

**FY 2005  
HUD INCOME LIMITS  
BRIEFING MATERIAL**

U.S. Dept. of HUD  
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Development & Research  
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# **FY 2005 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 family<sup>1</sup> 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.<sup>2</sup> (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 March 2000 and 2001 CPS surveys).
- The American Community Survey (ACS) data for 2000 through 2003 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 was started too late to provide a good indicator of the change in incomes between mid-1999 and mid-2000.)
- County-level Bureau of Labor Statistics data are used to calculate local changes in average wages. These changes were used in combination with state-level median family income changes to estimate local changes in median family incomes. Based on an analysis of 1990-2000 income change patterns, the ACS change is given a weight of 83 percent and the local BLS change factor a weight of 17 percent in the initial determination of an area's median family income change.

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<sup>1</sup> 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.

<sup>2</sup> To permit members of the public to replicate its estimates, HUD uses publicly released Census income distributions. The Census has released a new distribution of median family incomes that permits more accurate calculations. These data were used in re-estimating 2000 Census estimates of median family income. The new data permit median family income estimates to be calculated that replicate or come very close to Census published median income estimates. Attachment 7 shows the differences between the original medians published by HUD and the current medians based on the new distributions. The biggest differences were in areas with small populations. The new income distributions and the programs used to generate 1999 medians family incomes can be downloaded at [www.huduser.org](http://www.huduser.org).

- Delays in the availability of BLS 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 factor estimates available to HUD and the "as of" date of the HUD income estimates. The trending factor used is 3.57 percent per year, which is based on the average change in MFI's between the last two Censuses.
- For the outlying territories, which currently lack CPS or ACS coverage, national ACS income changes are used as surrogates.

### **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) the four-person very low-income limit is increased if it would otherwise be less than 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) the four-person very low-income limit is reduced if it would otherwise be greater than 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 2004 levels for areas where lower income limits would result because of FMR reductions; and,
- (5) income limits are never set at less than the amounts calculated using the State non-metropolitan median family income level in place of the local median family income estimate established by HUD.

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

Table 1  
Summary of Income Limits Determinations for  
FY 2005 Very Low Income Limits

	Type Income Limit Calculation	Non-metro Counties	Metropolitan Areas
1.	Limits based on 50% of local median family income	802	258
2.	Limits based on State non-metropolitan median family income level	1339	39
3.	Limits increased to the amount at which 35% of 4-person family's income equals 85% of the 2-bedroom Section 8 FMR	0	7
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	0	1
5.	Limits maintained at last year's level if they would otherwise be decreased by Census rebenchmarking or reductions in FMRs	161	51
	TOTALS	2302	356

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 (\$58,000 for FY 2005) 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 2005 Low Income Limits

	<b>Type Income Limit Calculation</b>	Non-metro Counties	Metropolitan Areas
1.	Limits based on 80% of local median family income	781	233
2.	Limits based on State nonmetropolitan median family income level	1338	38
3.	Limits increased for high	1	7

	housing costs proportional to such increases for very low-income limits (i.e., set at 80/50ths of the adjusted very low-income limits)		
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 \$58,000 or 80/50ths of the minimum 4-person very low-income limit	22	30
6.	Limits maintained at last year's level if they would otherwise be decreased by Census rebenchmarking or reductions in FMRs	160	48

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>
<b>Dept. of HUD:</b>	
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
<b>Rural Housing and Community Development Service:</b>	
Rental and	Assistance based on HUD Section 8 very low-

ownership  
assistance programs

income or low-income standards, or income  
limits tied to these standards

**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  
Public Agencies

Not less than 35 percent of all dwelling units  
must be made available for occupancy and be  
affordable for low-income families, and at  
least 20 percent must be made available for  
occupancy and be affordable for very 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

**Government Sponsored Enterprises (GSE's):**

Low- and Moderate-Income Housing Goals of Freddie Mac and Fannie Mae Goals for percentages of loans are established for households with incomes below specified percentages of the HUD-published median family income for metropolitan and nonmetropolitan areas, as detailed in 24 CFR, Part 81. The area definitions used relate to OMB metropolitan area definitions and the median family income estimates for the nonmetropolitan portions of each state.

**Other Federal Banking Regulatory Provisions:**

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

**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

**Uniform Relocation Act** Extent of replacement housing assistance dependent on qualifying as Low-Income, as defined by HUD; Act applies to all Federal agencies that initiate action that forces households to relocate from their residence

Assistance

**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 2005 MEDIAN FAMILY INCOMES (ECONOMIC AND MARKET ANALYSIS DIVISION, OFFICE OF ECONOMIC AFFAIRS, PD&R)

FY 2005 HUD estimates of median family income are based on 2000 Census data estimates updated with county-level bureau of labor statistics earnings data, Census American Community Survey (ACS) state-level 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.

HUD has begun to increasingly rely on Census American Community Survey (ACS) data as the basis for calculating median family income estimates. The ACS surveys were initiated in 2000, but the first full-scale annual survey of approximately three million households started in 2005. The 2005 survey will provide data in 2006 that can be used to estimate median family incomes for most metropolitan areas, and subsequent surveys will eventually provide estimates for all but the smallest non-metropolitan counties. HUD's FY 2004 income estimates used ACS state-level data as a control on local median family income changes. Based on research, the FY 2005 HUD median family income estimates are even more reliant on ACS data.

