statistical area that does not include Westchester or Rockland Counties, the Secretary shall determine or establish area median incomes and income ceilings and limits as if such portion included Westchester and Rockland Counties. In determining areas that are designated as difficult development areas for the purposes of the low-income housing tax credit, the Secretary shall include Westchester and Rockland Counties, New York, in the New York City metropolitan area.

Section 16:

Sec. 16. (a) Income Eligibility for Public Housing

(2) (A) Targeting.—Except as provided in paragraph 4, of the public housing dwelling units of a public housing agency made available for occupancy in any fiscal year by eligible families, not less than 40 percent shall be occupied by families whose incomes at the time of commencement of occupancy do not exceed 30 percent of the area median income, as determined by the Secretary with adjustments for smaller and larger families.

(4) (D) Fungibility Floor.- Notwithstanding any authority under subparagraph (A), of the public housing dwelling units of a public housing agency made available for occupancy in any fiscal year by eligible families, not less than 30 percent shall be occupied by families whose incomes at the time of commencement of occupancy do not exceed 30 percent of the area median income, as determined by the Secretary with adjustments for smaller and larger families; except that the Secretary may establish income ceilings higher or lower than 30 percent of the area median income on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

Sec. 16. (b) Income eligibility for Tenant-Based Section 8 Assistance

(1) IN GENERAL.-Of the families initially provided tenant-based assistance under section 8 by a public housing agency in any fiscal year, not less than 75 percent shall be families whose incomes do not exceed 30 percent of the area median income, as determined by the Secretary with adjustments for smaller and larger families; except that the Secretary may establish income ceilings higher or lower than 30 percent of the area median income on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

Sec. 16. (c) Income Eligibility for Project-based Section 8 Assistance

(1) Pre-1981 Act Projects.-Not more than 25 percent of the dwelling units that were available for occupancy under section 8 housing assistance payments contracts under this Act before the effective date of the Housing and Community Development Amendments of 1981, and which will be leased on or after such effective date shall be available for leasing by lower income families other than very low-income families.

(2) Post-1981 Act Projects.-Not more than 15 per cent of the dwelling units which became available for occupancy under section 8 housing assistance payments contracts under this Act on or after the effective date of the Housing and Community Development Amendments of 1981 shall be available for leasing by lower income families other than very low income families.

(3) Targeting.-For each project assisted under a contract for project-based assistance, of the dwelling units that become available for occupancy in any fiscal year that are assisted under the contract, not less than 40 percent shall be available for leasing only by families whose incomes at the time of commencement of occupancy do not exceed 30 percent of the area median income, as determined by the Secretary with adjustments for smaller and larger families.

(5) Exception.-The limitations established in paragraphs (1), (2), and (3) shall not apply to dwelling units made available under project-based contracts under section 8 for the purpose of preventing displacement, or ameliorating the effects of displacement.

Section 567 of the HCD Act of 1987 Amendment Affecting Section 3 of the 1937 Act:

"For purposes of calculating the median income for any area that is not within a metropolitan statistical area (as established by the Office of Management and Budget) for programs under title I of the Housing and Community Development Act of 1974, the United States Housing Act of 1937, the National Housing Act, or title V of the Housing Act of 1949, the Secretary of

Housing and Urban Development or the Secretary of Agriculture (as appropriate) shall use whichever of the following is higher:

- (1) the median income of the county in which the area is located; or,
- (2) the median income of the entire non-metropolitan area of the State.

ATTACHMENT 2

HUD METHODOLOGY FOR ESTIMATING FY 2003 MEDIAN FAMILY INCOMES (ECONOMIC AND MARKET ANALYSIS DIVISION, OFFICE OF ECONOMIC AFFAIRS, PD&R)

FY 2003 HUD estimates of median family income are based on 2000 Census data estimates updated with a combination of local Bureau of Labor Statistics (BLS) data, Census American Community Survey (ACS) State data, and Census Current Population Survey (CPS) data. Separate median family income estimates (MFIs) are calculated for all Metropolitan Statistical Areas (MSAs), Primary Metropolitan Statistical Areas (PMSAs), and nonmetropolitan counties.

The income adjustment factors used to update the 2000 Census-based estimates of Median Family incomes (MFIs) are developed in several steps. Census CPS and ACS survey data are used to develop national and state level estimates of change in median family incomes. BLS wage data used as an indicator of relative change within states. Annual data on median family incomes are available at the national and regional level from the CPS. Starting in 2000, state-level income data became available from the ACS, and ACS-based estimates will eventually be available for metropolitan areas and nonmetropolitan counties. CPS P-60 national data were used to cover the period between the 2000 Census and the first ACS data. Local BLS wage data are available to identify areas with income changes that are above or below average State-level changes.

The Census, ACS, and CPS estimates are all based on different samples, different timing, somewhat different methodologies, and produce somewhat different estimates.⁵ The year-to-year change for these data sets (e.g., the national CPS MFI from one year to the next) should, however, be reliable and reasonably consistent over time. The decennial Census has the largest samples, but is only available every 10 years and is sometimes subject to non-response bias. The ACS has relatively large samples, will produce annual estimates, and should be less subject to non-response bias than the Census. Because of smaller sample sizes, the CPS provides less precise estimates than the ACS.

Estimates of income need to be associated with a point in time. This poses the need to attribute an "as of" date to estimates when such dates are not explicitly defined. The 2000 Census income data, for instance, are based on questions regarding total income for 1999. For most households, income for a year is based on an income stream with at least some changes during year. For purposes of estimation, HUD therefore assumes that the 2000 Census income estimates have an "as of" date of mid-1999. For the same reason, it assumes that March CPS income estimates, which are based on responses to questions about the previous year's total income, also have a mid-year "as of" date.

ACS estimates present a more complex timing issue, because they are based on samples drawn throughout a year that ask about income for the previous 12 months. Adjustments are made to incomes collected prior to December to make them approximate December reporting. Income figures collected in January are inflated by the CPI change from January to December of that year, the February changes are inflated from February to December, etc. If median income changes during the year (which are not known when the estimates are done) exactly paralleled the CPI changes, an ACS-based median family income estimate would approximate a median family income estimate

⁵ The national MFI from the Census was \$50,046; the March 2000 CPS produced a MFI estimate of \$48,952; and the first ACS survey, which collected data during the course of 2000 and effectively represented a measurement a year after those of the other surveys, had a MFI estimate of \$49,628.

based on surveying all respondents in December. That, in turn, means that the ACS income data have an approximate "as of" date of the middle of the year if median incomes changed at the same pace during the course of a year.

