

**FY 2004
HUD INCOME LIMITS
BRIEFING MATERIAL**

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FY 2004 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 2000 Census 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 2001.
- 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 determine 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 CPS or ACS coverage, the BLS wage change data are used as a surrogate measure of income change.
- In processing FY 2004 income adjustment factors it was noticed that some areas' factors were showing large increases or decreases that could not be verified with outside information. Consequently, three constraints were placed on these update factors: FY 2004 MFIs are not allowed to be more than 10% greater than FY 2003 MFIs; FY 2004 MFIs are not allowed to be more than 30% greater than 2000 Census MFIs³; and, FY 2004 MFIs are not allowed to be less than 2000 Census MFIs.

Accuracy of Median Income Estimates

The reliability of HUD income estimates can be measured by comparing FY 1999 HUD estimates with 2000 Census estimates.⁴ 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.⁵ Most of the difference between the HUD and the decennial Census national estimates is that HUD uses CPS data to update decennial Census data, and the CPS produced lower median family income estimates than the 2000 Census.

³ 30% represents $1.0357 \times 1.1 \times 1.1 \times 1.035 \times 1.02625$ rounded, which is the National CPS for 1999-2000 times 10% for two years times the trending factor all of which is meant to replicate a maximum reasonable amount of income growth for the period from 1999 census to April, 2004 the as of date of the FY 2004 Income limits.

⁴ The median family income for the nation as a whole increased 55 percent from 1990 to 2000.

⁵ The 2000 Census 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.

- 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:
 - \$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 2004 Very Low Income Limits

	Type Income Limit Calculation	Non-metro Counties	Metropolitan Areas
1.	Limits based on 50% of local median family income	744	236
2.	Limits based on State nonmetropolitan median family income level	1,290	35
3.	Limits increased to the amount at which 35% of 4-person family's income equals 85% of the 2-bedroom Section 8 FMR	5	12
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	262	72

In implementing the 1987 Housing Community Development 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 (\$57,500 for FY 2004) 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 2004 Low Income Limits

	Type Income Limit Calculation	Non-metro Counties	Metropolitan Areas
1.	Limits based on 80% of local median family income	726	213
2.	Limits based on State nonmetropolitan median family income level	1,290	35
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)	5	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 \$57,500 or 80/50ths of the minimum 4-person very low-income limit	21	30
6.	Limits maintained at last year's level if they would otherwise be decreased by Census rebenchmarking or reductions in FMRs	260	63

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 for 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 2004 MEDIAN FAMILY INCOMES (ECONOMIC AND MARKET ANALYSIS DIVISION, OFFICE OF ECONOMIC AFFAIRS, PD&R)

FY 2004 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 are 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.

In processing FY 2004 income adjustment factors it was noticed that some areas' factors were showing large increases or decreases that were not supportable with other locally available data for a small number of nonmetropolitan areas. After further analysis, three constraints were placed to control for unusual BLS changes caused by application of BLS data: FY 2004 MFIs are not allowed to be more than 10% greater than FY 2003 MFIs; FY 2004 MFIs are not allowed to be more than 30% greater than 2000 Census MFIs⁶; and, FY 2004 MFIs are not allowed to be less than 2000 Census MFIs. In all instances where these constraints are operative, unusual BLS changes that are not believed to be reflective of median family income changes had produced questionable FY 2003 median family income estimates.

The Census, ACS, and CPS estimates are all based on different samples, different timing, somewhat different methodologies, and produce somewhat different estimates.⁷ 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. The ACS has larger sample sizes than the CPS, and therefore produces more accurate estimates.

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

⁶ 30% represents $1.0357 \times 1.1 \times 1.1 \times 1.035 \times 1.02625$ rounded, which is the National CPS for 1999-2000 times 10% for two years times the trending factor all of which is meant to replicate a maximum reasonable amount of income growth for the period from 1999 census to April, 2004 the as of date of the FY 2004 Income limits.

⁷ 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.

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 the 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 relate to the middle of the previous calendar year.

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 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.

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.)

The 2000 and 2002 American Community Surveys were used to estimate the change in State MFIs for the mid-2000 to mid-2002 period. The ACS income change factors for each State for the 2000-2002 period were calculated as follows:

$$\frac{\text{ACS MFI (2002)}}{\text{ACS MFI (2000)}} = \text{2-year increase factor for ACS Median Family Income}$$

The State and local (metropolitan areas and nonmetropolitan counties) BLS average wage changes for all employees for the 1999-2001 period were calculated:

$$\frac{\text{BLS Wages (2001)}}{\text{BLS Employees (2001)}} = \text{2 year BLS wage increase factor}$$

$$\frac{\text{BLS Wages (1999)}}{\text{BLS Employees (1999)}}$$

The product of the 1999-2000 CPS National MFI change and the 2000-2002 ACS State MFI change is divided by the 1999-2001 BLS wage change to calculate a BLS based 1999 - 2002 state wage change factor. In the next step, this factor is multiplied by the local BLS wage change factor. The advantage of constructing this factor is that it provides a means of using local BLS data to measure differential patterns of income change within a State which, in total, will equal the CPS/ACS measured change.