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. Annual data on median family incomes are available at the national and regional level from the CPS. State-level ACS income data are now available for calendar years 2000 through 2003. CPS P-60 national data were used to cover the period between the 2000 Census and the first ACS data. In previous years, BLS local area wage data were used as an indicator of relative income change within states, but these indicators were constrained so that they equaled the CPS changes at the CPS Census Divisional level. Retrospective analysis of the 1990-2000 period showed that BLS average wage changes had larger differences with median family income changes than in the previous decade and that, by themselves, they were not the best available predictor of local changes in median family incomes. Based on statistical testing, HUD concluded that a combination of state ACS and local BLS data offered the best approach to calculating local median family income estimates until more localized ACS data begin to be available in 2006.

The Census, ACS, and CPS estimates are based on different samples, have different timing, use somewhat different methodologies, and produce somewhat different estimates.<sup>3</sup> The year-to-year income change factors derived from these data sets (e.g., the national CPS MFI from one year to the next) should, however, be reasonably consistent over time. The decennial Census has the largest samples, but is only available every 10 years and may be more subject to non-response bias. The 2000-2004 ACS had relatively large samples, provides annual estimates, and should be less subject to non-response bias than the Census. The 2000-2004 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 not explicitly defined. The 2000 Census income data, for instance, are based

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<sup>3</sup> 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.

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 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 2005 estimates are as follows:

1. The 2000 Census was used to estimate what are treated as mid-1999 local median family income estimates.
2. The March 2000 and 2001 CPS surveys, which provided what were effectively mid-1999 and mid-2000 median family income estimates, provided an estimate of change in median family income levels at the national level that was applied to 2000 Census-based local median family income estimates to update them from mid-1999 to mid-2000. The national change in median family incomes for this period was 3.58 percent. (Multi-state Census Division CPS changes could have been used in place of a national factor, but research suggests that it is questionable whether this would have improved estimation accuracy if used only for one year.)
3. The 2000 and 2003 American Community Surveys were used to estimate the change in State MFIs for the mid-2000 to mid-2003 period. The ACS income change factors for each State for the 2000-2003 period were calculated as follows:

$$\frac{\text{ACS MFI (2003)}}{\text{ACS MFI (2000)}} = \frac{\text{3-year increase factor for ACS Median Family Income}}{\text{ACS Median Family Income}}$$

4. State and Local (metropolitan areas and nonmetropolitan counties) BLS average wage changes for all employees for the 1999-2002 period were calculated:



$$\frac{\text{BLS Wages (2002)}}{\text{BLS Employees (2002)}}$$

= 3 year BLS wage  
increase factor

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

5. Local area update factors were derived using local BLS average wage changes in conjunction with State level Income changes. They were combined according to the results of research done on the determinants of income change between 1990 and 2000.<sup>4</sup>

$$\begin{aligned} & (17\% * \text{Local BLS Average wage change}) \\ & + (83\% * \text{ACS State Income Change}) = \text{Local Update Factor} \end{aligned}$$

6. A state level factor was generated using the same formula, as follows:

$$\begin{aligned} & (17\% * \text{State BLS Average wage change}) \\ & + (83\% * \text{ACS State Income Change}) = \text{State Update Factor} \end{aligned}$$

7. A state ACS control factor was developed that adjusted for differences between the step 6 update factor and the actual ACS state change factor for the same period. Changes in BLS-reported average wages, even though they lead to changes in family income, are not a direct measure of changes in family income and require adjustment if being used for that purpose. This was done as follows:

$$\frac{\text{ACS State MFI (2003)}}{\text{ACS State MFI (2000)}}$$

= State control factor

State Update factor  
Generated in Step 6

8. Local area update factors were adjusted with the state control factor as follows:

$$\begin{aligned} & \text{Local update factor (step 5)} * \text{State control factor (step 7)} \\ & = \text{Adjusted local update factor} \end{aligned}$$

9. Convert the step 1 median family income estimate to an April 1, 2005 estimate as follows:

$$\begin{aligned} & \text{Step 1 median family income} \\ & * \text{Step 2 mid-1999 to mid-2000 CPS factor} \\ & * \text{Step 8 adjusted local update factor} \\ & * 1.035 (3.5\% \text{ annual trending}) * 1.75 \text{ years} \\ & = \text{FY 2005 Median Family Income estimate} \end{aligned}$$

Median Family Income estimates are frozen if they would otherwise be less than the previous year's estimate (held harmless).

<sup>4</sup> In ten low-population counties with suspect wage changes, which in the past have typically been associated with reporting errors, BLS wage increases/decreases were constrained to fall within the 99<sup>th</sup> percentile of the BLS wage change distribution.

