
HCV Two Year Forecasting Tool

User Guidance

U.S. Department of Housing and
Urban Development

Introduction

HUD has developed a spreadsheet tool for use by PHA and HUD staff to assist in projecting HCV leasing, spending and funding over a two year period. The purpose is to facilitate decision making by PHAs and to guide HUD oversight and technical assistance so that PHAs can achieve optimal use of the HCV funds while stabilizing the program. The goal is to make full use of the program while avoiding the typical large cyclical swings of lease up followed by attrition, and to eliminate abrupt cutbacks that might adversely impact participants.

Accomplishing this requires planning across calendar years since spending patterns in one year impact funding in the next, and the ending point of one year must be sustainable as the beginning point in the next year. Often, the goal of achieving a high average leasing goal for the year can result in high leasing at year end to compensate for lower leasing at the beginning of the year. Often this can result in the beginning point of the next year being either too high to lease within that next year's leasing limits or to allow only for attrition to get average leasing back down, which of course starts the process all over again in year three.

In addition, projections of leasing and spending require consideration of three key interacting variables:

- **Success Rate** – The percentage of vouchers issuances that result in a lease
- **Turnover Rate** – The annual rate of participants leaving the program
- **Issuance to Leasing Time** – The percentage of vouchers leased that are leased within standard time frames, i.e. 30, 60, 90 days etc., or as measured by average months from issuance to lease.
- **Per Unit Cost** – the Monthly HAP expenses divided by the number of leased units

The spreadsheet tool allows the user to factor in all these variables, and to estimate the subsequent year funding resulting from projected patterns of leasing and spending. With the ability to factor in these considerations, the user can test voucher issuance scenarios and the resulting leasing and spending over the two year period. This facilitates more deliberate program management including considerations of trade-offs inherent in this process.

The accuracy of the projections of the spreadsheet are only as good as the accuracy of the variables entered in to the spreadsheet. It is absolutely critical that PHAs carefully track success rate, turnover rate, time from issuance to lease and per unit cost. To the degree this data is volatile and therefore the predictive value less

reliable, the user should take great caution and leave larger margin for error. Even when carefully tracked, there are no guarantees that historic data will be born out in the future. Monthly validation of the variables is important.

Subsequent year estimates of funding are simply the application of appropriations (or anticipated appropriations) methodology. Actual funding will be based on actual dollars appropriated which may be more or less than the results of the re-benchmarking methodology. A downward proration for example might be applied. The spreadsheet provides the user with the option to use whatever proration deemed appropriate. This is an important decision point for the user and one virtue of the tool is that multiple proration scenarios can be tested and the user can assess risk, gauging the range of outcomes from the differing funding possibilities. ***HUD makes no representation that the estimates derived from the spreadsheet will actually be realized as funding.***

In addition to projecting leasing, spending and funding, there is a projection of administrative fees. There is also a spreadsheet tab where users can maintain data to track success rate and time from issuance to lease.

Two Year Forecast- Spreadsheet Basics

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- Workbook with multiple Spreadsheets – see tabs
 - Main spreadsheet is “Projection Analysis”. Other tabs support it and display inner workings for user.
 - “Admin Fee” Tab contains Column A and B Fee levels for all PHAs
 - “Tracking Actual Success Rate” Tab allows user to input actual data to track key variables of success rate and time from issuance to lease.

Month	ACC Units (UMAs) (enter only if change)	ACTUAL Leased Units	Actual HAP	Vouchers issued, or projected to be issued	Other Planned additions or reductions to leased units	New Leasing from Issued Vouchers	Estimated Attrition	Leased units: actual and Projected	HAP Expense: Actual and Projected	PUC Actual or Projected	Manual PUC Override	Cumulative Annual Leased %	Cumulative Annual Expense
January	800	775	\$274,256			0	-7	775	\$274,256	\$354		96.9%	96.9%
Projection Analysis admin fee calculations Tracking Actual Success Rate Re-benchmarking Est. Yr 2 & 3 background leasing background graph													

The main work is done on the “**Projection Analysis Spreadsheet**” tab. Other tabs are:

- “**Background Leasing**” - Displays the breakout of issuances turning into leasing units by months;
- “**Admin Fee**” - Displays the admin fee calculations and the listing of Col A and B rates for all PHAs;
- “**Re-Benchmarking Estimate Yr 2 and 3**” - Displays the calculations involved in coming to the ABA estimates for Years two and three based on CY months spending within UMA limits;
- “**Background Graph**” - Displays all the supporting data used in the graphs and a copy of the graphs,
- “**New Units**” - Contains the instructions on how to calculate the partial year subsidy to add in for units added during the year.
- “**Tracking Actual Success Rate**” - An optional tab with a spreadsheet that allows the user to enter actual issuances by month and actual leasing from those issuances by month, and will calculate actual success rate and actual time from issuance to lease.