$$\frac{\text{3-year MFI increase factor at State level from ACS and CPS}}{\text{2-year increase factor for State BLS Wages}} = \text{Ratio of State ACS \& P-60 MFI changes to ratio of State BLS wage changes}$$

Calculate the 1999-2002 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:

$$\frac{\text{Local BLS Wages (2001)}}{\text{Local BLS Employees (2001)}} * \frac{\text{Ratio of State ACS \& P-60 MFI to State BLS wages}}{\text{Mid-1999 to mid-2002 adjustment factor for MSA or County}}$$

$$\frac{\text{Local BLS Wages (1999)}}{\text{Local BLS Employees (1999)}}$$

Convert the step 6 mid-1999 to mid-2002 adjustment factor to a mid-1999 to April 1, 2004 change factor by applying an annual trending figure of 3.5 percent for 21 months (i.e., mid-2002 to the mid-point of Fiscal Year 2004 [April 1, 2004]). 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 2000 Census median family income.)

$$(\text{Step 6 adj. factor}) * 1.06125 = \text{mid-1999 to April 1, 2004 adjustment factor}$$

Calculate median family incomes for FY 2004 by multiplying the step 1 2000 Census-based estimate of median family income by the income adjustment factor derived in Step 7:

$$\text{2000 Census Median Family Income} * \text{Step 7 factor} = \text{FY 2004 MFI est.}$$

American Housing Survey data is reviewed on an ongoing basis for information about area incomes. There have been no AHS based changes in income this year.

Two floors and two caps were then placed on median family incomes. First, MFI changes are capped at 10% over last year. Then, MFIs are required to be at least at the 2000 Census MFI level. There are two non-metropolitan counties that receive a greater than 10% annual increase due to the constraint that the MFI not be less than the Census 2000 MFI. After that, MFIs are frozen if they would otherwise be less than the previous year's estimate (held harmless). Lastly, the MFI change is capped at 30% over of

the 2000 Census estimate. This last cap caused the MFI of seven non-metropolitan counties to fall. Both caps and floors will continue to be considered in light of any additional local data.

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.⁸
- 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:

⁸ 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 2004 VERY LOW INCOME LIMITS

METROPOLITAN AREA	FY2004 MEDIAN INCOME	50% OF MEDIAN	4-PERSON VLI LIMIT	TYPE OF VLI ADJUSTMENT
Aguadilla, PR MSA	15500	7750	9600	High Housing Cost
Altoona, PA MSA	46400	23200	23850	State Median Based
Arecibo, PR PMSA	17100	8550	13700	Historical Exception
Atlanta, GA MSA	69000	34500	35600	Historical Exception
Austin--San Marcos, TX MS	66900	33450	35550	Historical Exception
Bakersfield, CA MSA	46600	23300	24550	State Median Based
Benton Harbor, MI MSA	52100	26050	27550	Historical Exception
Bloomington--Normal, IL M	68900	34450	34650	Historical Exception
Boston, MA--NH PMSA	82600	41300	41350	High Housing Cost
Boulder--Longmont, CO PMS	81900	40950	43500	Historical Exception
Brown County MSA*	48500	24250	26500	Historical Exception
Brownsville--Harlingen--S	31400	15700	21200	State Median Based
Caguas, PR PMSA	20400	10200	11850	High Housing Cost
Cedar Rapids, IA MSA	65700	32850	33550	Historical Exception
Charlotte--Gastonia--Rock	61800	30900	32050	Historical Exception
Chicago, IL PMSA	69600	34800	37700	Historical Exception
Chico--Paradise, CA MSA	47800	23900	24550	State Median Based
Cincinnati, OH--KY--IN PM	64000	32000	32150	Historical Exception
Cleveland--Lorain--Elyria	59900	29950	30000	Historical Exception
Culpeper County MSA*	59400	29700	30700	Historical Exception
Cumberland, MD--WV MSA	43400	21700	27450	State Median Based
Dallas, TX PMSA	65100	32550	33250	Historical Exception
Danbury, CT PMSA	96500	48250	46000	Low Housing Cost
Danville, VA MSA	43000	21500	22700	State Median Based
Dayton--Springfield, OH M	57700	28850	30100	Historical Exception
DeKalb County MSA*	64200	32100	33950	Historical Exception
Decatur, AL MSA	50100	25050	26400	Historical Exception
Decatur, IL MSA	52000	26000	27150	Historical Exception
Denver, CO PMSA	69500	34750	34950	Historical Exception
Des Moines, IA MSA	65300	32650	33450	Historical Exception
Detroit, MI PMSA	66800	33400	34950	Historical Exception
Dover, DE MSA	51800	25900	26050	Historical Exception
El Paso, TX MSA	37700	18850	21200	State Median Based
Elkhart--Goshen, IN MSA	56600	28300	29650	Historical Exception
Flint, MI PMSA	55200	27600	27800	Historical Exception
Fort Lauderdale, FL PMSA	57700	28850	30100	Historical Exception
Fort Pierce--Port St. Luc	50800	25400	26200	Historical Exception
Fort Wayne, IN MSA	58600	29300	29900	Historical Exception
Fresno, CA MSA	45900	22950	24550	State Median Based
Gallatin County MSA*	49200	24600	28450	Historical Exception
Grand Junction, CO MSA	47600	23800	25850	State Median Based
Grand Rapids--Muskegon--H	61200	30600	30650	Historical Exception
Great Falls, MT MSA	45300	22650	22950	State Median Based
Greensboro--Winston-Salem	55500	27750	28050	Historical Exception
Grundy County MSA*	67900	33950	34750	Historical Exception
Hagerstown, MD PMSA	54400	27200	27450	State Median Based
Hickory--Morganton--Lenoi	49800	24900	25750	Historical Exception
Huntsville, AL MSA	60300	30150	30300	Historical Exception
Indianapolis, IN MSA	63800	31900	32050	Historical Exception
Jackson, MS MSA	50600	25300	26550	Historical Exception
Jacksonville, NC MSA	41300	20650	22600	State Median Based
Jamestown, NY MSA	44500	22250	23850	State Median Based
Janesville--Beloit, WI MS	58200	29100	29850	Historical Exception
Jersey City, NJ PMSA	53800	26900	30900	High Housing Cost
Johnstown, PA MSA	43600	21800	23850	State Median Based
Kankakee, IL PMSA	55000	27500	27700	Historical Exception
Kendall County MSA*	75400	37700	43500	Historical Exception