## ATTACHMENT 3

## AREAS WITH ADJUSTED FY 2005 VERY LOW INCOME LIMITS

METROPOLITAN AREA	FY2005 MEDIAN INCOME	50% OF MEDIAN	4-PERSON VLI LIMIT	TYPE OF VLI ADJUSTMENT
Aguadilla, PR MSA	15500	7750	9600	Historical Exception
Altoona, PA MSA	46750	23375	24250	State Median Based
Arecibo, PR PMSA	17200	8600	13700	Historical Exception
Atlanta, GA MSA	70250	35125	35600	Historical Exception
Austin--San Marcos, TX MSA	67300	33650	35550	Historical Exception
Bakersfield, CA MSA	46600	23300	24550	State Median Based
Benton Harbor, MI MSA	53500	26750	27550	Historical Exception
Boston, MA--NH PMSA	82600	41300	41350	Historical Exception
Boulder--Longmont, CO PMSA	82000	41000	43500	Historical Exception
Brown County, OH MSA*	49400	24700	26500	Historical Exception
Brownsville--Harlingen, TX	31850	15925	21200	State Median Based
Caguas, PR PMSA	20400	10200	11850	Historical Exception
Charlotte--Gastonia, NC-SC	61800	30900	32050	Historical Exception
Chicago, IL PMSA	69700	34850	37700	Historical Exception
Chico--Paradise, CA MSA	48200	24100	24550	State Median Based
Cumberland, MD--WV MSA	47450	23725	29550	State Median Based
Dallas, TX PMSA	65100	32550	33250	Historical Exception
Danbury, CT PMSA	96500	48250	46400	Low Housing CostU
Danville, VA MSA	46600	23300	24500	State Median Based
Dayton--Springfield, OH M	58800	29400	30100	Historical Exception
DeKalb County MSA*	66050	33025	33950	Historical Exception
Decatur, AL MSA	50850	25425	26400	Historical Exception
Decatur, IL MSA	53750	26875	27150	Historical Exception
Detroit, MI PMSA	67800	33900	34950	Historical Exception
El Paso, TX MSA	38250	19125	21200	State Median Based
Elkhart--Goshen, IN MSA	58050	29025	29650	Historical Exception
Fitchburg--Leominster, MA	62600	31300	31650	State Median Based
Fort Lauderdale, FL PMSA	58100	29050	30100	Historical Exception
Fort Wayne, IN MSA	59400	29700	29900	Historical Exception
Fresno, CA MSA	45900	22950	24550	State Median Based
Gallatin County, KY MSA*	49200	24600	28450	Historical Exception
Grand Junction, CO MSA	50400	25200	26950	State Median Based
Greensboro--Winston-Salem, NC	55500	27750	28050	Historical Exception
Hickory--Morganton, NC	49800	24900	25750	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	47500	23750	24950	State Median Based
Jersey City, NJ PMSA	53800	26900	32050	High Housing Cost
Johnstown, PA MSA	43600	21800	24250	State Median Based
Kane County, UT MSA*	48400	24200	24650	State Median Based
Kendall County MSA*	78500	39250	43500	Historical Exception
Kokomo, IN MSA	61000	30500	30950	Historical Exception
Laredo, TX MSA	33650	16825	21200	State Median Based
Las Cruces, NM MSA	38800	19400	19550	State Median Based
Las Vegas, NV--AZ MSA	56550	28275	29550	State Median Based
Los Angeles--Long Beach, CA	54450	27225	32750	High Housing Cost
Mansfield, OH MSA	51550	25775	25900	State Median Based
Mayagüez, PR MSA	18100	9050	11350	Historical Exception
McAllen--Edinburg--Mission, TX	29800	14900	21200	State Median Based
Memphis, TN--AR--MS MSA	54550	27275	28650	Historical Exception
Merced, CA MSA	44750	22375	24550	State Median Based
Miami, FL PMSA	46350	23175	27050	High Housing Cost
Milwaukee--Waukesha, WI	65200	32600	33600	Historical Exception
Muncie, IN MSA	52200	26100	26400	State Median Based
Naples, FL MSA	63300	31650	34900	Historical Exception
Nashville, TN MSA	60900	30450	30800	Historical Exception
New Bedford, MA PMSA	56700	28350	31650	State Median Based
New London--Norwich, CT-ri	68500	34250	35650	State Median Based
New York, NY PMSA	54400	27200	31400	Historical Exception
Oakland, CA PMSA	82200	41100	41400	Historical Exception
Ocala, FL MSA	43100	21550	21600	State Median Based
Ohio County, IN MSA*	59100	29550	30650	Historical Exception
Orange County, CA PMSA	75700	37850	38400	High Housing Cost

## ATTACHMENT 3

## AREAS WITH ADJUSTED FY 2005 VERY LOW INCOME LIMITS

METROPOLITAN AREA	FY2005 MEDIAN INCOME	50% OF MEDIAN	4-PERSON VLI LIMIT	TYPE OF VLI ADJUSTMENT
Pendleton County MSA*	50600	25300	26350	Historical Exception
Pittsfield, MA MSA	59900	29950	31650	State Median Based
Ponce, PR MSA	17000	8500	13400	Historical Exception
Providence--Fall River, RI-MA	63850	31925	36600	State Median Based
Pueblo, CO MSA	47100	23550	26950	State Median Based
Racine, WI PMSA	64300	32150	32500	Historical Exception
Raleigh--Durham--Chapel Hill, NC	69800	34900	35650	Historical Exception
Redding, CA MSA	47500	23750	24550	State Median Based
Rochester, MN MSA	72500	36250	37150	Historical Exception
Rocky Mount, NC MSA	46400	23200	24400	Historical Exception
San Diego, CA MSA	63400	31700	34500	High Housing Cost
San Francisco, CA PMSA	95000	47500	56550	Historical Exception
San Jose, CA PMSA	105500	52750	53050	Historical Exception
San Juan--Bayamón, PR PMSA	22050	11025	15150	Historical Exception
Santa Cruz--Watsonville, CA	75300	37650	39250	High Housing Cost
Seattle--Bellevue--Everette	72250	36125	38950	Historical Exception
Sheboygan, WI MSA	61900	30950	31350	Historical Exception
Springfield, IL MSA	61400	30700	32450	Historical Exception
Springfield, MA MSA	61500	30750	31650	State Median Based
Steubenville--Weirton, OH	46500	23250	25900	State Median Based
Sumter, SC MSA	45950	22975	23150	State Median Based
Terre Haute, IN MSA	48800	24400	26400	State Median Based
Topeka, KS MSA	58850	29425	29600	Historical Exception
Ventura, CA PMSA	77400	38700	40300	High Housing Cost
Visalia--Tulare--Porterville, CA	42700	21350	24550	State Median Based
Waterbury, CT PMSA	66550	33275	35650	State Median Based
West Palm Beach--Boca Raton, FL	62100	31050	31400	Historical Exception
Wichita, KS MSA	58850	29425	29500	Historical Exception
Williamsport, PA MSA	47800	23900	24250	State Median Based
Wilmington--Newark, DE-MD	74700	37350	37950	Historical Exception
Yakima, WA MSA	46600	23300	24950	State Median Based
Youngstown--Warren, OH MS	50950	25475	25900	State Median Based
Yuba City, CA MSA	46600	23300	24550	State Median Based
Yuma, AZ MSA	39800	19900	20500	State Median Based