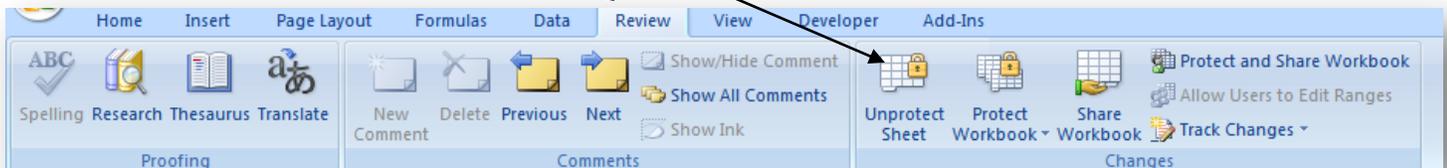
Two Year Forecast- Spreadsheet Basics

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- Data entry in Yellow Cells: for HAP and Leased units cell color changes once entered
- Comment Flags for key columns – just put cursor over red corner of cell
- All other cells protected

ACTUAL Leased Units	Actual HAP	Vouchers issued, or projected to be issued	OP. addi. reduc. leas.
473	\$129,139	6	
468	\$128,693	8	
464	\$130,456	2	
459	\$131,111	20	
458	\$131,145	2	
454	\$132,352	13	
452	\$133,986	14	

The spreadsheets in the workbook are protected allowing changes only to the data entry cells which are shaded yellow. Comment flags offer instruction and guidance for key columns or cells. If for some reason the user needs to unprotect the spreadsheet to make an adjustment, this can be done by selecting the “Review” menu choice and clicking on “Unprotect”.



Two Year Forecast Spreadsheet

Page 1

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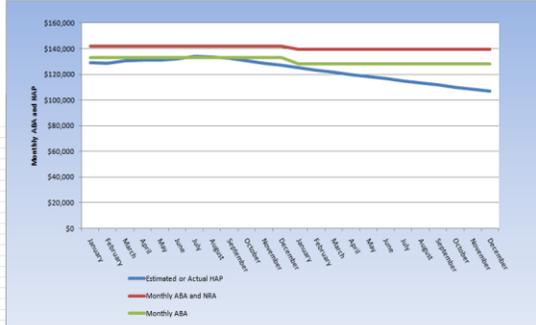
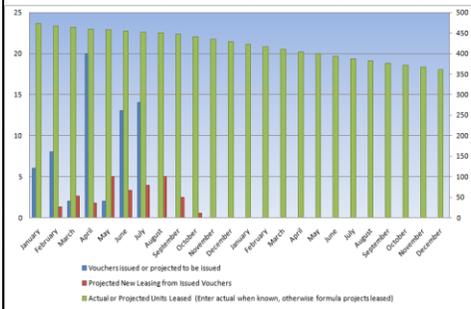
PHA Name	TEST		PHA Number	OH876											
ACC and Funding Information															
	Current Year	Following Year Estimate	Year 3 Estimate	Future Years Funding Proration Levels											
Calendar Year	2010	2011	2012	Following YR Re-Benchmarking Proration	100%										
Beginning ACC # Vouchers	800	800		DISCLAIMER: Year Two and Three Re-Benchmarking Funding Estimates are only tentative estimates.											
ABA Eligibility Funded	\$3,400,999	\$3,416,857	\$3,511,379												
Set Aside Funding	\$48,987	\$34,000													
Total ABA Funding	\$3,446,986	\$3,450,857													
Beginning CY Net Restricted Assets (NRA)	\$120,222	\$150,351	\$89,829	Admin Fee											
Total Funding	\$3,567,208	\$3,601,208	\$3,601,208	Col.A - first 600 units	Col. B										
				\$67.98	\$62.98										
					Admin Fee Proration										
					90.0%										
Program Projection Variables															
Success Rate	77%	Annual Turnover rate	11.0%	Leasing and Spending Outcomes: Current and Following Year Projections											
Time from issuance to HAP eff Date				Current Year End Projection	Following Year Projection										
% Leased in 30 days	23%	2.17	Average months from issuance to HAP EFF DATE	UML % of ACC	98.8% 98.8%										
% leased in 30 to 60 days	53%			HAP Total as % All Funds (ABA + NRA)	95.8% 97.5%										
% Leased in 60 to 90 days	11%	Cells to the left must add to 100%		% ABA (only) Expended	99.1% 101.8%										
% Leased in 90 to 120 days	10%	cells add to >>>> 100%		Projected Yr End NRA (HAP Equity)	\$150,351 \$89,829										
% Leased in 120 to 150 days	3%			NRA as % of ABA	4.4% 2.6%										
				Projected Admin Fees	\$536,342 \$538,278										
				ABA per ACC unit month	\$359.06 \$359.46										
Beginning Year Three Monthly Exp vs ABA (\$1,450) 62 # Months NRA will cover Yr 3 Monthly deficit															
Month	ACC Units (UMAs) (enter only if change)	ACTUAL Leased Units	Actual HAP	Vouchers issued, or projected to be issued	Other Planned additions or reductions to leased units	New Leasing from Issued Vouchers	Estimated Attrition	Leased units: actual and Projected	HAP Expense: Actual and Projected	PUC Actual or Projected	Manual PUC Override	Cumulative Annual Leased %	Cumulative ABA Expended %	Monthly UML %	Monthly ABA Expended %
January	800	775	\$274,256			0	-7	775	\$274,256	\$354		96.9%	95.5%	96.9%	95.5%
February	800	774	\$274,111			0	-7	774	\$274,111	\$354		96.8%	95.5%	96.8%	95.4%
March	800	769	\$272,012			0	-7	769	\$272,012	\$354		96.6%	95.2%	96.1%	94.7%
April	800	774	\$278,987			0	-7	774	\$278,987	\$360		96.6%	95.7%	96.8%	97.1%
May	800	789	\$289,125			0	-7	789	\$289,125	\$355		97.0%	96.0%	98.8%	97.5%
June	800	784	\$286,021	20		0	-7	784	\$286,021	\$364		97.2%	96.6%	98.0%	99.2%
July	800	790	\$288,569	20		4	-7	790	\$288,569	\$365		97.4%	97.1%	98.8%	100.5%
August	800			15		12	-7	794	\$290,199	\$365		97.6%	97.6%	99.3%	101.0%
September	800			10		13	-7	800	\$292,199	\$365		97.9%	98.1%	100.0%	101.7%
October	800			10		11	-7	803	\$293,496	\$365		98.2%	98.5%	100.4%	102.2%
November	800					9	-7	805	\$294,139	\$365		98.4%	98.8%	100.7%	102.4%
December	800					7	-7	804	\$293,833	\$365		98.6%	99.1%	100.6%	102.3%
total	9,600	5,455	1,953,081	75	0	55	-86	9482	\$3,416,857			98.6%	99.1%		