ATTACHMENT 4

AREAS WITH ADJUSTED FY 2004 VERY LOW INCOME LIMITS

METROPOLITAN AREA	FY2004 MEDIAN INCOME	50% OF MEDIAN	4-PERSON VLI LIMIT	TYPE OF VLI ADJUSTMENT
Knoxville, TN MSA	51800	25900	26000	Historical Exception
Kokomo, IN MSA	60000	30000	30950	Historical Exception
Lakeland--Winter Haven, F	46700	23350	23500	Historical Exception
Laredo, TX MSA	33100	16550	21200	State Median Based
Las Cruces, NM MSA	38800	19400	19550	State Median Based
Las Vegas, NV--AZ MSA	54700	27350	28250	Historical Exception
Los Angeles--Long Beach,	53500	26750	29750	High Housing Cost
Lynchburg, VA MSA	49400	24700	25000	Historical Exception
Mayagüez, PR MSA	18000	9000	11350	High Housing Cost
McAllen--Edinburg--Missio	29100	14550	21200	State Median Based
Memphis, TN--AR--MS MSA	54100	27050	28650	Historical Exception
Merced, CA MSA	43900	21950	24550	State Median Based
Miami, FL PMSA	45400	22700	26350	High Housing Cost
Milwaukee--Waukesha, WI P	63800	31900	33600	Historical Exception
Minneapolis--St. Paul, MN	76400	38200	38350	Historical Exception
Montgomery, AL MSA	52100	26050	26500	Historical Exception
Naples, FL MSA	63300	31650	34900	Historical Exception
Nashville, TN MSA	60700	30350	30800	Historical Exception
New Bedford, MA PMSA	55000	27500	30850	State Median Based
New London--Norwich, CT--	66700	33350	34850	State Median Based
New York, NY PMSA	54400	27200	31400	Historical Exception
Oakland, CA PMSA	82200	41100	41400	High Housing Cost
Ocala, FL MSA	42400	21200	21600	State Median Based
Ohio County MSA*	59100	29550	30650	Historical Exception
Omaha, NE--IA MSA	64000	32000	32200	Historical Exception
Orange County, CA PMSA	74200	37100	37800	Historical Exception
Pendleton County MSA*	50600	25300	26350	Historical Exception
Pittsfield, MA MSA	56900	28450	30850	State Median Based
Ponce, PR MSA	17000	8500	13400	Historical Exception
Providence--Fall River--W	60000	30000	33950	State Median Based
Pueblo, CO MSA	45000	22500	25850	State Median Based
Racine, WI PMSA	60500	30250	32500	Historical Exception
Raleigh--Durham--Chapel H	69800	34900	35650	Historical Exception
Redding, CA MSA	46400	23200	24550	State Median Based
Richmond--Petersburg, VA	63800	31900	32950	Historical Exception
Roanoke, VA MSA	54400	27200	28150	Historical Exception
Rochester, MN MSA	71000	35500	37150	Historical Exception
Rockford, IL MSA	57900	28950	29900	Historical Exception
Rocky Mount, NC MSA	46400	23200	24400	Historical Exception
San Diego, CA MSA	63400	31700	34250	High Housing Cost
San Francisco, CA PMSA	95000	47500	56550	Historical Exception
San Jose, CA PMSA	105500	52750	53050	High Housing Cost
San Juan--Bayamón, PR PMS	21800	10900	15150	High Housing Cost
Santa Cruz--Watsonville,	75300	37650	39100	High Housing Cost
Seattle--Bellevue--Everet	71900	35950	38950	Historical Exception
Sheboygan, WI MSA	59400	29700	31350	Historical Exception
Springfield, IL MSA	60100	30050	32450	Historical Exception
Springfield, MA MSA	59400	29700	30850	State Median Based
Steubenville--Weirton, OH	46300	23150	25300	State Median Based
Sumter, SC MSA	45900	22950	23050	State Median Based
Tallahassee, FL MSA	56500	28250	28600	Historical Exception
Terre Haute, IN MSA	47700	23850	26000	State Median Based
Topeka, KS MSA	58200	29100	29600	Historical Exception
Visalia--Tulare--Portervi	42100	21050	24550	State Median Based
Washington, DC--MD--VA--W	85400	42700	43500	Historical Exception
Waterbury, CT PMSA	64900	32450	34850	State Median Based
West Palm Beach--Boca Rat	62100	31050	31400	Historical Exception