## ATTACHMENT 4

## AREAS WITH ADJUSTED FY 2005 LOW INCOME LIMITS

METROPOLITAN AREA	FY2005 MEDIAN INCOME	50% OF MEDIAN	4-PERSON LI LIMIT	TYPE OF LI ADJUSTMENT
Aguadilla, PR MSA	15500	7750	15350	Historical Exception
Altoona, PA MSA	46750	23375	38800	State Median Based
Anchorage, AK MSA	78700	39350	58000	Capped by US Median
Ann Arbor, MI PMSA	78050	39025	58000	Capped by US Median
Arecibo, PR PMSA	17200	8600	21900	Historical Exception
Atlanta, GA MSA	70250	35125	56950	Historical Exception
Austin--San Marcos, TX MSA	67300	33650	56900	Historical Exception
Bakersfield, CA MSA	46600	23300	39300	State Median Based
Benton Harbor, MI MSA	53500	26750	44100	Historical Exception
Bergen--Passaic, NJ PMSA	83500	41750	58000	Capped by US Median
Boston, MA--NH PMSA	82600	41300	66150	Historical Exception
Boulder--Longmont, CO PMSA	82000	41000	58000	Capped by US Median
Bridgeport, CT PMSA	76600	38300	58000	Capped by US Median
Brockton, MA PMSA	73650	36825	58000	Capped by US Median
Brown County, OH MSA*	49400	24700	42400	Historical Exception
Brownsville--Harlingen, TX	31850	15925	33900	State Median Based
Caguas, PR PMSA	20400	10200	18950	Historical Exception
Charlotte--Gastonia, NC-SC	61800	30900	51300	Historical Exception
Chicago, IL PMSA	69700	34850	58000	Capped by US Median
Chico--Paradise, CA MSA	48200	24100	39300	State Median Based
Cumberland, MD--WV MSA	47450	23725	47300	State Median Based
Dallas, TX PMSA	65100	32550	53200	Historical Exception
Danbury, CT PMSA	96500	48250	58000	Capped by US Median
Danville, VA MSA	46600	23300	39200	State Median Based
Dayton--Springfield, OH	58800	29400	48150	Historical Exception
DeKalb County MSA*	66050	33025	54300	Historical Exception
Decatur, AL MSA	50850	25425	42250	Historical Exception
Decatur, IL MSA	53750	26875	43450	Historical Exception
Detroit, MI PMSA	67800	33900	55900	Historical Exception
Dutchess County, NY PMSA	73400	36700	58000	Capped by US Median
El Paso, TX MSA	38250	19125	33900	State Median Based
Elkhart--Goshen, IN MSA	58050	29025	47450	Historical Exception
Fitchburg--Leominster, MA	62600	31300	50650	State Median Based
Fort Lauderdale, FL PMSA	58100	29050	48150	Historical Exception
Fort Wayne, IN MSA	59400	29700	47850	Historical Exception
Fresno, CA MSA	45900	22950	39300	State Median Based
Gallatin County MSA*	49200	24600	45500	Historical Exception
Grand Junction, CO MSA	50400	25200	43100	State Median Based
Greensboro--Winston-Salem, NC	55500	27750	44900	Historical Exception
Hartford, CT MSA	75350	37675	58000	Capped by US Median
Hickory--Morganton, NC	49800	24900	41200	Historical Exception
Indianapolis, IN MSA	63800	31900	51300	Historical Exception
Iowa City, IA MSA	72550	36275	58000	Capped by US Median
Jackson, MS MSA	50600	25300	42500	Historical Exception
Jacksonville, NC MSA	41300	20650	36150	State Median Based
Jamestown, NY MSA	47500	23750	39900	State Median Based
Jersey City, NJ PMSA	53800	26900	51300	High Housing Cost
Johnstown, PA MSA	43600	21800	38800	State Median Based
Kane County, UT MSA*	48400	24200	39450	State Median Based
Kendall County, IL MSA*	78500	39250	58000	Capped by US Median
Kokomo, IN MSA	61000	30500	49500	Historical Exception
Laredo, TX MSA	33650	16825	33900	State Median Based
Las Cruces, NM MSA	38800	19400	31300	State Median Based
Las Vegas, NV--AZ MSA	56550	28275	47300	State Median Based
Lawrence, MA--NH PMSA	75750	37875	58000	Capped by US Median
Los Angeles--Long Beach, CA	54450	27225	52400	High Housing Cost
Lowell, MA--NH PMSA	80400	40200	58000	Capped by US Median
Madison, WI MSA	73200	36600	58000	Capped by US Median
Mansfield, OH MSA	51550	25775	41450	State Median Based
Mayagüez, PR MSA	18100	9050	18150	Historical Exception
McAllen--Edinburg--Mission, TX	29800	14900	33900	State Median Based
Memphis, TN--AR--MS MSA	54550	27275	45850	Historical Exception
Merced, CA MSA	44750	22375	39300	State Median Based
Miami, FL PMSA	46350	23175	43300	High Housing Cost
Middlesex--Somerset--Hunterdon, NJ	92000	46000	58000	Capped by US Median
Milwaukee--Waukesha, WI	65200	32600	53750	Historical Exception
Minneapolis--St. Paul, MN	77000	38500	58000	Capped by US Median
Monmouth--Ocean, NJ PMSA	78200	39100	58000	Capped by US Median
Muncie, IN MSA	52200	26100	42250	State Median Based