Here is a quick look at the first page of the spreadsheet to orient the user to the general locations. There are four key sections across the top which will be spelled out in separate slides:

- ACC and Funding Information;
- Proration and Admin Fee Information;
- Program Projection Variables; and
- Leasing and Spending Outcomes

Two-Year Forecast – page 2

2011														
January	484				0	-6	422	\$125,222	\$297		87.3%	97.7%	87.3%	97.7%
February	484				0	-6	416	\$123,448	\$297		86.6%	97.0%	86.0%	96.3%
March	484				0	-6	410	\$121,699	\$297		86.0%	96.3%	84.8%	95.0%
April	484				0	-6	405	\$119,975	\$297		85.4%	95.6%	83.6%	93.6%
May	484				0	-6	399	\$118,275	\$297		84.8%	95.0%	82.4%	92.3%
June	484				0	-6	393	\$116,600	\$297		84.2%	94.3%	81.2%	91.0%
July	484				0	-6	388	\$114,948	\$297		83.6%	93.6%	80.1%	89.7%
August	484				0	-5	382	\$113,319	\$297		83.0%	93.0%	79.0%	88.4%
September	484				0	-5	377	\$111,714	\$297		82.5%	92.3%	77.8%	87.2%
October	484				0	-5	371	\$110,131	\$297		81.9%	91.7%	76.7%	85.9%
November	484				0	-5	366	\$108,571	\$297		81.3%	91.1%	75.7%	84.7%
December	484				0	-5	361	\$107,033	\$297		80.8%	90.4%	74.6%	83.5%
total	5,808	0	0	0	0	-67	4691	\$1,390,935			80.8%	90.4%		



Comments

Page 2 (when printed) of the Projection Analysis tab includes Year Two monthly data, plus graphs and a comment section for the user to notate any comments on the analysis or strategy or assumptions.

PHA Name		Hopkinsville		PHA Number		KY011	
<p>Top Left Section:</p> <ul style="list-style-type: none"> • Data Entry in Yellow cells for Current Year • Funding Re-Benchmarking <i>Estimate</i> and Beginning Yr NRA For Following year and Year Three calculated 	ACC and Funding Information				Future Years Funding Ration Levels		
		<i>Current Year</i>	<i>Following Year Estimate</i>	<i>Year 3 Estimate</i>	Following YR Re-Benchmarking Pro-ration	98%	
	Calendar Year	2010	2011	2012			
	Beginning ACC # Vouchers	484	484				
	ABA Eligibility Funded	\$1,600,267	\$1,538,032	\$1,390,935			
	Set Aside Funding	\$3,375			Optional- additional ABA for new units pro-rated into		
	Total ABA Funding	\$1,603,632	\$1,538,032				
	Beginning CY Net Restricted Assets (NRA)	\$102,344	\$136,556	\$283,653			
	Total Funding	\$3,567,208	\$3,601,208	\$3,601,208	Col.A - first 600 units	Col. B	Admin Fee Proration
					\$58.10	\$54.22	90.0%

Year Two & Three Funding Proration

Admin Fee info – get from Admin Fee Tab

Section one – top Left of the Projection Analysis spreadsheet, as explained in the slide includes data entry for the current year ACC units and funding. For Years Two and Three – the calculated re-benchmarked ABA and beginning NRA. To the right of the ACC and Funding Information is a small but **very important item – Year 2 and 3 funding pro-rations**. These user entered amounts are important because they are to reflect the user’s best estimate of how fully the future appropriations will fund the formula benchmarking estimate. This allows the user to be as conservative in the funding projection as they think appropriate.

There is also a cell to add new partial year allocations funding per the instructions on the tab – where applicable.

The Admin Fee Col A and B amounts are entered by the user to permit the calculation of an estimated administrative fee. Col. A and B amounts for all PHAs can be found in the Admin Fee tab. The user is to enter a pro-ration for admin fee earnings. Leaving it blank will result in a 100% proration. Pro-rations have been running approximately 90%, but again this is user entered.

Central top Section of Spreadsheet

- Enter Success Rate
- Enter % of leased vouchers that reach HAP contract within 30, 60, 90, 120 days of Issuance.
 - Must add to 100%
- Enter Annual Turnover rate – number participants leasing as a percent of all leased units.