ATTACHMENT 4

AREAS WITH ADJUSTED FY 2004 VERY LOW INCOME LIMITS

METROPOLITAN AREA	FY2004 MEDIAN INCOME	50% OF MEDIAN	4-PERSON VLI LIMIT	TYPE OF VLI ADJUSTMENT
Wichita, KS MSA	58500	29250	29500	Historical Exception
Wilmington--Newark, DE--M	71100	35550	37950	Historical Exception
Yakima, WA MSA	46600	23300	24950	State Median Based
Youngstown--Warren, OH MS	49600	24800	25300	State Median Based
Yuba City, CA MSA	46300	23150	24550	State Median Based
Yuma, AZ MSA	39800	19900	20300	State Median Based

ATTACHMENT 5

AREAS WITH ADJUSTED FY 2004 LOW INCOME LIMITS

METROPOLITAN AREA	FY2004 MEDIAN INCOME	50% OF MEDIAN	4-PERSON LI LIMIT	TYPE OF LI ADJUSTMENT
Aguadilla, PR MSA	15500	7750	15350	High Housing Cost
Altoona, PA MSA	46400	23200	38150	State Median Based
Anchorage, AK MSA	78700	39350	57500	Capped by US Median
Ann Arbor, MI PMSA	77700	38850	57500	Capped by US Median
Arecibo, PR PMSA	17100	8550	21900	Historical Exception
Atlanta, GA MSA	69000	34500	56950	Historical Exception
Austin--San Marcos, TX MS	66900	33450	56900	Historical Exception
Bakersfield, CA MSA	46600	23300	39300	State Median Based
Benton Harbor, MI MSA	52100	26050	44100	Historical Exception
Bergen--Passaic, NJ PMSA	83500	41750	57500	Capped by US Median
Bloomington--Normal, IL M	68900	34450	55450	Historical Exception
Boston, MA--NH PMSA	82600	41300	66150	High Housing Cost
Boulder--Longmont, CO PMS	81900	40950	57500	Capped by US Median
Bridgeport, CT PMSA	75800	37900	57500	Capped by US Median
Brockton, MA PMSA	72900	36450	57500	Capped by US Median
Brown County MSA*	48500	24250	42400	Historical Exception
Brownsville--Harlingen--S	31400	15700	33900	State Median Based
Caguas, PR PMSA	20400	10200	18950	High Housing Cost
Cedar Rapids, IA MSA	65700	32850	53700	Historical Exception
Charlotte--Gastonia--Rock	61800	30900	51300	Historical Exception
Chicago, IL PMSA	69600	34800	57500	Capped by US Median
Chico--Paradise, CA MSA	47800	23900	39300	State Median Based
Cincinnati, OH--KY--IN PM	64000	32000	51450	Historical Exception
Cleveland--Lorain--Elyria	59900	29950	48000	Historical Exception
Culpeper County MSA*	59400	29700	49100	Historical Exception
Cumberland, MD--WV MSA	43400	21700	43900	State Median Based
Dallas, TX PMSA	65100	32550	53200	Historical Exception
Danbury, CT PMSA	96500	48250	57500	Capped by US Median
Danville, VA MSA	43000	21500	36300	State Median Based
Dayton--Springfield, OH M	57700	28850	48150	Historical Exception
DeKalb County MSA*	64200	32100	54300	Historical Exception
Decatur, AL MSA	50100	25050	42250	Historical Exception
Decatur, IL MSA	52000	26000	43450	Historical Exception
Denver, CO PMSA	69500	34750	55900	Historical Exception
Des Moines, IA MSA	65300	32650	53500	Historical Exception
Detroit, MI PMSA	66800	33400	55900	Historical Exception
Dover, DE MSA	51800	25900	41700	Historical Exception
Dutchess County, NY PMSA	72900	36450	57500	Capped by US Median
El Paso, TX MSA	37700	18850	33900	State Median Based
Elkhart--Goshen, IN MSA	56600	28300	47450	Historical Exception
Flint, MI PMSA	55200	27600	44500	Historical Exception
Fort Lauderdale, FL PMSA	57700	28850	48150	Historical Exception
Fort Pierce--Port St. Luc	50800	25400	41900	Historical Exception
Fort Wayne, IN MSA	58600	29300	47850	Historical Exception
Fresno, CA MSA	45900	22950	39300	State Median Based
Gallatin County MSA*	49200	24600	45500	Historical Exception
Grand Junction, CO MSA	47600	23800	41350	State Median Based
Grand Rapids--Muskegon--H	61200	30600	49050	Historical Exception
Great Falls, MT MSA	45300	22650	36700	State Median Based
Greensboro--Winston-Salem	55500	27750	44900	Historical Exception
Grundy County MSA*	67900	33950	55600	Historical Exception
Hagerstown, MD PMSA	54400	27200	43900	State Median Based
Hartford, CT MSA	73900	36950	57500	Capped by US Median
Hickory--Morganton--Lenoi	49800	24900	41200	Historical Exception
Huntsville, AL MSA	60300	30150	48500	Historical Exception
Indianapolis, IN MSA	63800	31900	51300	Historical Exception
Iowa City, IA MSA	72100	36050	57500	Capped by US Median