## ATTACHMENT 4

## AREAS WITH ADJUSTED FY 2005 LOW INCOME LIMITS

METROPOLITAN AREA	FY2005 MEDIAN INCOME	50% OF MEDIAN	4-PERSON LI LIMIT	TYPE OF LI ADJUSTMENT
Naples, FL MSA	63300	31650	55850	Historical Exception
Nashua, NH PMSA	78900	39450	58000	Capped by US Median
Nashville, TN MSA	60900	30450	49300	Historical Exception
Nassau--Suffolk, NY PMSA	88850	44425	61750	Historical Exception
New Bedford, MA PMSA	56700	28350	50650	State Median Based
New Haven--Meriden, CT PMSA	73450	36725	58000	Capped by US Median
New London--Norwich, CT-RI	68500	34250	57050	State Median Based
New York, NY PMSA	54400	27200	50250	Historical Exception
Newark, NJ PMSA	80300	40150	58000	Capped by US Median
Oakland, CA PMSA	82200	41100	66250	Historical Exception
Ocala, FL MSA	43100	21550	34550	State Median Based
Ohio County, IN MSA*	59100	29550	49050	Historical Exception
Orange County, CA PMSA	75700	37850	61450	High Housing Cost
Pendleton County MSA*	50600	25300	42150	Historical Exception
Pittsfield, MA MSA	59900	29950	50650	State Median Based
Ponce, PR MSA	17000	8500	21450	Historical Exception
Providence--Fall River, RI-MA	63850	31925	58000	Capped by US Median
Pueblo, CO MSA	47100	23550	43100	State Median Based
Racine, WI PMSA	64300	32150	52000	Historical Exception
Raleigh--Durham--Chapel Hill, NC	69800	34900	57050	Historical Exception
Redding, CA MSA	47500	23750	39300	State Median Based
Rochester, MN MSA	72500	36250	58000	Capped by US Median
Rockland County MSA*	91750	45875	58000	Capped by US Median
Rocky Mount, NC MSA	46400	23200	39050	Historical Exception
San Diego, CA MSA	63400	31700	55200	High Housing Cost
San Francisco, CA PMSA	95000	47500	90500	Historical Exception
San Jose, CA PMSA	105500	52750	84900	Historical Exception
San Juan--Bayamón, PR PMSA	22050	11025	24250	Historical Exception
Santa Cruz--Watsonville, CA	75300	37650	62800	High Housing Cost
Santa Rosa, CA PMSA	74600	37300	58000	Capped by US Median
Seattle--Bellevue--Everette	72250	36125	58000	Capped by US Median
Sheboygan, WI MSA	61900	30950	50150	Historical Exception
Springfield, IL MSA	61400	30700	51900	Historical Exception
Springfield, MA MSA	61500	30750	50650	State Median Based
Stamford--Norwalk, CT PMSA	111600	55800	69600	Historical Exception
Steubenville--Weirton, OH	46500	23250	41450	State Median Based
Sumter, SC MSA	45950	22975	37050	State Median Based
Terre Haute, IN MSA	48800	24400	42250	State Median Based
Topeka, KS MSA	58850	29425	47350	Historical Exception
Trenton, NJ PMSA	83800	41900	58000	Capped by US Median
Vallejo--Fairfield--Napa, CA	73900	36950	58000	Capped by US Median
Ventura, CA PMSA	77400	38700	64500	High Housing Cost
Visalia--Tulare--Porterville, CA	42700	21350	39300	State Median Based
Washington, DC--MD--VA--WV	89300	44650	58000	Capped by US Median
Waterbury, CT PMSA	66550	33275	57050	State Median Based
West Palm Beach--Boca Raton, FL	62100	31050	50250	Historical Exception
Westchester County MSA*	93400	46700	60300	Historical Exception
Wichita, KS MSA	58850	29425	47200	Historical Exception
Williamsport, PA MSA	47800	23900	38800	State Median Based
Wilmington--Newark, DE-MD	74700	37350	58000	Capped by US Median
Yakima, WA MSA	46600	23300	39900	State Median Based
Youngstown--Warren, OH MSA	50950	25475	41450	State Median Based
Yuba City, CA MSA	46600	23300	39300	State Median Based
Yuma, AZ MSA	39800	19900	32800	State Median Based

Attachment 5  
 FY 2004 - 2005 Distribution of changes in Area Median Income --  
 (100 Percent = FY 2004 Income Level)