Program Projection Variables			
Success Rate	40%	Annual Turnover rate	17.0%
Time from Issuance to HAP eff Date			
% Leased in 30 days	55%	1.55	Average months from issuance to HAP EFF DATE
% leased in 30 to 60 days	35%		
% Leased in 60 to 90 days	10%	Cells to the left add to 100%	
% Leased in 90 to 120 days		cells add to >>>>	100%
% Leased in 120 to 150 days			

Converts %'s leased in time categories to an average # of months from issuance to leased

Keeps running total for user to assure percentages add to 100%

This is the input section for critical program variables:

- **Success rate** of issuances becoming units under contract;
- **Annual turnover rate** – the number of participants leaving the program as a percent of the units under lease;
- **Time from issuance to HAP effective Date** - This is the percentage of units leased that are leased within 30, 60, 90 and 120 days. These percentages should add to 100%, and there is a cell adding them up that is shaded red until they reach 100% and also a few cells above it converts this information into a different measure of the same factor – the average months from issuance to lease. This information can be informed by use of the Success Rate Tracking tab if used.

Right Top Section: Basic Dashboard CURRENT AND FOLLOWING YEAR	Leasing and Spending Outcomes: Current and Following Year Projections		
	Current Year End Projection	Following Year Projection	
• Leasing Percentage			
• Spending as % of ABA and as % of all funds i.e. plus NRA	UML % of ACC	98.6%	98.9%
• Projected NRA at end of CY and Following Year	HAP Total as % All Funds (ABA + NRA)	95.8%	97.5%
• Projected Admin Fees Earned	% ABA (only) Expended	99.1%	101.8%
• PUC Funded: ABA divided by UMA. <i>Can be compared to current PUC to determine if UMAs are supportable.</i>	Projected Yr End NRA (HAP Equity)	\$150,351	\$89,829
	NRA as % of ABA	4.4%	2.6%
	Projected Admin Fees	\$536,342	\$538,278
	ABA per ACC unit month	\$359.06	\$359.46
	Beginning Year Three : Monthly Exp vs ABA	(\$1,450)	62 # Months NRA will cover Yr 3 Monthly deficit

The Leasing and Spending Outcomes section is the main dashboard – showing the resulting:

- % UMLs/UMA, % Spending/All Funds, and
- % Spending /ABA,
- Ending Year NRA,
- NRA as a Percent of ABA as metric for gauging the size of the NRA
- Admin fee earnings estimate
- ABA per ACC Unit Month which is the total ABA divided by UMAs – spreading the ABA across all ACC units per month. If the ABA per ACC Unit Month is less than the actual PUC, the user can see the extent to which the funding will not support all ACC units.
- **Beginning Year Three: Monthly Exp vs. ABA** - This line quickly assesses monthly spending entering into Year Three compared to ABA – monthly, by showing the Year Three estimated ABA divided by 12 minus the December Year Two Hap. If this is a deficit – it calculates how many months that deficit can be funded from the Year Two ending NRA. If Dec HAP is less than monthly year three ABA it shows “surplus”.

The expectation is that the user consults this dashboard section at least monthly assessing the results from adding an additional month’s actual data, re-validated key variables and potential PUC changes, and then experiment with different issuance scenarios and their resulting Year One and Two results until a preferred scenario is adopted until it is revisited in the next assessment .

Two Year Forecast – current year monthly left half

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Input cells. “Other Planned additions or reductions “ E.G. Adds thru absorbing ports, Reductions from Receiving PHA absorbing reducing units , etc.

Results from Attrition and new leasing from issuance. Net actual and projected units leased

Month	ACC Units (UMAs) (enter only if change)	ACTUAL Leased Units	Actual HAP	Vouchers issued, or projected to be issued	Other Planned additions or reductions to leased units	New Leasing from Issued Vouchers	Estimated Attrition	Leased units: actual and Projected
January	484	473	\$129,139	6		0	-7	473
February	484	468	\$128,693	8		1	-7	468
March	484	464	\$130,456	2		3	-7	464
April	484	459	\$131,111	20		2	-7	459
May	484	458	\$131,145	2		5	-7	458
June	484	454	\$132,352	13		3	-6	454
July	484	452	\$133,986	14		4	-6	452
August	484					5	-6	450
September	484					2	-6	447
October	484					1	-6	441
November	484					0	-6	435
December	484					0	-6	428
total	5,808	3,228	916,882	65	0	26	-78	5428

This is the left hand side of the Year One monthly spreadsheet section which contains mostly input cells:

- **ACC units** automatically default to the ACC number set in the PHA information and Funding section in the upper top left section of the spreadsheet unless entered with a subsequent new number by the user – after which the following months default to that newly entered number unless changed again subsequently.
- **Actual Leased** units are entered, the cells turn from yellow to white
- **Actual HAP Spending** is entered, the cells turn from yellow to white.
- **Vouchers Issued or Planned to be Issued** are entered,
- **Other Planned Additions or Deletions** are entered. These would be changes coming from other than issuances. Additions would, for example, be ports absorbed by the PHA, or Project Based Voucher units leased. Reductions in units leased and paid for by the PHA are entered as a negative number and could be: ports absorbed by the receiving PHA that had been billed or any other planned reductions other than attrition.

The remaining columns display:

- **New Leasing from Issued Vouchers-** This is the result of calculations displayed in the “Background Leasing” tab that apply the success rate and time from issuance to lease variables.
- **Estimated Attrition** shows the monthly impact of the Turn Over rate variable applied to the previous month’s units leased.
- **Leased Units: Actual and Projected** shows either the actual entered for the month or the projection for future months, with the projections shaded in blue.