The importance of the "as of" assumptions becomes less important over time. After the initial income estimates are produced, annual updates are estimated using the same data sources. Any estimation error or bias associated with the "as of" assumptions affects only the first year a data series starts to be used. The impact of this type of bias cannot be measured but, since it is a fixed amount and incomes increase over time, the effect should be modest. The potential for bias is further mitigated by the fact that the CPI and CPS changes for the period in question were very similar at the national level.

The step-by-step normal procedures used to develop FY 2003 estimates are as follows:

1. The 2000 Census was used to estimate what is treated as a mid-1999 median family income point-in-time estimate.
2. The March 2000 and 2001 CPS surveys were used to measure the change in the national median family income level from mid-1999 to mid-2000, which was 3.57 percent. (Divisional CPS estimates were not used, because it is questionable whether they improve estimation accuracy if used only for one year.)
3. The 2000 and 2001 American Community Surveys were used to estimate the change in national and State MFIs for the mid-2000 to mid-2001 period. (The national change for this period was 2.4 percent.) The ACS income change factors for the nation and each State for the 2000-2001 period were calculated as follows:

$$\frac{\text{ACS MFI (2001)}}{\text{ACS MFI (2000)}} = \frac{\text{1-year increase factor for ACS Median Family Income}}{\text{ACS Median Family Income}}$$

4. The State and local (metropolitan areas and nonmetropolitan counties) BLS average wage changes for all employees for the 1999-2000 period were calculated:

$$\frac{\frac{\text{BLS Wages (2000)}}{\text{BLS Employees (2000)}}}{\frac{\text{BLS Wages (1999)}}{\text{BLS Employees (1999)}}} = \text{1 year BLS wage increase factor}$$

5. The sum of the 1999-2000 CPS MFI change and the 2000-2001 ACS State MFI change is compared with the 1999-2000 BLS wage change to provide a means of calculating a BLS wage adjustment factor. This factor, when multiplied by the State-level BLS wage change, produces the CPS/ACS 1999-2001 State change factor. The advantage of constructing this factor is that it provides a means of using BLS data to measure differential patterns of income change within a State which, in total, will equal the CPS/ACS measured change.

$$\frac{\frac{\text{2-year MFI increase factor at State level from ACS and CPS}}{\text{1-year increase factor for State BLS Wages}}}{\text{1-year increase factor for State BLS Wages}} = \frac{\text{Ratio of State ACS\&P-60 MFI changes to ratio of State BLS wage changes}}{\text{Ratio of State ACS\&P-60 MFI changes to ratio of State BLS wage changes}}$$

6. Calculate the 1999-2001 increase factors for the individual metropolitan areas and nonmetropolitan counties by applying the CPS/ACS/BLS State-level factor from steps 5 to local BLS data:

$$\frac{\text{Local BLS Wages (2000)}}{\text{Local BLS Employees (2000)}} * \frac{\text{Ratio of State ACS\& P-60 MFI to State BLS wages}}{\text{Mid-1999 to mid-2001 adjustment factor for MSA or County}} =$$

7. Convert the step 6 mid-1999 to mid-2001 adjustment factor to a mid-1999 to April 1, 2003 change factor by applying an annual trending figure of 3.5 percent for 21 months (i.e., mid-2001 to the mid-point of Fiscal Year 2003 [April 1, 2003]). This 6.125 percent trending is needed because of lags in Bureau of Labor Statistics, ACS and P-60 Series data availability. (The 3.5 percent trending factor is based on national income change patterns over the 1990-2000 period; it is the 10th root of the change in Census 1990 median family income to Census 2000 median family income.)

$$(\text{Step 6 adj. factor}) * 1.06125 = \text{mid-1999 to April 1, 2003 adjustment factor}$$

8. Calculate median family incomes for FY 2003 by multiplying the step 1 Decennial Census-based estimate of median family income by the income adjustment factor derived in Step 7:

$$2000 \text{ Census Median Family Income} * \text{Step 7 factor} = \text{FY 2003 MFI est.}$$

9. American Housing Survey data will be reviewed on an ongoing basis for information about area incomes. There was no metropolitan areas AHS in 2000, so as to avoid conflicts with Census taking.
10. During intercensal periods, median family income estimates are normally frozen if they would otherwise be less than the previous year's estimate. Since this year's estimates rebenchmark median family income estimates with the 2000 Census, some estimates are less than the 2002 estimates.

ATTACHMENT 3

COMPARISON OF FY 1999 HUD AND 2000 CENSUS MEDIAN FAMILY INCOME ESTIMATES

Procedures:

- All estimates relate to median family incomes. The Census definition of "family" is used (i.e., two or more persons related by blood or marriage). Estimates relate to the universe of all families, and are not intended to apply to a specific family size.⁶
- HUD FY 1999 estimates were based on 1990 Census income data (mid-1989 income levels) updated with Census P-60 Census Division level data, Bureau of Labor Statistics data, and American Housing Survey data (available only for a small number of metropolitan areas). Survey data for updating at the time the estimates were prepared were available only through mid-1997. The 1990 Census numbers were therefore updated to mid-1997 and trended to mid-FY 1999.
- The FY 1999 HUD median family income estimates have an estimation date of April 1, 1999. The 1990 Census median family income estimates have an average estimation date of July 1, 1989. HUD estimates were increase by 1 percent for the three-month difference. The 1 percent figure was used because it equals one-fourth of the annual income trending rate of 4 percent in use in that year.
- The comparison made is between the HUD estimates published for FY 1999, adjusted by 1 percent, and median family income estimates for mid-1999 derived from the 2000 Census.