	Percent Change										Medi- an	
	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						26		1				100
AL						51	5					103
AR						67	1					100
AZ						13						100
CA						49						100
CO						37	20	2				105
CT						13						102
DE						1	2					108
FL						52		1				101
GA						100	22	1	1			104
GU						1						100
HI						4						103
IA						82	11	1	1			103
ID						25	16	2				105
IL						83	3					101
IN						66	1					100
KS						93	5	1				101
KY						102	2					100
LA						48	1					100
MA						16	2					103
MD						3	8	1				107
ME						19						103
MI						67						101
MN						63	10					103
MO						97	1		1			100
MS						72	3		1			100
MT						48	7		1			103
NC						76						100
ND						43	8	1				102
NE						84	4		1			101
NH						13						100
NJ						8						100
NM						29	1					100
NV						12	2	2				103
NY						24	14	1				105
OH						60	2					102
OK						65	2					100
OR						31						100
PA						46	2					101
PR						7						100
RI							3					107
SC						35	1					100
SD						63	2					100
TN						65	9	1				102
TX						216	6	2				100
UT						26	1					101
VA						19	47	4				107
VI						2						102
VT						14	1					100
WA						35						100
WI						59	4					103
WV						48	1					100
WY						23						101
US						2401	230	21	6			101

Attachment 5-A  
 FY 2004 - 2005 Distribution of changes in Area Median Income --  
 (100 Percent = FY 2004 Income Level)  
 Metropolitan areas

	Percent Change											Medi- an
	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						100
AL						10						103
AR						5	1					100
AZ						4						100
CA						25						100
CO						6	1					104
CT						7						102
DE						1	1					107
FL						20						101
GA						7						103
HI						1						103
IA						6						103
ID						2						105
IL						12						102
IN						12						100
KS						3						101
KY						6						100
LA						9						101
MA						9	1					102
MD						1	2					109
ME						3						103
MI						9						101
MN						4						102
MO						6						100
MS						3						100
MT						3						101
NC						11						100
ND						3						103
NE						2						102
NH						3						100
NJ						8						100
NM						3						100
NV						2						102
NY						11	4					104
OH						13						102
OK						4						100
OR						5						100
PA						14						100
PR						6						100
RI							1					106
SC						6						100
SD						2						100
TN						7						101
TX						28						100
UT						3						100
VA						5	6					106
VT						1						100
WA						8						100
WI						10	1					103
WV						6						100
WY						2						101
US						338	18					101

Attachment 5-B  
 FY 2004 - 2005 Distribution of changes in Area Median Income --  
 (100 Percent = FY 2004 Income Level)  
 Non-Metropolitan counties

	Percent Change											Medi- an
	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						25		1				100
AL						41	4					103
AR						62	1					100
AZ						9						100
CA						24						101
CO						31	19	2				105
CT						6						101
DE							1					108
FL						32		1				100
GA						93	22	1	1			104
GU						1						100
HI						3						103
IA						76	11	1	1			103
ID						23	16	2				105
IL						71	3					100
IN						54	1					100
KS						90	5	1				101
KY						96	2					100
LA						39	1					100
MA						7	1					104
MD						2	6	1				107
ME						16						103
MI						58						101
MN						59	10					103
MO						91	1		1			100
MS						69	3		1			100
MT						45	7			1		103
NC						65						100
ND						40	8	1				102
NE						82	4		1			101
NH						10						100
NM						26	1					100
NV						10	2	2				104
NY						13	10	1				105
OH						47	2					102
OK						61	2					100
OR						26						100
PA						32	2					101
PR						1						100
RI							2					108
SC						29	1					100
SD						61	2					100
TN						58	9	1				103
TX						188	6	2				100
UT						23	1					101
VA						14	41	4				107
VI						2						102
VT						13	1					100
WA						27						100
WI						49	3					103
WV						42	1					100
WY						21						101
US						2063	212	21	6			101



Attachment 5 (c)  
 FY 2004 - 2005 Distribution of changes in Area Median Income --  
 (100 Percent = FY 2004 Income Level)  
 Non-Metropolitan counties

	Percent Change										Medi- an	
	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						25		1				100
AL						41	4					103
AR						62	1					100
AZ						9						100
CA						24						100
CO						31	19	2				105
CT						6						101
DE							1					108
FL						32		1				100
GA						93	22	1	1			104
GU						1						100
HI						3						103
IA						76	11	1	1			103
ID						23	16	2				105
IL						71	3					100
IN						54	1					100
KS						90	5	1				101
KY						96	2					100
LA						39	1					100
MA						7	1					103
MD						2	6	1				107
ME						16						103
MI						58						101
MN						59	10					103
MO						91	1		1			100
MS						70	3					101
MT						45	7		1			103
NC						65						100
ND						41	7	1				102
NE						82	4		1			101
NH						10						100
NM						26	1					100
NV						10	2	2				104
NY						13	10	1				105
OH						47	2					102
OK						61	2					100
OR						26						100
PA						32	2					101
PR						1						100
RI							2					108
SC						29	1					100
SD						61	2					100
TN						58	9	1				103
TX						188	6	2				100
UT						23	1					101
VA						14	41	4				107
VI						2						102
VT						13	1					100
WA						27						100
WI						49	3					103
WV						42	1					100
WY						21						101
US						2065	211	21	5			101

Attachment 6 (a)  
 FY 2005 HUD ESTIMATES OF MEDIAN FAMILY INCOMES FOR STATES AND  
 METROPOLITAN AND NONMETROPOLITAN PORTIONS OF STATES