Two Year Forecast — current year monthly data

right half of spreadsheet

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Allows user to project using different PUC from that month forward

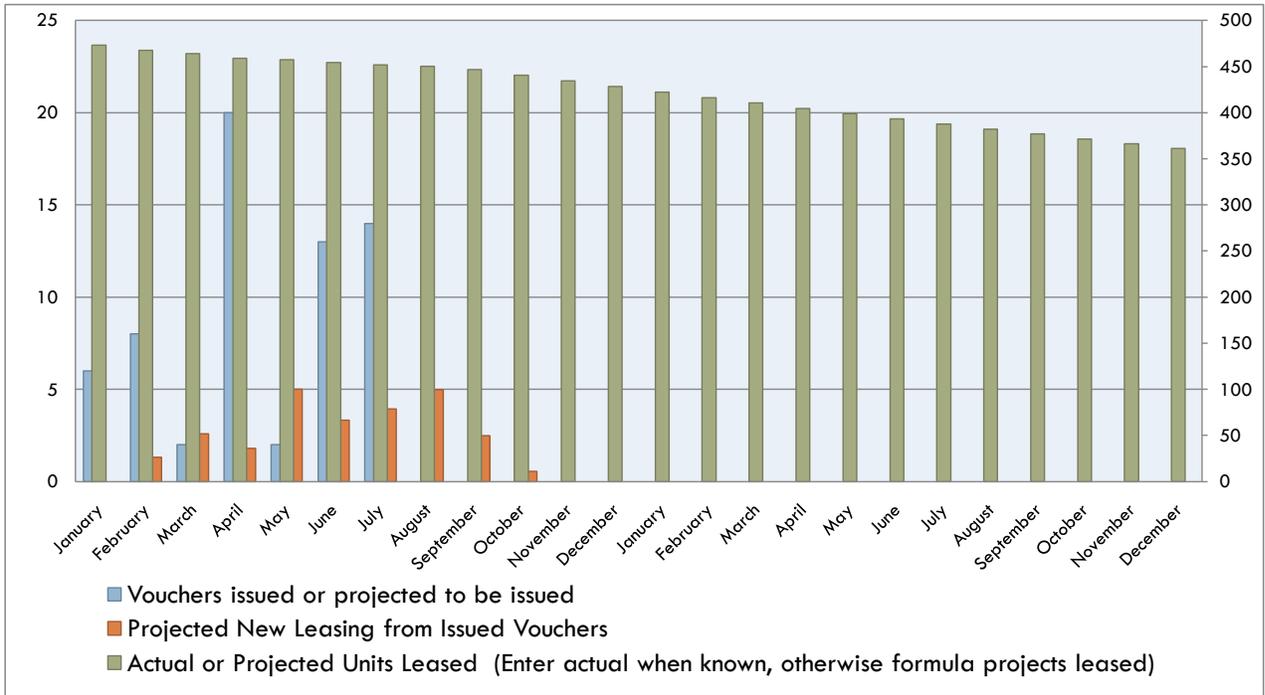
HAP Expense: Actual and Projected	PUC Actual or Projected	Manual PUC Override	Cumulative Annual Leased %	Cumulative ABA Expended %	Monthly UML %	Monthly ABA Expended %
\$129,139	\$273		97.8%	96.6%	97.8%	96.6%
\$128,693	\$275		97.2%	96.5%	96.7%	96.3%
\$130,456	\$281		96.7%	96.9%	95.8%	97.6%
\$131,111	\$286		96.3%	97.2%	94.8%	98.1%
\$131,145	\$287		95.9%	97.4%	94.5%	98.1%
\$132,352	\$291		95.6%	97.6%	93.9%	99.0%
\$133,986	\$297		95.3%	98.0%	93.4%	100.3%
\$133,565	\$297		95.0%	98.3%	93.1%	99.9%
\$132,408	\$297		94.7%	98.3%	92.3%	99.1%
\$130,698	\$297		94.3%	98.3%	91.1%	97.8%
\$128,846	\$297		93.9%	98.1%	89.8%	96.4%
\$127,021	\$297		93.5%	97.9%	88.5%	95.1%
\$1,569,420			93.5%	97.9%		

This is the right half of the current year monthly data section.

- **HAP Expenses Actual or Projected** shows either the actual entered for the month or a projection using the projected leased units multiplied by the previous month's Per unit Cost.
- **PUC Actual and or Projected** is the actual cost per unit for months with actual data entered or projects based on the last month actual – unless the user chooses to override that by entering a different PUC .
- **Manual PUC Override** allows the user to alter the projection with different Per Unit Cost levels. This can reflect trends being continued forward or planned changes that will impact the PUC up or down. The new amount will be carried forward in the cost estimating until changed further. Otherwise the spreadsheet defaults to projecting based on the most current actual PUC.
- **Cumulative Annual Leased Percentage** displays the year to date actual and projected UMLS divided by the UMAs
- **Cumulated ABA Expended** displays the year to date actual and projected HAP expenditures divided by the Annual Budget Authority
- **Monthly UML % and Monthly ABA Expended %** show the percentages for that month only. This is particularly useful to examine where the PHA is at year end – monthly as opposed to cumulatively, because this represents the starting point in the next year. For example, while a PHA may reach 98% cumulative leasing percentage, they end the year at 105%, a level that will not allow them to end the subsequent year within the UMA limit.