Findings:

1. State-level HUD estimates typically were within 15 percent of the Census estimates. All but three HUD State-wide estimates were within 15 percent. All but two HUD non-metro State estimate (non-metro Rhode Island and non-metro Vermont, 24% and 17% respectively) were within a 15 percent range of the Census-based estimates. The highest estimation difference was 24 percent.
2. The standard error for State-level non-metropolitan estimates, which are used as the basis for setting income limits for over half the areas in the country, was \$2,328.
3. The standard error for all metropolitan areas was \$2,563 on a base of \$49,996. This error accumulated over a 10-year estimation period during which incomes increased by over 55 percent. The non-metropolitan standard error was \$3,288 on a base of \$39,095. When these estimates are weighted by the number of families in the respective areas, errors were about one-third less.
4. A summary comparison of HUD and Census median family income estimates shows the following:

⁶ For purposes of HUD income limit calculations, median family income estimates are linked to a family size of four persons. For instance, the 50 percent of median, Very Low-Income limit for a family of four is usually set at 50 percent of the median family income for all families. HUD then adjusts this figure to assign higher income limits for larger families and lower income limits for smaller families. Actual median family incomes tend to be lower for larger families despite their higher costs, which is why actual relationships are not used.

**FY 1999 HUD INCOME ESTIMATES COMPARED
WITH 2000 CENSUS MEDIAN FAMILY INCOME ESTIMATES**

Percent HUD Estimates Differ from Census	# Metro Areas	Percent Metro Areas	# Non-metro Areas	Percent Non-metro Areas
25%+ High	0	0.0%	4	0.2%
20-25% High	0	0.0%	5	0.2%
15-20% High	0	0.0%	18	0.8%
10-15% High	3	0.9%	37	1.6%
5-10% High	13	3.7%	122	5.3%
Within 5%	206	57.9%	849	36.9%
5-10% Low	96	27.0%	514	22.3%
10-15% Low	27	7.6%	352	15.3%
15-20% Low	11	3.1%	213	9.3%
20-25% Low	0	0.0%	104	4.5%
25%+ Low	0	0.0%	82	3.6%
Totals :	356	100.0%	2,300	100.0%

5. Almost eighty percent of all HUD metropolitan area estimates were within 10 percent of the Census median income figures. Incomes were both over and under estimated, sometimes by relatively large amounts.
6. Sixty-four percent of all HUD non-metropolitan estimates were within 10 percent of the Census median income figures. Over 90 percent of all estimates were within 20 percent of the Census estimates.

ATTACHMENT 4

AREAS WITH ADJUSTED FY 2003 VERY LOW INCOME LIMITS

METROPOLITAN AREA	FY2003 MEDIAN INCOME	50% OF MEDIAN	4-PERSON VLI LIMIT	TYPE OF VLI ADJUSTMENT
Decatur, AL MSA	48600	24300	26400	Historical Exception
Huntsville, AL MSA	59700	29850	30300	Historical Exception
Montgomery, AL MSA	51300	25650	26500	Historical Exception
Tucson, AZ MSA	48600	24300	24600	Historical Exception
Yuma, AZ MSA	38600	19300	20000	State Median Based
Las Vegas, NV--AZ MSA	54700	27350	28250	Historical Exception
Memphis, TN--AR--MS MSA	51000	25500	28650	Historical Exception
Bakersfield, CA MSA	42800	21400	22700	State Median Based
Chico--Paradise, CA MSA	43900	21950	22700	State Median Based
Fresno, CA MSA	41700	20850	22700	State Median Based
Los Angeles--Long Beach, Merced, CA MSA	50300	25150	28200	High Housing Cost
Oakland, CA PMSA	41400	20700	22700	State Median Based
Orange County, CA PMSA	76600	38300	40050	High Housing Cost
Redding, CA MSA	70000	35000	37800	Historical Exception
Salinas, CA MSA	43300	21650	22700	State Median Based
San Diego, CA MSA	55600	27800	28550	High Housing Cost
San Francisco, CA PMSA	59900	29950	31900	High Housing Cost
Santa Cruz--Watsonville, Ventura, CA PMSA	91500	45750	56550	High Housing Cost
Visalia--Tulare--Porterville, CA PMSA	74600	37300	37850	High Housing Cost
Yolo, CA PMSA	73600	36800	37350	Historical Exception
Yuba City, CA MSA	39100	19550	22700	State Median Based
Boulder--Longmont, CO PMS	55100	27550	28500	Historical Exception
Denver, CO PMSA	42200	21100	22700	State Median Based
Grand Junction, CO MSA	81900	40950	43500	Historical Exception
Pueblo, CO MSA	68000	34000	34950	Historical Exception
Danbury, CT PMSA	45500	22750	25100	State Median Based
New London--Norwich, CT--Stamford--Norwalk, CT PMS	42400	21200	25100	State Median Based
Waterbury, CT PMSA	95700	47850	45200	Low Housing CostU
Dover, DE MSA	65400	32700	34400	State Median Based
Wilmington--Newark, DE--M	110500	55250	55350	Historical Exception
Washington, DC--MD--VA--W	64600	32300	34400	State Median Based
Daytona Beach, FL MSA	51800	25900	26050	Historical Exception
Fort Lauderdale, FL PMSA	70000	35000	37950	Historical Exception
Fort Myers--Cape Coral, F	84800	42400	43500	Historical Exception
Fort Pierce--Port St. Luc	46600	23300	23350	Historical Exception
Jacksonville, FL MSA	56400	28200	30100	Historical Exception
Lakeland--Winter Haven, F	51700	25850	26050	Historical Exception
Miami, FL PMSA	49300	24650	26200	Historical Exception
Naples, FL MSA	54900	27450	27800	Historical Exception
Ocala, FL MSA	45300	22650	23500	Historical Exception
Orlando, FL MSA	43800	21900	24100	Historical Exception
Sarasota--Bradenton, FL M	61400	30700	34900	Historical Exception
Tallahassee, FL MSA	40600	20300	20800	Historical Exception
Tampa--St. Petersburg--Cl	52700	26350	27350	Historical Exception
West Palm Beach--Boca Rat	52600	26300	26700	Historical Exception
Atlanta, GA MSA	54500	27250	28600	Historical Exception
Chattanooga, TN--GA MSA	49700	24850	25250	Historical Exception
Boise City, ID MSA	60800	30400	31400	Historical Exception
Pocatello, ID MSA	68800	34400	35600	Historical Exception
Bloomington--Normal, IL M	48800	24400	25000	Historical Exception
Champaign--Urbana, IL MSA	53600	26800	27250	Historical Exception
Chicago, IL PMSA	45600	22800	23450	Historical Exception
Decatur, IL MSA	68100	34050	34650	Historical Exception
DeKalb County	58700	29350	29800	Historical Exception
Grundy County	67800	33900	34750	Historical Exception
Kankakee, IL PMSA	54600	27300	27700	Historical Exception
Kendall County	73200	36600	43500	Historical Exception
Peoria--Pekin, IL MSA	56900	28450	28900	Historical Exception
Rockford, IL MSA	57900	28950	29900	Historical Exception
Springfield, IL MSA	58500	29250	32450	Historical Exception
Elkhart--Goshen, IN MSA	56600	28300	29650	Historical Exception
Fort Wayne, IN MSA	58500	29250	29900	Historical Exception
Indianapolis, IN MSA	62900	31450	32050	Historical Exception
Kokomo, IN MSA	60000	30000	30950	Historical Exception
Lafayette, IN MSA	58500	29250	29400	Historical Exception