	----- FY 2005 Estimates -----			----- 2000 Census Estimates -----		
	TOTAL	METRO	NONMETRO	TOTAL	METRO	NONMETRO
ALABAMA	48,650	52,750	41,300	41,657	45,164	35,360
ALASKA	72,400	78,700	68,200	59,036	63,682	55,205
ARIZONA	53,300	55,200	40,950	46,723	48,376	36,156
ARKANSAS	45,300	51,200	40,000	38,664	43,441	34,709
CALIFORNIA	62,500	63,100	49,100	53,024	53,613	41,644
COLORADO	65,400	67,850	53,900	55,870	57,935	46,019
CONNECTICUT	77,100	77,400	71,250	65,521	65,764	60,555
DELAWARE	67,350	71,450	55,100	55,258	58,619	45,203
Dist. of Columbia	55,750	55,750	0	46,283	46,283	0
FLORIDA	52,550	53,350	43,200	45,625	46,330	37,429
GEORGIA	58,400	64,900	46,350	49,280	54,766	39,106
HAWAII	64,200	67,750	56,950	56,961	60,118	50,547
IDAHO	50,850	56,650	47,700	43,490	48,459	40,788
ILLINOIS	63,300	66,950	49,400	55,545	58,721	43,314
INDIANA	57,800	59,800	52,750	50,261	52,010	45,872
IOWA	57,650	63,800	53,550	48,005	53,128	44,599
KANSAS	56,650	64,600	48,050	49,624	56,597	42,113
KENTUCKY	48,000	57,600	40,100	40,938	48,890	34,627
LOUISIANA	47,550	50,050	39,900	39,774	41,866	33,358
MAINE	52,550	60,150	48,700	45,195	51,714	41,855
MARYLAND	75,250	76,800	59,050	61,875	63,172	48,565
MASSACHUSETTS	74,400	74,900	63,250	61,663	62,061	52,405
MICHIGAN	61,300	64,850	49,500	53,457	56,559	43,163
MINNESOTA	66,950	73,700	54,350	56,872	62,604	46,161
MISSISSIPPI	40,700	48,900	36,500	37,405	44,946	33,657
MISSOURI	56,100	63,300	44,450	46,045	51,663	36,860
MONTANA	48,150	51,600	46,400	40,488	43,392	39,034
NEBRASKA	57,400	65,800	50,150	48,032	55,027	41,952
NEVADA	59,550	59,650	59,050	50,849	50,921	50,427
NEW HAMPSHIRE	68,000	74,300	60,300	57,577	62,753	51,278
NEW JERSEY	77,800	77,800	0	65,370	65,370	0
NEW MEXICO	46,200	52,800	39,100	39,425	45,010	33,393
NEW YORK	60,100	61,150	49,900	51,691	52,584	42,901
NORTH CAROLINA	53,000	57,500	45,200	46,335	50,236	40,075
NORTH DAKOTA	54,100	61,750	49,150	43,656	49,842	39,664
OHIO	57,950	59,400	51,800	50,037	51,307	44,740
OKLAHOMA	47,400	52,250	41,050	40,709	44,837	35,250
OREGON	58,600	63,300	48,300	48,680	52,058	40,728
PENNSYLVANIA	57,400	59,500	48,450	49,184	50,870	41,534
RHODE ISLAND	64,550	63,950	73,150	52,780	52,256	59,815
SOUTH CAROLINA	52,400	55,400	46,300	44,227	46,647	39,189
SOUTH DAKOTA	49,850	57,550	46,150	43,234	49,920	40,018
TENNESSEE	50,300	54,750	42,950	43,517	47,366	37,145
TEXAS	53,000	55,500	42,400	45,862	47,951	36,724
UTAH	57,450	60,000	49,300	51,022	53,316	43,819
VERMONT	58,850	69,200	55,800	48,625	57,181	46,100
VIRGINIA	65,150	71,800	48,950	54,169	59,706	40,703
WASHINGTON	61,500	64,400	49,900	53,761	56,492	42,818
WEST VIRGINIA	44,400	50,400	40,600	36,484	41,545	33,174
WISCONSIN	60,800	64,750	54,400	52,912	56,360	47,342
WYOMING	55,250	55,800	54,950	45,685	46,159	45,472
US	58,000	61,200	46,900	50,046	52,754	40,491

Attachment 6 (b)  
 UNCONSTRAINED ESTIMATES OF FY 2005 MEDIAN FAMILY INCOMES FOR STATES AND  
 METROPOLITAN AND NONMETROPOLITAN PORTIONS OF STATES (For informational purposes only)