Graphs: Total Leased, Issued, Leased from Issuance

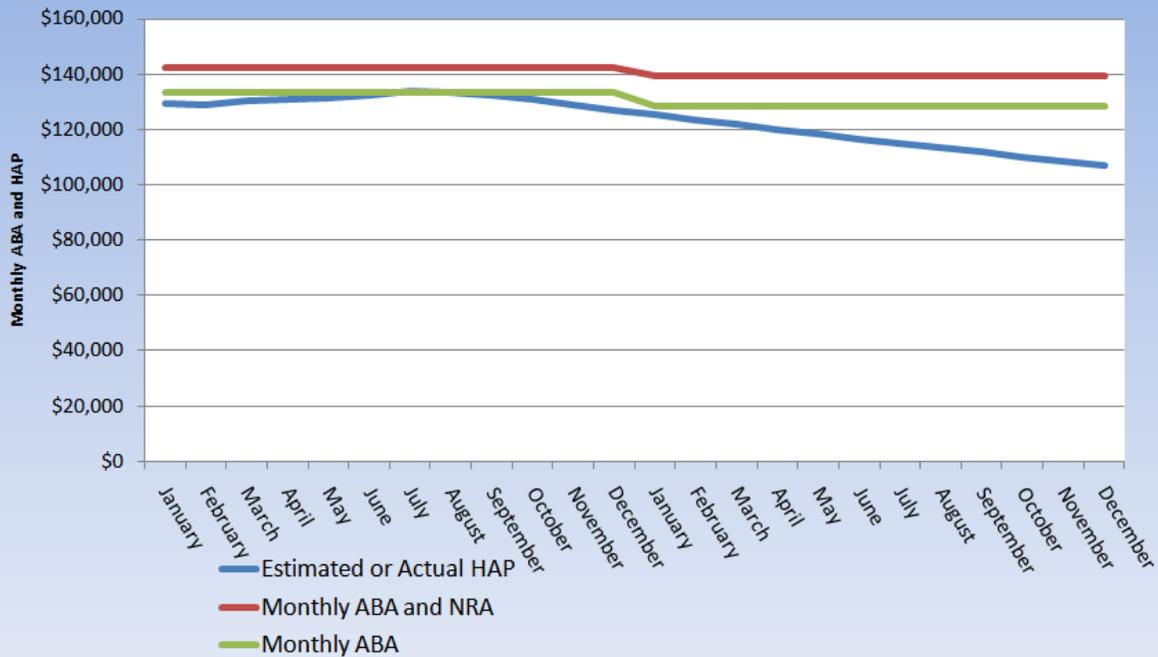
11



The graph uses two Y axis, the left one measuring Vouchers Issued (blue) and resulting new leasing (red), and the right Y axis measures total actual and projected leasing (green).

Graphs: Spending, ABA, All Funds

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This graph displays Estimated and actual HAP spending (blue) alongside the monthly ABA (green) and all funds: Monthly ABA + Monthly NRA (red). For this graph the tab background graph contains the data which can be viewed. Here the Annual Budget Authority and the NRA are divided into monthly amounts to permit the display of monthly spending against resources evenly divided by month.

Other Tabs: Admin Fees

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Projection Analysis

admin fee calculations

Tracking

Administration Fee Projections				2010 - Current Year HUD Admin Fee Schedule			
				HA Number	HA Name	Column A Fee Rate	Column B Fee Rate
2010				AK901	AK HSG FINANCE CORP	81.88	76.43
	UMLs	Per unit admin fee	Admin Fee Estimate	AL001	HSG AUTH OF BIRMINGHAM DISTRICT	57.34	53.52
1st 7200 UMLs	7,200	\$67.98	\$453,456.00	AL002	MOBILE HOUSING BOARD	58.25	54.37
over 7200 UMLs	2,262	\$62.98	\$142,479.74	AL004	HA ANNISTON	56.74	52.96
UMA cap	9,600			AL005	HA PHENIX CITY	56.74	52.96
total UMLs	9,462		\$595,935.74	AL006	H/A CITY OF MONTGOMERY	56.74	52.96
				AL007	DOTHAN H/A	56.74	52.96
CY 2010 total			\$595,935.74	AL008	HA SELMA	56.74	52.96
				AL010	FAIRFIELD ALABAMA H/A	57.34	53.52
				AL011	HA FORT PAYNE	56.74	52.96
2011				AL012	HA JASPER	56.74	52.96
	UMLs	Per unit admin fee	Admin Fee Estimate	AL013	HA TARRANT	57.34	53.52
1st 7200 UMLs	7,200	\$67.98	\$453,456.00	AL014	HA GUNTERSVILLE	56.74	52.96
over 7200 UMLs	2,296	\$62.98	\$144,630.45	AL047	HA HUNTSVILLE	58.26	54.39
UMA Cap	9,600			AL048	HA DECATUR	56.74	52.96
Total UMLs	9,496		\$598,086.45	AL049	HA GREATER GADSDEN	56.74	52.96
				AL050	HA AUBURN	56.74	52.96
CY 2011 total			\$598,086.45	AL052	HA CULLMAN	56.74	52.96
				AL053	HA HAMILTON	56.74	52.96

This tab shows the calculations that result in the estimated admin fee earnings displayed on the "Projection Analysis" tab. It also contains the admin fee "Column A" and "Column B" rates for every PHA so the user can find the appropriate 2010 rates. The page also contains a link to the HUD website with the Fees.