METROPOLITAN AREA	FY2003 MEDIAN INCOME	50% OF MEDIAN	4-PERSON VLI LIMIT	TYPE OF VLI ADJUSTMENT
Ohio County, IN	59100	29550	30650	Historical Exception
Terre Haute, IN MSA	47500	23750	26000	State Median Based
Louisville, KY--IN MSA	56200	28100	28150	Historical Exception
Cincinnati, OH--KY--IN PM	64000	32000	32150	Historical Exception
Cedar Rapids, IA MSA	65700	32850	33550	Historical Exception
Des Moines, IA MSA	63900	31950	33450	Historical Exception
Omaha, NE--IA MSA	63300	31650	32200	Historical Exception
Topeka, KS MSA	54400	27200	29600	Historical Exception
Wichita, KS MSA	54600	27300	29500	Historical Exception
Gallatin County	48400	24200	28450	Historical Exception
Grant County	48300	24150	24500	Historical Exception
Lexington, KY MSA	56200	28100	28150	Historical Exception
Pendleton County	48400	24200	26350	Historical Exception
Clarksville--Hopkinsville	44300	22150	22200	Historical Exception
Cumberland, MD--WV MSA	43100	21550	27400	Historical Exception
Hagerstown, MD PMSA	54400	27200	27400	Historical Exception
Barnstable--Yarmouth, MA	58700	29350	30150	State Median Based
New Bedford, MA PMSA	52700	26350	30150	State Median Based
Pittsfield, MA MSA	56000	28000	30150	State Median Based
Springfield, MA MSA	56800	28400	30150	State Median Based
Providence-Fall River	58400	29200	33650	State Median Based
Benton Harbor, MI MSA	52100	26050	27550	Historical Exception
Detroit, MI PMSA	66700	33350	34950	Historical Exception
Flint, MI PMSA	55200	27600	27800	Historical Exception
Grand Rapids--Muskegon--H	60900	30450	30650	Historical Exception
Minneapolis--St. Paul, MN	75300	37650	38350	Historical Exception
Rochester, MN MSA	69200	34600	37150	Historical Exception
Jackson, MS MSA	50600	25300	26550	Historical Exception
Lincoln, NE MSA	62400	31200	31300	Historical Exception
Reno, NV MSA	62100	31050	31150	Historical Exception
Bergen--Passaic, NJ PMSA	78800	39400	39450	Historical Exception
Jersey City, NJ PMSA	51600	25800	30050	Historical Exception
Middlesex--Somerset--Hunterdon	86900	43450	43500	Historical Exception
Vineland--Millville--Bridgeport	49900	24950	25100	Historical Exception
Santa Fe, NM MSA	61800	30900	31550	Historical Exception
Dutchess County, NY PMSA	67800	33900	34050	Historical Exception
Jamestown, NY MSA	43600	21800	23650	State Median Based
New York, NY PMSA	51900	25950	31400	Historical Exception
New York, NY PMSA	90100	45050	45700	Historical Exception
New York, NY PMSA	86600	43300	43500	Historical Exception
Charlotte--Gastonia--Rock	61800	30900	32050	Historical Exception
Goldsboro, NC MSA	45200	22600	22650	Historical Exception
Greensboro--Winston-Salem	55500	27750	28050	Historical Exception
Hickory--Morganton--Lenoi	49800	24900	25750	Historical Exception
Jacksonville, NC MSA	41300	20650	22600	State Median Based
Raleigh--Durham--Chapel H	69800	34900	35650	Historical Exception
Rocky Mount, NC MSA	46200	23100	24400	Historical Exception
Brown County	48500	24250	26500	Historical Exception
Cleveland--Lorain--Elyria	59900	29950	30000	Historical Exception
Dayton--Springfield, OH M	57700	28850	30100	Historical Exception
Steubenville--Weirton, OH	46300	23150	25300	State Median Based
Youngstown--Warren, OH MS	49600	24800	25300	State Median Based
Altoona, PA MSA	46200	23100	23700	State Median Based
Johnstown, PA MSA	42200	21100	23700	State Median Based
Williamsport, PA MSA	47100	23550	23700	State Median Based
Sumter, SC MSA	45900	22950	23050	State Median Based
Jackson, TN MSA	47400	23700	24600	Historical Exception
Johnson City--Kingsport--	42200	21100	21300	Historical Exception
Knoxville, TN MSA	49300	24650	26000	Historical Exception
Nashville, TN MSA	58300	29150	30800	Historical Exception
Austin--San Marcos, TX MS	66900	33450	35550	Historical Exception
Brownsville--Harlingen--S	30900	15450	20600	State Median Based
Dallas, TX PMSA	65000	32500	33250	Historical Exception
El Paso, TX MSA	37000	18500	20600	State Median Based
Fort Worth--Arlington, TX	60300	30150	30650	Historical Exception
Houston, TX PMSA	59100	29550	29800	Historical Exception
Laredo, TX MSA	32700	16350	20600	State Median Based
McAllen--Edinburg--Missio	28700	14350	20600	State Median Based

