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Special Attention of:

## **NOTICE** PDR-2017-01

Regional Directors, Field Office Directors,  
Economists, Public & Indian Housing  
Division Directors, Multifamily Hub Directors,  
Multifamily Program Center Directors

Issued: April 14, 2017  
Expires: Effective until superseded

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**Subject:** Estimated Median Family Incomes for Fiscal Year (FY) 2017

This memorandum transmits median family income (MFI) estimates for FY 2017. They are calculated for each metropolitan and nonmetropolitan area using the Fair Market Rent (FMR) area definitions applied in the Section 8 Housing Choice Voucher Program. The national MFI for the United States for FY 2017 is \$68,000, an increase of 3.5 percent compared to the national MFI for FY 2016. There were no additional changes to the geographic area definitions from the many changes incorporated in the FY 2016 Medians.

The 2010-2014, 5-year American Community Survey (ACS) and Puerto Rico Community Survey (PRCS) income data are the basis of FY 2017 Income Limits for all areas of geography, except for the U.S. Virgin Islands and the Pacific Islands. The U.S. Virgin Islands and the Pacific Islands (Guam, American Samoa and the Northern Marianas) are based on 2010 Decennial Census data which is the most current information available. The Consumer Price Index forecast published by the Congressional Budget Office (CBO) is used to bring the ACS data forward from mid-2014 to the mid-point of the fiscal year, April, 2017. The decennial data used for the U.S. Virgin Islands and the Pacific Islands is trended forward using the change in national MFI between 1999 (which is the year of the income in the decennial census) and the MFI for FY 2017.

In areas where there is a 2014 1-year ACS estimate of MFI, the 1-year estimate is used in place of the 5-year estimate unless the margin of error for the 1-year estimate is greater than half the income estimate itself.

An explanation of the procedures used to develop FY 2017 MFIs and related documents are attached. Attachment 1 provides an explanation of the estimation methods used. Attachment 2 provides state-level MFI estimates. The Income Limits Briefing Material is provided with this notice. The Section 8 Income Limits and income limits for the Section 221(d)(3) Below Market Interest Rate (BMIR) rental program, the Section 235 program, and the Section 236 program, that are not part of this transmittal notice, may be provided to you or your staff electronically.

Please note that the use of the HUD MFI estimates is subject to individual program guidelines covering definitions of income and family, family size, effective dates, and other factors. If you have any questions concerning these matters, please refer them to our website at <http://www.huduser.org/portal/datasets/il.html>.

HUD MFI estimates are also available at the Department's Internet site, which provides a menu from which you may select the year and type of data of interest <http://www.huduser.org/portal/datasets/il.html>.

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Attachments

## ATTACHMENT 1

### HUD PROCEDURE FOR ESTIMATING FY 2017 MEDIAN FAMILY INCOMES

The FY 2017 Median Family Income (MFI) estimates, which HUD is publishing at this time, use the 5-year income data from 2010 to 2014. These 5-year aggregations, covering surveys administered in 2010 through 2014, provided income data for most areas of geography<sup>1</sup>. HUD uses Consumer Price Index (CPI) data to inflate the American Community Survey (ACS) data from annual 2014 to the midpoint of FY 2017, based on a CPI forecast, published by the Congressional Budget Office (CBO) in January 2017. Separate HUD MFI estimates are calculated for all Metropolitan Statistical Areas (MSAs), HUD Metro FMR Areas, and nonmetropolitan counties.

As mentioned above, HUD uses the 2010-2014 5-year ACS data in the calculation process for the FY 2017 MFIs. Specifically, for each metropolitan area, subarea of a metropolitan area, and non-metropolitan county, 5-year ACS data is used as the new basis for calculating MFI estimates. This is the way it has been done since the 5-year ACS data first became available, for use in the FY 2011 MFI estimates. In areas where there is a valid 1-year ACS survey median family income result, HUD endeavors to use this data as well to take advantage of more recent survey information. By using both the 5-year data and the 1-year data, where available, HUD is establishing a new basis for MFI estimates while also capturing the most recent information available.

MFI estimates are based on the most currently available data, but the delay in collecting and reporting the survey data mean that 2014 ACS income data is used for FY 2017 estimates that have an as-of date of mid-2014. A new and annually revised trend factor based on the CBO forecast of CPI is used to inflate the estimate from mid-2014 to April, 2017 (or mid FY 2017).

Median family<sup>2</sup> incomes start with the development of estimates of MFI for the metropolitan areas and 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:

HUD uses 2010-2014 5-year ACS estimates of median family income calculated for the areas used for FMRs and income limits as the new basis for FY 2017. In areas where there is also a 2014 1-year ACS estimate of median family income, the 1-year income data is used if the estimate is greater than twice the margin of error estimate. Once the appropriate 2014 ACS data has been selected, the data are set as of April 2017 using the CPI forecast by the CBO.

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<sup>2</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 and multi-person households of unrelated individuals.

All places:

All estimates (using either 5-year data or 5-year data augmented with 1-year data) are updated with CPI from mid-2014 to April, 2017.

For the non-Puerto Rico Insular Areas of the United States,<sup>3</sup> which currently lack ACS (or the equivalent Puerto Rico Community Survey in Puerto Rico) coverage, national ACS income changes are used as surrogates to update 2010 Decennial Census data (which collected 2009 incomes).

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<sup>3</sup> The areas without ACS coverage are the U.S. Virgin Islands, Guam, American Samoa, and the Northern Marianas Islands. Puerto Rico is covered by the ACS-equivalent Puerto Rico Community Survey.

## ATTACHMENT 2

**FY 2017 Median Family Incomes for States,  
Metropolitan and Nonmetropolitan Portions of States**

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	TOTAL	METRO	NONMETRO
Alabama	55500	59900	45700
Alaska	84900	88100	78400
Arizona	61600	62500	47100
Arkansas	53200	58200	46500
California	73300	73600	59900
Colorado	77800	79700	63800
Connecticut	91600	91600	91700
Delaware	74900	74900	55200
District of Columbia	86700	86700	55200*
Florida	59000	59500	48400
Georgia	60700	64200	46500
Hawaii	81700	84600	67000
Idaho	59900	62400	55200
Illinois	74100	76800	60400
Indiana	62700	64300	57300
Iowa	69900	75700	63900
Kansas	68500	74100	60300
Kentucky	56500	64200	47800
Louisiana	58400	61200	47200
Maine	64000	72300	55900
Maryland	92500	93500	63000
Massachusetts	90700	90900	80000
Michigan	64100	66700	55800
Minnesota	80400	86000	65300
Mississippi	51800	57900	45600
Missouri	63200	69100	50800
Montana	62600	66400	60500
Nebraska	68200	72800	62600
Nevada	62700	62700	62900
New Hampshire	83100	90300	73000
New Jersey	91200	91200	55200*
New Mexico	56400	58500	52300
New York	73400	74400	62500
North Carolina	59200	62700	48700
North Dakota	77600	76400	78800
Ohio	64300	66900	57600
Oklahoma	60600	64000	53900
Oregon	64600	67600	53300
Pennsylvania	70000	72600	57500
Rhode Island	73500	73500	55200*
South Carolina	58300	61100	45900
South Dakota	69000	73500	64700
Tennessee	57300	61200	47900
Texas	64800	66800	54200
Utah	71700	72200	67700
Vermont	69300	82400	64700
Virginia	80800	86300	53300
Washington	76500	78600	62100
West Virginia	54100	57700	49300
Wisconsin	69300	72400	62600
Wyoming	74700	74800	74700
US	68000	70100	55200

\* US non-metropolitan median