<http://www.hud.gov/offices/pih/programs/hcv/adminfees2010.cfm>

Other Tabs: Success Rate Tracking

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Projection Analysis admin fee calculations Tracking Actual Success Rate

		2009						
Issuance Month	# issued Each Month	Eventual # leased	Aug	Sept	Oct	Nov	Dec	Jan
July 2009	32	21	3	14	2	1	1	
August 2009	23	21		3	14	2	1	1
September 2009	28	20			4	11	2	2
October 2009	14	9				2	4	1
							1	
								5

Issuance Month	Success Rate	% Leased in 30 days	% Leased in 30 to 60 days	% Leased in 60 - 90 days	% Leased in 90 to 120 days	% Leased in 90 to 120 days	Avg Months
July 2009	66%	14.3%	66.7%	9.5%	4.8%	4.8%	2.2
August 2009	91%	14.3%	66.7%	9.5%	4.8%	4.8%	2.2
September 2009	71%	20.0%	55.0%	10.0%	10.0%	5.0%	2.3
October 2009	64%	22.2%	44.4%	11.1%	11.1%	11.1%	2.4
November 2009	57%	25.0%	0.0%	50.0%	25.0%	0.0%	2.8
December 2009	60%	83.3%	16.7%	0.0%	0.0%	0.0%	1.2
January 2010	83%	20.0%	60.0%	8.0%	12.0%	0.0%	2.1
February 2010	90%	28.6%	42.9%	14.3%	14.3%	0.0%	2.1
March 2010	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
April 2010	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
May 2010	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
June 2010	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
July 2010	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Cumulative	77%	23.4%	52.5%	11.3%	9.9%	2.8%	2.2

This is an optional spreadsheet where the user can enter **actual** vouchers issued for each month and the resulting vouchers leased from that group of issuances in subsequent months. For each issuance group, the spreadsheet will calculate the success rate, the % leased in 30, 60, 90, etc. days, and the average months from issuance to lease. There are more extensive instructions on the spreadsheet itself, as shown on the next slide. These measures are presented cumulatively as well as monthly. The period of time captured runs from five months before the current year to the eighth month of the current year since those months are the time periods from which full data can be used for calculations that would be complete and would inform the current year activity. One needs prior year experience to inform early current year choices for the variables, and beyond 8 months in the current year – issuances would not have run their course before the end of the year to be able to use the data. As elsewhere, the user enters data in the yellow – and orange cells: the number issued and then the number leased in the succeeding months. Everything else is calculated.

Graphs present the success rates by month of issuance origin and then cumulatively, and as seen on the next slide for the time from issuance to lease.

Other Tabs: Success Rate Tracking

continued

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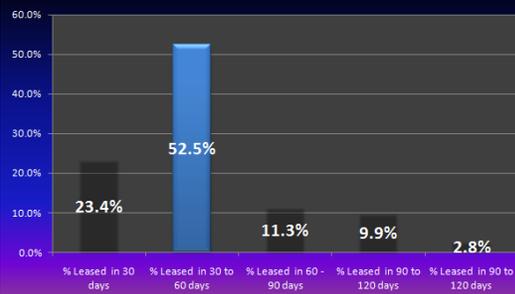
Actual Success Rate and Time to Lease Tracking

This optional spreadsheet offers the user an opportunity to track **actual success rate and leasing timing that can be used to inform variables entered into the Projection Analysis tab**. Because the period tracked is a five month period following each month's issuance, the 13 month period tracked begins with a period six months prior to the current year and ends with issuances in July of the current year, a period allowing all those issued vouchers to have reached fruition or cancellation.

To track success rate and the time from issuance to lease, each month's issuances should be tracked to determine the number eventually leased and the number of vouchers leased in each of the subsequent months - for that group of issuances. The success rate is not final until all the vouchers tracked from the month of issuance are either leased or terminated. In fact the data for that month's issuances should not be entered until all the data is entered for that group.

For example, the user enters 30 vouchers issued in January. For those vouchers, the user will eventually enter 5 leased in Feb., 14 in March and 3 in April, with the balance of vouchers being

Cumulative Issuance to Leasing Timing



Here is the additional information presented on the Actual Success Rate Tracking tab: Instructions and the graph that displays cumulative results of the tracking of time from issuance to lease.

Other Tabs: Re-benchmarking Estimate

Re-Benchmarking and Set Aside - Years 2 and 3 Estimate		
Year 2 CY Re-Benchmark Period Jan - Dec Current Year		
Months	UMLs	HAP Exp
January	775	\$274,256
February	774	\$274,111
March	769	\$272,012
April	774	\$278,987
May	789	\$280,125
June	784	\$285,021
July	790	\$288,569
August	794	\$290,199
September	800	\$292,109
October	803	\$293,496
November	805	\$294,139
December	804	\$293,833
Total	9,462	\$3,416,857
Eligibility with UMA		
Cap- funding limit	9,600	\$3,416,857
Re-benchmarking PUC	\$361.10	
YEAR 3		
CY Re-Benchmark Period Jan - Dec Following Year		
Months	UMLs	HAP Exp
January	799	\$291,857
February	794	\$289,871
March	789	\$288,367
April	786	\$287,270

This tab shows the underlying information used to calculate the subsequent year funding re-benchmarking, for Year 2 and 3. This uses the Calendar year months - an anticipated change from the prior two funding years in which the Federal Fiscal year months of October thru September were used.