METROPOLITAN AREA	FY2003 MEDIAN INCOME	50% OF MEDIAN	4-PERSON VLI LIMIT	TYPE OF VLI ADJUSTMENT
San Angelo, TX MSA	43600	21800	22200	Historical Exception
Waco, TX MSA	45300	22650	23150	Historical Exception
Kane County	47300	23650	24200	State Median Based
Culpeper County	58600	29300	30700	Historical Exception
Danville, VA MSA	43000	21500	22700	State Median Based
King George County	63700	31850	31950	Historical Exception
Lynchburg, VA MSA	49300	24650	25000	Historical Exception
Richmond--Petersburg, VA	63800	31900	32950	Historical Exception
Roanoke, VA MSA	54400	27200	28150	Historical Exception
Seattle--Bellevue--Everet	71900	35950	38950	Historical Exception
Yakima, WA MSA	44900	22450	24350	State Median Based
Appleton--Oshkosh--Neenah	61700	30850	30950	Historical Exception
Green Bay, WI MSA	61500	30750	30950	Historical Exception
Janesville--Beloit, WI MS	58100	29050	29850	Historical Exception
Madison, WI MSA	71100	35550	35650	Historical Exception
Milwaukee--Waukesha, WI P	62600	31300	33600	Historical Exception
Racine, WI PMSA	59600	29800	32500	Historical Exception
Sheboygan, WI MSA	59400	29700	31350	Historical Exception
Aguadilla, PR MSA	15500	7750	9550	High Housing Cost
Arecibo, PR PMSA	16700	8350	13700	Historical Exception
Caguas, PR PMSA	20100	10050	11850	High Housing Cost
Mayagüez, PR MSA	17500	8750	11350	High Housing Cost
Ponce, PR MSA	16700	8350	13400	Historical Exception
San Juan--Bayamón, PR PMS	21500	10750	15050	High Housing Cost

ATTACHMENT 5

AREAS WITH ADJUSTED FY 2003 LOW INCOME LIMITS

METROPOLITAN AREA	FY2003 MEDIAN INCOME	50% OF MEDIAN	4-PERSON VLI LIMIT	TYPE OF VLI ADJUSTMENT
Decatur, AL MSA	48600	24300	42250	Historical Exception
Huntsville, AL MSA	59700	29850	48500	Historical Exception
Montgomery, AL MSA	51300	25650	42400	Historical Exception
Anchorage, AK MSA	73600	36800	56500	Capped by US Median
Tucson, AZ MSA	48600	24300	39350	Historical Exception
Yuma, AZ MSA	38600	19300	32000	State Median Based
Las Vegas, NV--AZ MSA	54700	27350	45200	Historical Exception
Memphis, TN--AR--MS MSA	51000	25500	45850	Historical Exception
Bakersfield, CA MSA	42800	21400	36300	State Median Based
Chico--Paradise, CA MSA	43900	21950	36300	State Median Based
Fresno, CA MSA	41700	20850	36300	State Median Based
Los Angeles--Long Beach, CA	50300	25150	45100	High Housing Cost
Merced, CA MSA	41400	20700	36300	State Median Based
Oakland, CA PMSA	76600	38300	64100	High Housing Cost
Orange County, CA PMSA	70000	35000	56500	Capped by US Median
Redding, CA MSA	43300	21650	36300	State Median Based
Salinas, CA MSA	55600	27800	45700	High Housing Cost
San Diego, CA MSA	59900	29950	51050	High Housing Cost
San Francisco, CA PMSA	91500	45750	90500	High Housing Cost
San Jose, CA PMSA	105500	52750	82100	High Housing Cost
Santa Cruz--Watsonville,	74600	37300	60550	High Housing Cost
Santa Rosa, CA PMSA	71500	35750	56500	Capped by US Median
Ventura, CA PMSA	73600	36800	56500	Capped by US Median
Visalia--Tulare--Portervi	39100	19550	36300	State Median Based
Yolo, CA PMSA	55100	27550	45600	Historical Exception
Yuba City, CA MSA	42200	21100	36300	State Median Based
Boulder--Longmont, CO PMS	81900	40950	56500	Capped by US Median
Denver, CO PMSA	68000	34000	55900	Historical Exception
Grand Junction, CO MSA	45500	22750	40150	State Median Based
Pueblo, CO MSA	42400	21200	40150	State Median Based
Bridgeport, CT PMSA	75200	37600	56500	Capped by US Median
Danbury, CT PMSA	95700	47850	56500	Capped by US Median
Hartford, CT MSA	73000	36500	56500	Capped by US Median
New Haven--Meriden, CT PM	71000	35500	56500	Capped by US Median
New London--Norwich, CT--	65400	32700	55050	State Median Based
Stamford--Norwalk, CT PMS	110500	55250	66950	High Housing Cost
Waterbury, CT PMSA	64600	32300	55050	State Median Based
Dover, DE MSA	51800	25900	41700	Historical Exception
Wilmington--Newark, DE--M	70000	35000	56500	Capped by US Median
Washington, DC--MD--VA--W	84800	42400	56500	Capped by US Median
Daytona Beach, FL MSA	46600	23300	37350	Historical Exception
Fort Lauderdale, FL PMSA	56400	28200	48150	Historical Exception
Fort Myers--Cape Coral, F	51700	25850	41700	Historical Exception
Fort Pierce--Port St. Luc	49300	24650	41900	Historical Exception
Jacksonville, FL MSA	54900	27450	44500	Historical Exception
Lakeland--Winter Haven, F	45300	22650	37600	Historical Exception
Miami, FL PMSA	43800	21900	38550	Historical Exception
Naples, FL MSA	61400	30700	55850	Historical Exception
Ocala, FL MSA	40600	20300	33300	Historical Exception
Orlando, FL MSA	52700	26350	43750	Historical Exception
Sarasota--Bradenton, FL M	52600	26300	42700	Historical Exception
Tallahassee, FL MSA	54500	27250	45750	Historical Exception
Tampa--St. Petersburg--Cl	49700	24850	40400	Historical Exception
West Palm Beach--Boca Rat	60800	30400	50250	Historical Exception
Atlanta, GA MSA	68800	34400	56500	Capped by US Median
Chattanooga, TN--GA MSA	48800	24400	40000	Historical Exception
Boise City, ID MSA	53600	26800	43600	Historical Exception
Pocatello, ID MSA	45600	22800	37500	Historical Exception
Bloomington--Normal, IL M	68100	34050	55450	Historical Exception
Champaign--Urbana, IL MSA	58700	29350	47700	Historical Exception
Chicago, IL PMSA	68700	34350	56500	Capped by US Median
Decatur, IL MSA	51500	25750	43450	Historical Exception
DeKalb County	64000	32000	54300	Historical Exception

