**APPENDIX 2**

**PART II ADJUSTMENTS WORKSHEET**

**FIELD OFFICE WORKSHEET FOR**

**PROCESSING RENT INCREASES FOR AAF RENTS FOR NEW CONSTRUCTION**

**AND SUBSTANTIAL REHABILITATION UNIT TYPES THAT DO NOT EXCEED**

**THE EXISTING HOUSING FAIR MARKET RENTS AND FOR ALL LMSA AND PD**

**SECTION 8 CONTRACT TYPES.**

**(NOT FOR USE ON BUDGET BASED RENT INCREASES)**

Property Name**:** Unit Type:

**ESSENTIAL INFORMATION**

Existing FMR Current Contract

Level for Unit Type $ Rent for Unit Type $

**Step 1:** **If this contract is a New Construction or a Substantial Rehab contract, i**s the current gross rent for this unit type (before application of the AAF) below the Existing Housing FMR? ;

**OR**

**If this contract is an LMSA or PD contract,** is the method of adjustment for gross rent the application of the AAF (as opposed to budget‑based)?

(NOTE: Budget‑based rents are NOT processed under this Notice. See Chapter 7, Handbook 4350.1)

[ ]  If the answer to the **applicable question is YES,** then proceed to Step 2.

If the answer to the **applicable question is NO,** then this unit type should be adjusted under Part I of this Notice. This worksheet does not apply. Please find Part I Adjustments Worksheet at Appendix 1.

If the second question is applicable and the answer is NO, then this Notice is not applicable and the rents should be adjusted under Chapter 7, Handbook 4350.1.

**Step 2:** For units in which turnover occurred in the last year, use AAF Table I to calculate the rents. For units in which no turnover occurred in the last year, use AAF Table II to calculate the rents. (NOTE: Throughout this Worksheet, when applying the published AAF, the factor of 1.000 should be used in all cases where the published factor is below 1.000.)

 Turnover units

 $ X = $

 Current Rent Table I Factor New Rent Level

 Units with no Turnover

 $ \_\_ X = $ \_\_\_\_

 Current Rent Table II New Rent Level

 Factor

**Step 3:** The new rent level(s) for unit type is:

 $ for units with turnover (Number of Units )

 $ for units with no turnover (Number of Units )

**Step 4:** Since the calculation in Step 3 resulted in different rent levels for the same unit type, then a common rent level for this unit type must be derived. Use the rent levels listed in Step 3 above to derive a new monthly Gross Rent Potential (GRP).

 $ for units with turnover X \_\_\_\_(Units) = $

 $ for units with no turnover X (Units)=$\_\_\_\_\_\_\_\_\_

Add the two numbers calculated above to derive the total Contract Rent Potential

$ + $ \_\_\_ = $ \_\_\_\_

 Turnover No Turnover Total Contract Rent

 Potential

 Divide Total GRP by the number of units for this unit type to obtain the new rent level for all BR units.

 $ Total GRP divided by units = $

 New Rent Level

**Step 5:** The new rent level for all BR units is approved at $ .