	FY2005			2000 Census Estimates		
	TOTAL	METRO	NONMETRO	TOTAL	METRO	NONMETRO
ALABAMA	48,650	52,750	41,300	41,657	45,164	35,360
ALASKA	67,200	72,500	62,850	59,036	63,682	55,205
ARIZONA	52,950	54,800	40,950	46,723	48,376	36,156
ARKANSAS	44,100	49,600	39,600	38,664	43,441	34,709
CALIFORNIA	62,100	62,800	48,750	53,024	53,613	41,644
COLORADO	65,400	67,850	53,900	55,870	57,935	46,019
CONNECTICUT	77,100	77,400	71,250	65,521	65,764	60,555
DELAWARE	67,350	71,450	55,100	55,258	58,619	45,203
Dist. of Columbia	55,750	55,750	0	46,283	46,283	0
FLORIDA	52,550	53,350	43,100	45,625	46,330	37,429
GEORGIA	58,400	64,900	46,350	49,280	54,766	39,106
HAWAII	64,200	67,750	56,950	56,961	60,118	50,547
IDAHO	50,850	56,650	47,700	43,490	48,459	40,788
ILLINOIS	63,300	66,950	49,400	55,545	58,721	43,314
INDIANA	57,800	59,800	52,750	50,261	52,010	45,872
IOWA	57,650	63,800	53,550	48,005	53,128	44,599
KANSAS	56,650	64,600	48,050	49,624	56,597	42,113
KENTUCKY	46,800	55,850	39,550	40,938	48,890	34,627
LOUISIANA	47,550	50,050	39,900	39,774	41,866	33,358
MAINE	52,550	60,150	48,700	45,179	51,714	41,836
MARYLAND	75,250	76,800	59,050	61,875	63,172	48,565
MASSACHUSETTS	74,400	74,900	63,250	61,663	62,061	52,405
MICHIGAN	61,300	64,850	49,500	53,457	56,559	43,163
MINNESOTA	66,950	73,700	54,350	56,872	62,604	46,161
MISSISSIPPI	40,150	48,250	36,100	37,405	44,946	33,657
MISSOURI	55,500	62,250	44,450	46,045	51,663	36,860
MONTANA	48,150	51,600	46,400	40,488	43,392	39,034
NEBRASKA	57,400	65,800	50,150	48,032	55,027	41,952
NEVADA	59,550	59,650	59,050	50,849	50,921	50,427
NEW HAMPSHIRE	66,400	72,350	59,150	57,577	62,753	51,278
NEW JERSEY	77,150	77,150	0	65,370	65,370	0
NEW MEXICO	45,150	51,550	38,250	39,425	45,010	33,393
NEW YORK	60,100	61,150	49,900	51,691	52,584	42,901
NORTH CAROLINA	52,050	56,450	45,000	46,335	50,236	40,075
NORTH DAKOTA	54,100	61,750	49,150	43,656	49,842	39,664
OHIO	57,950	59,400	51,800	50,037	51,307	44,740
OKLAHOMA	47,400	52,250	41,050	40,709	44,837	35,250
OREGON	57,550	61,550	48,150	48,680	52,058	40,728
PENNSYLVANIA	57,400	59,350	48,450	49,184	50,870	41,534
RHODE ISLAND	64,550	63,950	73,150	52,780	52,256	59,815
SOUTH CAROLINA	52,250	55,100	46,300	44,227	46,647	39,189
SOUTH DAKOTA	49,850	57,550	46,150	43,234	49,920	40,018
TENNESSEE	50,300	54,750	42,950	43,517	47,366	37,145
TEXAS	52,550	54,950	42,050	45,862	47,951	36,724
UTAH	57,450	60,000	49,300	51,022	53,316	43,819
VERMONT	58,850	69,200	55,800	48,625	57,181	46,100
VIRGINIA	65,150	71,800	48,950	54,169	59,706	40,703
WASHINGTON	61,100	64,200	48,700	53,761	56,492	42,818
WEST VIRGINIA	44,200	50,300	40,200	36,484	41,545	33,174
WISCONSIN	60,800	64,750	54,400	52,912	56,360	47,342
WYOMING	55,250	55,800	54,950	45,685	46,159	45,472
US	58,000	61,150	46,900	50,046	52,754	40,491

Attachment 7-A  
 Distribution of Differences between original HUD Medians and  
 New HUD Medians - MSAs  
 (100 Percent = Original 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						100
AL						11						100
AR						5						100
AZ						4						100
CA						25						100
CO						7						100
CT						7						101
DE						2						100
FL						20						100
GA						7						100
HI						1						100
IA						6						100
ID						2						100
IL						11	1					100
IN						12						100
KS						3						100
KY						6						100
LA						9						100
MA						10						100
MD						3						100
ME						3						100
MI						9						100
MN						4						100
MO						6						100
MS						3						100
MT						3						100
NC						11						100
ND						3						100
NE						2						100
NH						3						100
NJ						8						100
NM						3						99
NV						2						100
NY						15						100
OH						13						100
OK						4						100
OR						5						100
PA						14						100
PR						6						101
RI						1						100
SC						6						100
SD						2						100
TN						7						100
TX						28						100
UT						3						100
VA						11						100
VT						1						100
WA						8						100
WI						11						100
WV						6						100
WY						2						100
US						355	1					100

Attachment 7-B  
 Distribution of Differences between Original HUD Medians and  
 New HUD Medianns - NonMetro counties \*  
 (100 Percent = Original 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						23		2		1		100
AL						45						100
AR						60		3				100
AZ						9						100
CA						23		1				100
CO						47		2				100
CT					3	5		1				100
DE						1						100
FL						33						100
GA					8	105		3		1		100
HI						3						100
IA					2	87						100
ID					3	37		1				100
IL						73		1				100
IN						55						100
KS						95		1				100
KY						93		2		1		100
LA					2	38						100
MA					2	8						100
MD						9						100
ME						16						100
MI						58						100
MN						69						100
MO					1	92						100
MS					1	70		2				100
MT					1	50		2				100
NC						64		1				100
ND						49						100
NE						79		4		1		100
NH					3	10						100
NM						26		1				100
NV						14						100
NY						24						100
OH						49						100
OK						63						100
OR						26						100
PA						34						100
PR						1						100
RI						2						100
SC						30						100
SD						59		1				100
TN					3	66		2				100
TX						183		4		1		100
UT				1		23						100
VA						53		5				100
VI						2						100
VT						14						100
WA						25		2				100
WI						52						100
WV						43						100
WY						21						100
US				1	38	2216		41		5		100