METROPOLITAN AREA	FY2003 MEDIAN INCOME	50% OF MEDIAN	4-PERSON VLI LIMIT	TYPE OF VLI ADJUSTMENT
Grundy County	67800	33900	55600	Historical Exception
Kankakee, IL PMSA	54600	27300	44300	Historical Exception
Kendall County	73200	36600	56500	Capped by US Median
Peoria--Pekin, IL MSA	56900	28450	46250	Historical Exception
Rockford, IL MSA	57900	28950	47850	Historical Exception
Springfield, IL MSA	58500	29250	51900	Historical Exception
Elkhart--Goshen, IN MSA	56600	28300	47450	Historical Exception
Fort Wayne, IN MSA	58500	29250	47850	Historical Exception
Indianapolis, IN MSA	62900	31450	51300	Historical Exception
Kokomo, IN MSA	60000	30000	49500	Historical Exception
Lafayette, IN MSA	58500	29250	47050	Historical Exception
Ohio County	59100	29550	49050	Historical Exception
Terre Haute, IN MSA	47500	23750	41600	State Median Based
Louisville, KY--IN MSA	56200	28100	45050	Historical Exception
Cincinnati, OH--KY--IN PM	64000	32000	51450	Historical Exception
Cedar Rapids, IA MSA	65700	32850	53700	Historical Exception
Des Moines, IA MSA	63900	31950	53500	Historical Exception
Omaha, NE--IA MSA	63300	31650	51500	Historical Exception
Topeka, KS MSA	54400	27200	47350	Historical Exception
Wichita, KS MSA	54600	27300	47200	Historical Exception
Gallatin County	48400	24200	45500	Historical Exception
Grant County	48300	24150	39200	Historical Exception
Lexington, KY MSA	56200	28100	45050	Historical Exception
Pendleton County	48400	24200	42150	Historical Exception
Clarksville--Hopkinsville	44300	22150	35500	Historical Exception
Cumberland, MD--WV MSA	43100	21550	43850	Historical Exception
Hagerstown, MD PMSA	54400	27200	43850	Historical Exception
Barnstable--Yarmouth, MA	58700	29350	48250	State Median Based
Boston, MA--NH PMSA	80800	40400	62650	High Housing Cost
Lawrence, MA--NH PMSA	74300	37150	56500	Capped by US Median
Lowell, MA--NH PMSA	79700	39850	56500	Capped by US Median
New Bedford, MA PMSA	52700	26350	48250	State Median Based
Pittsfield, MA MSA	56000	28000	48250	State Median Based
Springfield, MA MSA	56800	28400	48250	State Median Based
Providence--Fall River--W	58400	29200	53850	State Median Based
Ann Arbor, MI PMSA	77700	38850	56500	Capped by US Median
Benton Harbor, MI MSA	52100	26050	44100	Historical Exception
Detroit, MI PMSA	66700	33350	55900	Historical Exception
Flint, MI PMSA	55200	27600	44500	Historical Exception
Grand Rapids--Muskegon--H	60900	30450	49050	Historical Exception
Minneapolis--St. Paul, MN	75300	37650	56500	Capped by US Median
Rochester, MN MSA	69200	34600	56500	Capped by US Median
Jackson, MS MSA	50600	25300	42500	Historical Exception
Lincoln, NE MSA	62400	31200	50100	Historical Exception
Reno, NV MSA	62100	31050	49850	Historical Exception
Nashua, NH PMSA	77800	38900	56500	Capped by US Median
Bergen--Passaic, NJ PMSA	78800	39400	56500	Capped by US Median
Jersey City, NJ PMSA	51600	25800	48100	Historical Exception
Middlesex--Somerset--Hunt	86900	43450	56500	Capped by US Median
Monmouth--Ocean, NJ PMSA	74100	37050	56500	Capped by US Median
Newark, NJ PMSA	79000	39500	56500	Capped by US Median
Trenton, NJ PMSA	76800	38400	56500	Capped by US Median
Vineland--Millville--Brid	49900	24950	40150	Historical Exception
Santa Fe, NM MSA	61800	30900	50500	Historical Exception
Dutchess County, NY PMSA	67800	33900	54500	Historical Exception
Jamestown, NY MSA	43600	21800	37850	State Median Based
Nassau--Suffolk, NY PMSA	83700	41850	59450	High Housing Cost
New York, NY PMSA	51900	25950	50250	Historical Exception
New York, NY PMSA	90100	45050	57900	High Housing Cost
New York, NY PMSA	86600	43300	56500	Capped by US Median
Charlotte--Gastonia--Rock	61800	30900	51300	Historical Exception
Goldsboro, NC MSA	45200	22600	36250	Historical Exception
Greensboro--Winston-Salem	55500	27750	44900	Historical Exception
Hickory--Morganton--Lenoi	49800	24900	41200	Historical Exception
Jacksonville, NC MSA	41300	20650	36150	State Median Based
Raleigh--Durham--Chapel H	69800	34900	56500	Capped by US Median
Rocky Mount, NC MSA	46200	23100	39050	Historical Exception