ATTACHMENT 5

AREAS WITH ADJUSTED FY 2004 LOW INCOME LIMITS

METROPOLITAN AREA	FY2004 MEDIAN INCOME	50% OF MEDIAN	4-PERSON LI LIMIT	TYPE OF LI ADJUSTMENT
Jackson, MS MSA	50600	25300	42500	Historical Exception
Jacksonville, NC MSA	41300	20650	36150	State Median Based
Jamestown, NY MSA	44500	22250	38150	State Median Based
Janesville--Beloit, WI MS	58200	29100	47750	Historical Exception
Jersey City, NJ PMSA	53800	26900	49450	High Housing Cost
Johnstown, PA MSA	43600	21800	38150	State Median Based
Kankakee, IL PMSA	55000	27500	44300	Historical Exception
Kendall County MSA*	75400	37700	57500	Capped by US Median
Knoxville, TN MSA	51800	25900	41600	Historical Exception
Kokomo, IN MSA	60000	30000	49500	Historical Exception
Lakeland--Winter Haven, F	46700	23350	37600	Historical Exception
Laredo, TX MSA	33100	16550	33900	State Median Based
Las Cruces, NM MSA	38800	19400	31300	State Median Based
Las Vegas, NV--AZ MSA	54700	27350	45200	Historical Exception
Lawrence, MA--NH PMSA	75500	37750	57500	Capped by US Median
Los Angeles--Long Beach,	53500	26750	47600	High Housing Cost
Lowell, MA--NH PMSA	80000	40000	57500	Capped by US Median
Lynchburg, VA MSA	49400	24700	40000	Historical Exception
Madison, WI MSA	73200	36600	57500	Capped by US Median
Mayagüez, PR MSA	18000	9000	18150	High Housing Cost
McAllen--Edinburg--Missio	29100	14550	33900	State Median Based
Memphis, TN--AR--MS MSA	54100	27050	45850	Historical Exception
Merced, CA MSA	43900	21950	39300	State Median Based
Miami, FL PMSA	45400	22700	42150	High Housing Cost
Middlesex--Somerset--Hunt	92000	46000	57500	Capped by US Median
Milwaukee--Waukesha, WI P	63800	31900	53750	Historical Exception
Minneapolis--St. Paul, MN	76400	38200	57500	Capped by US Median
Monmouth--Ocean, NJ PMSA	78200	39100	57500	Capped by US Median
Montgomery, AL MSA	52100	26050	42400	Historical Exception
Naples, FL MSA	63300	31650	55850	Historical Exception
Nashua, NH PMSA	78900	39450	57500	Capped by US Median
Nashville, TN MSA	60700	30350	49300	Historical Exception
Nassau--Suffolk, NY PMSA	85300	42650	61750	High Housing Cost
New Bedford, MA PMSA	55000	27500	49350	State Median Based
New London--Norwich, CT--	66700	33350	55750	State Median Based
New York, NY PMSA	54400	27200	50250	Historical Exception
Newark, NJ PMSA	80300	40150	57500	Capped by US Median
Oakland, CA PMSA	82200	41100	66250	High Housing Cost
Ocala, FL MSA	42400	21200	34550	State Median Based
Ohio County MSA*	59100	29550	49050	Historical Exception
Omaha, NE--IA MSA	64000	32000	51500	Historical Exception
Orange County, CA PMSA	74200	37100	57500	Capped by US Median
Pendleton County MSA*	50600	25300	42150	Historical Exception
Pittsfield, MA MSA	56900	28450	49350	State Median Based
Ponce, PR MSA	17000	8500	21450	Historical Exception
Providence--Fall River--W	60000	30000	54300	State Median Based
Pueblo, CO MSA	45000	22500	41350	State Median Based
Racine, WI PMSA	60500	30250	52000	Historical Exception
Raleigh--Durham--Chapel H	69800	34900	57050	Historical Exception
Redding, CA MSA	46400	23200	39300	State Median Based
Richmond--Petersburg, VA	63800	31900	52700	Historical Exception
Roanoke, VA MSA	54400	27200	45050	Historical Exception
Rochester, MN MSA	71000	35500	57500	Capped by US Median
Rockford, IL MSA	57900	28950	47850	Historical Exception
Rockland County MSA*	89200	44600	57500	Capped by US Median
Rocky Mount, NC MSA	46400	23200	39050	Historical Exception
San Diego, CA MSA	63400	31700	54800	High Housing Cost