Other Tabs: Background Leasing

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Re-benchmarking Est. Yr 2 & 3 background leasing ba

Month	# issued Each Month	Eventual # leased	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov
Jan		0.0											
Feb		0.0				0.0	0.0	0.0					
Mar		0.0				0.0	0.0	0.0					
Apr		0.0					0.0	0.0			0.0		
May	0.0	0.0						0.0	0.0	0.0	0.0	0.0	
June	20.0	15.4							3.5	8.2	1.7	1.5	0.5
July	20.0	15.4								3.5	8.2	1.7	1.5

20 Vouchers issued in June

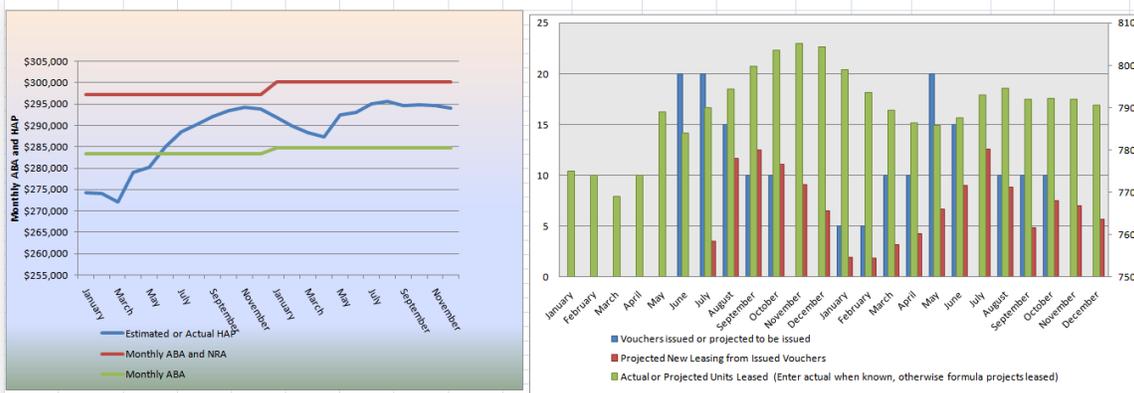
15 eventually leased per success rate

Distributed across months

This tab displays the underlying data and calculations that incorporate the key variables: success rate, and time from issuance to lease from the "Projection Analysis" tab, along with the number of Vouchers issued or planned to be issued. It then calculates the estimate of leased vouchers in succeeding months and returns that number to the "Projection Analysis" tab in the column "New Leasing from Issued Vouchers".

Other Tabs: Background Graphs

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Month	Estimated Attrition	Vouchers issued or projected to be issued	Other Planned additions or reductions from leased units	Projected New Leasing from Issued Vouchers	Actual or Projected Units Leased (Enter actual when known, otherwise formula projects leased)	Projected Average HAP Per Unit (enter 1st month only)	Actual PUC HAP	Manual PUC Override	PROJECTED HAP	Actual Monthly HAP Total (enter actual when known)	Estimated or Actual HAP	Cumulative Leased Percentage	Monthly ABA and NRA	Net Total Funds	Net ABA vs HAP	Monthly ABA
January	-7	0	0	0	775	\$354	\$354	\$0	\$274,256	\$274,256	\$274,256	96.9%	\$297,267	\$23,011	\$9,161	\$283,417
February	-7	0	0	0	774	\$354	\$354	\$0	\$274,111	\$274,111	\$274,111	96.8%	\$297,267	\$23,156	\$9,306	\$283,417
March	-7	0	0	0	769	\$354	\$354	\$0	\$272,012	\$272,012	\$272,012	96.6%	\$297,267	\$25,255	\$11,405	\$283,417
April	-7	0	0	0	774	\$360	\$360	\$0	\$278,987	\$278,987	\$278,987	96.6%	\$297,267	\$18,280	\$4,430	\$283,417

This tab shows the source of data for the graphs and the graphs that are pulled into the "Projection Analysis" tab.

Other Tabs: Instructions for New Increments

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round graph **New Increment estimating instru**

Appendix D – Examples as referenced in this Notice:

Section 3a. Step 2 of this Notice:

Example of first-time renewal of certain vouchers awarded to PHAs effective August 1, 2009 and later and expiring before December 31, 2010. This is an adjustment for an increment awarded in CY 2009 which will expire in CY 2010:

New Increment Effective Date: April 1, 2009
 New Increment Expiration Date: March 31, 2010
 Number of Units: 75
 Budget Authority (BA): \$472,500
 Per Unit BA: \$525
 (BA divided by 75 units and divided by 12 months)
 Average FFY 2009 VMS per Unit Cost: \$6,900

Excerpt from Projection Analysis tab where data will be entered

Months	Funding Adjustments	Justification
3	0	Since the original funding does not expire until March 31, 2010, the original funding already covers three months of the first year of the increment. No adjustment is necessary.
		For purposes of making first-time renewals, HUD assumes all of the

Optional - Additional ABA for new units prorated into Year 2

30 to 60 days

When first time allocations are funded in the current calendar year as indicated in a change to the Column "Units Under ACC being increased above the beginning Year ACC" units, additional funds can be added to the estimate of year 2 funding to ensure the estimate includes the full year 2 funding of the increment. An explanation of the calculation is provided in the tab - "New increment calculations"; this explanation is an excerpt from the 2010 Funding Notice 2010-5.

This tab has the instructions for estimating the second year funding for a new increment from the prior year. The results from this calculation are entered by the user into the "Projection Analysis" tab