METROPOLITAN AREA	FY2003 MEDIAN INCOME	50% OF MEDIAN	4-PERSON VLI LIMIT	TYPE OF VLI ADJUSTMENT
Brown County, OH	48500	24250	42400	Historical Exception
Cleveland--Lorain--Elyria	59900	29950	48000	Historical Exception
Dayton--Springfield, OH M	57700	28850	48150	Historical Exception
Steubenville--Weirton, OH	46300	23150	40500	State Median Based
Youngstown--Warren, OH MS	49600	24800	40500	State Median Based
Altoona, PA MSA	46200	23100	37900	State Median Based
Johnstown, PA MSA	42200	21100	37900	State Median Based
Williamsport, PA MSA	47100	23550	37900	State Median Based
Sumter, SC MSA	45900	22950	36900	State Median Based
Jackson, TN MSA	47400	23700	39350	Historical Exception
Johnson City--Kingsport--	42200	21100	34100	Historical Exception
Knoxville, TN MSA	49300	24650	41600	Historical Exception
Nashville, TN MSA	58300	29150	49300	Historical Exception
Austin--San Marcos, TX MS	66900	33450	56500	Capped by US Median
Brownsville--Harlingen--S	30900	15450	32950	State Median Based
Dallas, TX PMSA	65000	32500	53200	Historical Exception
El Paso, TX MSA	37000	18500	32950	State Median Based
Fort Worth--Arlington, TX	60300	30150	49050	Historical Exception
Houston, TX PMSA	59100	29550	47700	Historical Exception
Laredo, TX MSA	32700	16350	32950	State Median Based
McAllen--Edinburg--Missio	28700	14350	32950	State Median Based
San Angelo, TX MSA	43600	21800	35500	Historical Exception
Waco, TX MSA	45300	22650	37050	Historical Exception
Kane County	47300	23650	38700	State Median Based
Culpeper County	58600	29300	49100	Historical Exception
Danville, VA MSA	43000	21500	36300	State Median Based
King George County	63700	31850	51100	Historical Exception
Lynchburg, VA MSA	49300	24650	40000	Historical Exception
Richmond--Petersburg, VA	63800	31900	52700	Historical Exception
Roanoke, VA MSA	54400	27200	45050	Historical Exception
Seattle--Bellevue--Everet	71900	35950	56500	Capped by US Median
Yakima, WA MSA	44900	22450	38950	State Median Based
Appleton--Oshkosh--Neenah	61700	30850	49500	Historical Exception
Green Bay, WI MSA	61500	30750	49500	Historical Exception
Janesville--Beloit, WI MS	58100	29050	47750	Historical Exception
Madison, WI MSA	71100	35550	56500	Capped by US Median
Milwaukee--Waukesha, WI P	62600	31300	53750	Historical Exception
Racine, WI PMSA	59600	29800	52000	Historical Exception
Sheboygan, WI MSA	59400	29700	50150	Historical Exception
Aguadilla, PR MSA	15500	7750	15300	High Housing Cost
Arecibo, PR PMSA	16700	8350	21900	Historical Exception
Caguas, PR PMSA	20100	10050	18950	High Housing Cost
Mayagüez, PR MSA	17500	8750	18150	High Housing Cost
Ponce, PR MSA	16700	8350	21450	Historical Exception
San Juan--Bayamón, PR PMS	21500	10750	24100	High Housing Cost

ATTACHMENT 6-A

FY 2002 - 2003 Distribution of changes in Area Median Income --
 (100 Percent = FY 2002 Income Level)
 Metropolitan areas

	Percent Change											
	75%	75%	80%	85%	90%	105%	110%	115%	120%	125%		%
	or less	to 80%	to 85%	to 90%	to 95%	in 5%	to 110%	to 115%	to 120%	to 125%	or more	Median
	1	2	3	4	5	6	7	8	9	10	11	12
AK					1	9	2				1	122
AL					1	9	2					102
AR				1		1	3	2				107
AZ						4	1					101
CA					2	9	8	4	2			105
CO					1	1	4	1				107
CT						4	1	2	1			106
DC					1							93
DE					1	1						96
FL				1	4	11	4					98
GA						7						102
HI						1						104
IA						5	1	1				100
ID						2						98
IL		1	1		3	8						98
IN					1	10	3					100
KS					2	2						98
KY		1			1	3	1		1			100
LA								3	2	3	1	119
MA						2	3	5				110
MD						2		1				102
ME							2	1	1			111
MI					2	4	3					100
MN					1	4	1	1				103
MO						3	1					104
MS					1		2					106
MT						2	1					102
NC					1	9	2					101
ND								1				112
NE						1						100
NH							1	1				110
NJ				1		5	2	1				100
NM						3						101
NV						1						100
NY		1				7	6	1				104
OH					1	8	3	1	1			103
OK								4				111
OR								2	3			115
PA							2	6	2	3		113
PR							1	2	2	1		115
SC						2	2	1	1			108
SD						2						101
TN					2	2						96
TX					1	11	7	6	2			107
UT							1	1			1	111
VA					1	7		1				99
VT								1				114
WA					1			2	3	2		117
WI					3	5	2					100
WV						1						113
WY							1			1		114
US		3	4	31	159	71	54	21	11	2		103

ATTACHMENT 6-B

FY 2002 - 2003 Distribution of changes in Area Median Income --
 (100 Percent = FY 2002 Income Level)
 Non-Metropolitan counties