ATTACHMENT 5

AREAS WITH ADJUSTED FY 2004 LOW INCOME LIMITS

METROPOLITAN AREA	FY2004 MEDIAN INCOME	50% OF MEDIAN	4-PERSON LI LIMIT	TYPE OF LI ADJUSTMENT
San Francisco, CA PMSA	95000	47500	90500	Historical Exception
San Jose, CA PMSA	105500	52750	84900	High Housing Cost
San Juan--Bayamón, PR PMS	21800	10900	24250	High Housing Cost
Santa Cruz--Watsonville,	75300	37650	62550	High Housing Cost
Santa Rosa, CA PMSA	74600	37300	57500	Capped by US Median
Seattle--Bellevue--Everet	71900	35950	57500	Capped by US Median
Sheboygan, WI MSA	59400	29700	50150	Historical Exception
Springfield, IL MSA	60100	30050	51900	Historical Exception
Springfield, MA MSA	59400	29700	49350	State Median Based
Stamford--Norwalk, CT PMS	111600	55800	69600	High Housing Cost
Steubenville--Weirton, OH	46300	23150	40500	State Median Based
Sumter, SC MSA	45900	22950	36900	State Median Based
Tallahassee, FL MSA	56500	28250	45750	Historical Exception
Terre Haute, IN MSA	47700	23850	41600	State Median Based
Topeka, KS MSA	58200	29100	47350	Historical Exception
Trenton, NJ PMSA	83800	41900	57500	Capped by US Median
Vallejo--Fairfield--Napa,	73900	36950	57500	Capped by US Median
Ventura, CA PMSA	77400	38700	57500	Capped by US Median
Visalia--Tulare--Portervi	42100	21050	39300	State Median Based
Washington, DC--MD--VA--W	85400	42700	57500	Capped by US Median
Waterbury, CT PMSA	64900	32450	55750	State Median Based
West Palm Beach--Boca Rat	62100	31050	50250	Historical Exception
Westchester County MSA*	93400	46700	60300	High Housing Cost
Wichita, KS MSA	58500	29250	47200	Historical Exception
Wilmington--Newark, DE--M	71100	35550	57500	Capped by US Median
Yakima, WA MSA	46600	23300	39900	State Median Based
Youngstown--Warren, OH MS	49600	24800	40500	State Median Based
Yuba City, CA MSA	46300	23150	39300	State Median Based
Yuma, AZ MSA	39800	19900	32500	State Median Based

Attachment #6
 FY 2003 - 2004 Distribution of changes in Area Median Income --
 (100 Percent = FY 2003 Income Level)

	Percent Change											Median
	less than 80%	80% to 84.9%	85% to 89.9%	90% to 94.9%	95 to 99.9	100% to 105%	105.1% to 110%	110.1% to 115%	115.1% to 120%	120.1% to 125	125.1% or more	
AK						16	11					105
AL						56	1					101
AR						54	16					104
AZ						14						103
CA						8	41					107
CO					1	39	19					104
CT						14						101
DC						1						101
DE						3						100
FL						39	14					104
GA						120	5					101
GU						1						102
HI						4						101
IA						93	4					102
ID						10	33					107
IL		1				80	6					102
IN						68	1					101
KS						40	60					106
KY						78	30					104
LA						46	3					100
MA						18	1					104
MD						14						101
ME						6	14					107
MI						65	2					101
MN						75	1					101
MO						87	12					103
MS						76	1					100
MT						11	45					108
NC						76	1					100
ND					1	43	8					102
NE		1		1		75	13					103
NH						14	2					104
NJ						3	6					106
NM						15	14	1				106
NV						16						101
NY					1	37	1					103
OH						65						100
OK						53	15					104
OR						15	16					106
PA						49						101
PR						7						102
RI						4						102
SC						37	1					100
SD						64	1					102
TN						50	25					105
TX						185	37				1	103
UT					1	25	2					100
VA						66	5					100
VI						2						103
VT						8	7					105
WA						34	2					102
WI						62	3					102
WV						43	8					103
WY						10	13					106
US		2		1	4	2194	500	1			1	102

Attachment #6-A
 FY 2003 - 2004 Distribution of changes in Area Median Income --
 (100 Percent = FY 2003 Income Level)
 Metropolitan areas

	Percent Change											Median
	less than 80%	80% to 84.9%	85% to 89.9%	90% to 94.9%	95 to 99.9	100% to 105%	105.1% to 110%	110.1% to 115%	115.1% to 120%	120.1% to 125	125.1% or more	
AK							1					107
AL						12						101
AR						6	1					104
AZ						5						103
CA						5	20					107
CO						6	1					103
CT						8						101
DC						1						101
DE						2						101
FL						18	2					103
GA						8						102
HI						1						101
IA						8						102
ID						1	1					105
IL						13						101
IN						14						100
KS						1	3					107
KY						9	1					104
LA						9						100
MA						11						102
MD						5						101
ME						1	3					106
MI						9						100
MN						7						102
MO						6						104
MS						3	1					100
MT							3					108
NC						12						100
ND						3						101
NE						3						101
NH						6						102
NJ						3	6					106
NM						2	1					105
NV						2						101
NY						14	1					103
OH						16						100
OK						4	1					104
OR						4	1					105
PA						15						101
PR						6						102
RI						2						102
SC						8						100
SD						2						102
TN						5	2					105
TX						27	1					102
UT						3						100
VA						11	1					100
VT						1						105
WA						9						103
WI						13						102
WV						7	1					103
WY						1	1					104
US						348	53					102

Attachment #6-B
 FY 2003 - 2004 Distribution of changes in Area Median Income --
 (100 Percent = FY 2003 Income Level)
 Non-Metropolitan counties

	Percent Change											Median
	less than 80%	80% to 84.9%	85% to 89.9%	90% to 94.9%	95 to 99.9	100% to 105%	105.1% to 110%	110.1% to 115%	115.1% to 120%	120.1% to 125	125.1% or more	
AK						16	10					105
AL						44	1					101
AR						48	15					104
AZ						9						103
CA						3	21					108
CO					1	33	18					105
CT						6						102
DE						1						100
FL						21	12					105
GA						112	5					101
GU						1						102
HI						3						100
IA						85	4					102
ID						9	32					107
IL		1				67	6					102
IN						54	1					101
KS						39	57					106
KY						69	29					104
LA						37	3					100
MA						7	1					105
MD						9						100
ME						5	11					107
MI						56	2					102
MN						68	1					101
MO						81	12					103
MS						73						100
MT						11	42					108
NC						64	1					100
ND					1	40	8					102
NE		1				72	13					103
NH				1		8	2					104
NM						13	13	1				106
NV						14						101
NY					1	23						103
OH						49						100
OK						49	14					104
OR						11	15					106
PA						34						101
PR						1						103
RI						2						101
SC						29	1					100
SD						62	1					102
TN						45	23					105
TX					1	158	36				1	103
UT						22	2					100
VA						55	4					100
VI						2						103
VT						7	7					105
WA						25	2					102
WI						49	3					101
WV						36	7					103
WY						9	12					106
US		2		1	4	1846	447	1			1	102