	Percent Change											
	75%	75%	80%	85%	90%	105%	110%	115%	120%	125%		
	or less	to 80%	to 85%	to 90%	to 95%	in 5%	to 110%	to 115%	to 120%	to 125%	more	an
AK			1	1	2	4	1	1	2	12	122	
AL			3	7	20	6	2				98	
AR					13	13	9	15	6	7	111	
AZ	1					3	1	2	2	116		
CA		1	1	3	10	13	10	5	3	5	108	
CO						1			3	1	122	
CT						1					102	
DE			1	2	5	12	7	4		2	103	
FL		3	5	5	12	36	27	16	7	3	104	
GA					1						92	
GU						2		1			104	
HI											104	
IA	1			5	7	34	22	8	9	2	1	104
ID		2	1		6	21	5	2	2	1	1	100
IL		1	2	1	7	30	14	7	4	2	6	104
IN				1	5	25	11	11		1	1	103
KS	1			6	14	36	18	11	6	2	2	103
KY	2	1	1	5	10	25	20	15	5	6	8	106
LA						6	3	4	7	20	125	
MA						2	1	1	3	1		113
MD					1	6	2					99
ME						1	3	5	5	2		114
MI					2	14	14	15	8	3	2	109
MN			1		1	28	14	14	8	1	2	106
MO				2	6	38	20	14	4	8	1	105
MS			1	4	11	35	11	5	4	1	1	101
MT				1	5	14	15	9	5	3	1	106
NC					6	29	14	6	6	1	3	104
ND				1	3	8	7	13	8	4	5	111
NE	2	1	1		5	30	21	9	7	5	6	106
NH							1	2	2	4	1	117
NM	1			1		7	3	6	3	4	2	111
NV			2	1	3	4	1	2			1	97
NY					1	7	9	4	2	1		107
OH				1	2	19	13	6	2	3	3	105
OK						5	16	12	11	8	11	114
OR							4	4	5	8	5	119
PA					1	4	2	10	10	3	4	115
PR							1					106
RI									2			116
SC	1			1		9	9	5		4	1	106
SD	1		2	4	5	23	15	5	4	2	2	104
TN		1	9	13	19	17	5	2	1	1		94
TX	1		3	4	3	51	31	16	23	30	34	111
UT			1			7	4	3	3	3	3	110
VA			1	3	6	26	8	7	6		2	104
VI			1	1								86
VT								1	1	8	4	123
WA						1	2	2	8	5	9	120
WI			1	1	3	22	12	9		3	1	104
WV						3	4	8	10	4	14	117
WY					1	4	5	4	2	4	1	110
US	10	11	38	72	161	682	435	310	221	166	194	106

ATTACHMENT 7

FY 2003 MEDIAN FAMILY INCOMES FOR STATES, METROPOLITAN,
AND NONMETROPOLITAN PORTIONS OF STATES

	-----	FY 2003	-----	-----	1999	-----
	TOTAL	METRO	NONMETRO	TOTAL	METRO	NONMETRO
Alabama	46900	50600	39600	41866	45178	35392
Alaska	68200	73600	64800	59106	64188	55695
Arizona	52700	54600	40000	46840	48482	36239
Arkansas	43400	48900	38500	38768	43576	34741
California	60300	60900	45400	53597	54128	41832
Colorado	62200	64600	50200	56241	58317	46107
Connecticut	75400	75900	68800	65805	66083	60607
Delaware	62800	66700	50900	55407	58757	45214
Dist. of Columbia	52300	52300	na	46347	46347	na
Florida	50200	51000	41400	45675	46435	37621
Georgia	56700	63500	44300	49345	55110	39192
Hawaii	62200	65200	55100	57349	60142	50671
Idaho	46400	52500	42400	43698	48605	40907
Illinois	62200	65600	48200	55853	58901	43531
Indiana	56900	59300	52000	50317	52419	45939
Iowa	54900	61000	50800	48163	53536	44650
Kansas	52900	60800	44900	49646	57039	42281
Kentucky	46200	55500	38600	41054	49006	34673
Louisiana	46600	49300	39400	39798	42116	33557
Maine	47700	54800	44400	45188	52034	42029
Maryland	70700	72300	54700	62291	63641	48646
Massachusetts	72400	73100	60300	62024	62501	53012
Michigan	60500	63900	48300	53904	56909	43315
Minnesota	65100	72200	51700	57174	63222	46242
Mississippi	40700	48900	36500	37599	44952	33815
Missouri	54100	61200	43000	46127	52009	37039
Montana	43800	47200	42200	40545	43605	39145
Nebraska	55400	63800	48300	48133	55404	42143
Nevada	57600	57800	56000	51070	51162	50536
New Hampshire	66100	72400	58400	57967	63287	51551
New Jersey	74200	74200	na	65733	65733	na
New Mexico	43800	50100	36900	39480	45011	33588
New York	57400	58600	47300	52073	53149	43096
North Carolina	53000	57500	45200	46458	50290	40082
North Dakota	51800	59000	46800	43785	49854	39695
Ohio	56900	58700	50600	50044	51580	44769
Oklahoma	45900	50600	39400	40800	44859	35269
Oregon	56300	61100	45700	48751	52491	40819
Pennsylvania	56600	58800	47400	49236	51052	41696
Rhode Island	59100	58400	67300	53138	52636	59829
South Carolina	52400	55400	46100	44329	46777	39268
South Dakota	48800	55900	45200	43355	49922	40019
Tennessee	47200	51500	39800	43680	47585	37312
Texas	52100	54600	41200	45935	48132	36870
Utah	57100	60000	48400	51277	53843	43964
Vermont	55700	65600	52800	48776	57616	46214
Virginia	62500	68500	45400	54601	59750	40787
Washington	61200	64200	48700	54196	56860	43085
West Virginia	43000	49100	39100	36623	41683	33350
Wisconsin	58400	62100	52000	53282	56585	47514
Wyoming	51600	53700	50700	45712	46124	45506
US	56500	60300	45000	50056	53279	40547

ATTACHMENT 8-A

Distribution of Differences between HUD interpolated Medians --
& Census Published Medians - MSAs
(100 Percent = Census Median)

	90%	90%	92%	94%	96%	98%	102%	104%	106%	108%	110%	
	or	to	to	to	to	to	to	to	to	to	or	Medi-
	less	92%	94%	96%	98%	in 2%	104%	106%	108%	110%	more	an
	Percent Change											
	%											
AK					1							101
AL					12							100
AR					7							100
AZ					5							100
CA					24	1						100
CO					7							100
CT					8					1*		101
DC						1						103
DE					2							100
FL					20							100
GA					7							100
HI					1							100
IA					7							100
ID					2							100
IL					13							100
IN					13	1						100
KS					4							101
KY					5	2						100
LA					9							100
MA					10							101
MD					3							100
ME					4							101
MI					9							100
MN					7							100
MO					4							100
MS					3							100
MT					3							100
NC					12							100
ND					1							100
NE					1							101
NH					2							100
NJ					9							101
NM					3							101
NV					1							101
NY					13							100
OH					14							100
OK					4							100
OR					4	1						101
PA					13							100
PR					5	1						100
SC					6							100
SD					2							100
TN					4							100
TX					26	1						100
UT					3							100
VA					9							100
VT					1							101
WA					8							101
WI					10							101
WV					3							100
WY					2							100
US					346	8				1*		100

* This outlier is a result of special New England MSA definitions that Census plans to revise in mid-2003.