ATTACHMENT 7

FY 2004 MEDIAN FAMILY INCOMES FOR STATES, METROPOLITAN AND NONMETROPOLITAN PORTIONS OF STATES

	-----	FY 2004	-----	-----	1999	-----
	TOTAL	METRO	NONMETRO	TOTAL	METRO	NONMETRO
Alabama	47700	51400	40000	41866	45178	35392
Alaska	72400	78700	68200	59106	64188	55695
Arizona	53300	55200	40600	46840	48482	36239
Arkansas	45300	51200	40000	38768	43576	34741
California	62500	63100	49100	53597	54128	41832
Colorado	63500	65900	51700	56241	58317	46107
Connecticut	76100	76500	69700	65805	66083	60607
Delaware	63300	67400	50900	55407	58757	45214
District of Columbia	55000	55000		46347	46347	
Florida	51900	52700	43200	45675	46435	37621
Georgia	57200	64000	44700	49345	55110	39192
Hawaii	62600	65700	55400	57351	60142	50680
Idaho	48900	54200	45700	43698	48605	40907
Illinois	62900	66400	48800	55853	58901	43531
Indiana	57300	59800	52000	50317	52419	45939
Iowa	55800	62200	51500	48163	53536	44650
Kansas	55800	63900	47600	49646	57039	42281
Kentucky	48000	57600	40100	41054	49006	34673
Louisiana	46700	49400	39400	39798	42116	33557
Maine	50900	58400	47400	45188	52034	42029
Maryland	72000	73700	54900	62291	63641	48646
Massachusetts	73700	74400	61700	62024	62501	53012
Michigan	60700	64100	48900	53904	56909	43315
Minnesota	66000	73300	52200	57174	63222	46242
Mississippi	40700	48900	36500	37599	44952	33815
Missouri	56100	63300	44400	46127	52009	37039
Montana	47500	51000	45900	40545	43605	39145
Nebraska	56300	64400	49700	48133	55404	42143
Nevada	57600	57800	56200	51070	51162	50536
New Hampshire	68000	74300	60300	57967	63287	51551
New Jersey	77800	77800		65733	65733	
New Mexico	46200	52800	39100	39480	45011	33588
New York	59700	61000	47700	52073	53149	43096
North Carolina	53000	57500	45200	46458	50290	40082
North Dakota	52700	59700	48000	43785	49854	39695
Ohio	56900	58700	50600	50044	51580	44769
Oklahoma	47400	52100	41000	40800	44859	35269
Oregon	58600	63300	48300	48751	52491	40819
Pennsylvania	57300	59500	47700	49236	51052	41696
Rhode Island	60300	59700	67900	53138	52636	59829
South Carolina	52400	55400	46100	44329	46777	39268
South Dakota	49400	57100	45400	43355	49922	40019
Tennessee	49600	54100	41600	43680	47585	37312
Texas	53000	55500	42400	45935	48132	36870
Utah	57100	60000	48400	51277	53843	43964
Vermont	58600	68800	55700	48776	57616	46214
Virginia	62800	68900	45400	54601	59750	40787
Washington	61500	64400	49900	54196	56860	43085
West Virginia	44400	50400	40600	36623	41683	33350
Wisconsin	59500	63300	52900	53282	56585	47514
Wyoming	54500	55300	54200	45712	46124	45506
US	57500	61200	46000	50056	53279	40547

Attachment 8-A
 Distribution of Differences between EMAD Interpolated Medians --
 & Census Published Medians - MSAs
 (100 Percent = Census Median)

	Percent Change											Medi- an
	90% or less	90% to 92%	92% to 94%	94% to 96%	96% to 98%	With- in 2%	102% to 104%	104% to 106%	106% to 108%	108% to 110%	110% or more	
AK						1						101
AL						12						100
AR						7						100
AZ						5						100
CA						24	1					100
CO						7						100
CT						8						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					100

Attachment 8-B
 Distribution of Differences between EMAD Interpolated Medians --
 & Census Published Medians - NonMetro counties *
 (100 Percent = Census Median)

	Percent Change											Medi- an
	90% or less	90% to 92%	92% to 94%	94% to 96%	96% to 98%	With- in 2%	102% to 104%	104% to 106%	106% to 108%	108% to 110%	110% or more	
AK					1	25						100
AL						44	1					100
AR						62	1					100
AZ						9						100
CA						24						100
CO					1	46	5					100
DE						1						100
FL						32	1					100
GA					2	104	10	1				100
HI						3						101
IA						86	3					100
ID						35	6					100
IL						73	1					100
IN						52	3					100
KS						93	3					100
KY					1	89	8					100
LA						36	4					101
MD						9						100
MI						57	1					100
MN						69						100
MO						91	2					100
MS						67	6					100
MT					1	48	4					100
NC					1	63	1					100
ND						47	2					100
NE					1	83	2	1				100
NM						24	3					100
NV						11	3					100
NY						24						100
OH						49						100
OK						61	2					100
OR						26						100
PA						34						100
SC						29	1					100
SD					1	55	7					100
TN						63	5					100
TX					2	178	13	3				100
UT						21	3					100
VA					2	41	4					100
WA					2	24	1					100
WI						52						100
WV						42	1					100
WY						18	3					100
US					15	2100	110	5				100

*Excludes New England non-metro counties and Virginia counties that include Virginia independent cities because these are not directly comparable.