DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–4995–N–02; HUD–2005–0017]

Proposed Fair Market Rents for Fiscal Year 2006 for Housing Choice Voucher, Moderate Rehabilitation Single Room Occupancy and Certain Other HUD Programs; Supplemental Notice on 50th Percentile Designation

AGENCY: Office of the Secretary, HUD.

ACTION: Notice.

SUMMARY: Section 8(c)(1) of the United States Housing Act of 1937 (USHA) requires the Secretary to publish FMRs periodically, but not less than annually, to be effective on October 1 of each year. On June 2, 2005, HUD published a notice on proposed fair market rents (FMRs) for Fiscal Year (FY) 2006. In the June 2, 2005, notice, HUD advised that it would also publish a separate notice to identify any areas that may be newly eligible for 50th percentile FMRs as well as any areas that remain eligible or that are no longer eligible for 50th percentile FMRs, as provided in HUD's regulations. This notice provides this information. It identifies 24 areas eligible for 50th percentile FMRs, which consists of areas that remain eligible for 50th percentile FMRs plus areas that are newly eligible.

DATES: *Comments Due Date:* September 26, 2005.

ADDRESSES: Interested persons are invited to submit comments regarding HUD's estimates of the FMRs, as published in this notice, to the Office of the General Counsel, Rules Docket Clerk, Department of Housing and Urban Development, 451 Seventh Street, SW., Room 10276, Washington, DC 20410–0001. Communications should refer to the above docket number and title and should contain the information specified in the ''Request for Comments'' section. To ensure that the information is fully considered by all of the reviewers, each commenter is requested to submit two copies of its comments, one to the Rules Docket Clerk and the other to the Economic and Market Analysis Staff in the appropriate HUD field office. A copy of each communication submitted will be available for public inspection and copying during regular business hours (8 a.m. to 5 p.m. Eastern Time) at the above address.

FOR FURTHER INFORMATION CONTACT: For technical information on the methodology used to develop FMRs or a listing of all FMRs, please call the HUD USER information line at 800–245–2691 or access the information on the HUD Web site at *http://www.huduser.org/datasets/fmr.html.* FMRs are listed at the 40th or 50th percentile in Schedule B of this notice. For informational purposes, a table of 40th percentile recent mover rents for the areas with 50th percentile FMRs will be provided on the same Web site noted above. Any questions related to use of FMRs or voucher payment standards should be directed to the respective local HUD program staff. Questions on how to conduct FMR surveys or further methodological explanations may be addressed to Marie L. Lihn or Lynn A. Rodgers, Economic and Market Analysis Division, Office of Economic Affairs, Office of Policy Development and Research, telephone (202) 708–0590. Persons with hearing or speech impairments may access this number through TTY by calling the toll-free Federal Information Relay Service at (800) 877–8339. (Other than the HUD USER information line and TTY numbers, telephone numbers are not toll free.) *Electronic Data Availability:* This **Federal Register** notice is available electronically from the HUD news page: *http://www.hudclips.org.* **Federal Register** notices also are available electronically from the U.S. Government Printing Office Web site at *http://www.gpoaccess.gov/fr/index.html.*

SUPPLEMENTARY INFORMATION:

I. Background

Section 8 of the USHA (42 U.S.C. 1437f) authorizes housing assistance to aid lower income families in renting safe and decent housing. Housing assistance payments are limited by FMRs established by HUD for different areas. In the Housing Choice Voucher program, the FMR is the basis for determining the ''payment standard amount'' used to calculate the maximum monthly subsidy for an assisted family (see 24 CFR 982.503). In general, the FMR for an area is the amount that would be needed to pay the gross rent (shelter rent plus utilities) of privately owned, decent, and safe rental housing of a modest (non-luxury) nature with suitable amenities. In addition, all rents subsidized under the Housing Choice Voucher program must meet reasonable rent standards. The interim rule published on October 2, 2000 (65 FR 58870), established 50th percentile FMRs for certain areas.

Section 8(c) of the USHA requires the Secretary of HUD to publish FMRs periodically, but not less frequently than annually. HUD's regulations implementing section 8(c), codified at 24 CFR part 888, provide that HUD will develop proposed FMRs, publish them for public comment, provide a public comment period of at least 30 days, analyze the comments, and publish final FMRs. (See 24 CFR 888.115.) HUD published its notice on proposed FY2006 FMRs on June 2, 2005 (70 FR 32402), and provided a 60-day public comment period. In the June 2, 2005, notice, HUD advised that it would publish a separate notice to identify any areas that may be newly eligible for 50th percentile FMRs as well as any areas that remain eligible or no longer remain eligible for 50th percentile FMRs, as provided in HUD's regulations.

Fiftieth percentile FMRs were establish by a rule published on October 2, 2000 (65 FR 58870), that also established the eligibility criteria used to select areas that would be assigned 50th rather than the normal 40th percentile FMRs. The objective was to give PHAs a tool to assist them in de-concentrating voucher program use patterns. The preamble to the October 2, 2000, rule noted that a PHA for which 50th percentile FMRs were provided could advise HUD that its jurisdiction does not require the higher payment standards based on the 50th percentile and obtain HUD approval to continue or establish payment standards below 90 percent of the 50th percentile. (See 65 FR 58871). The three criteria for 50th percentile FMRs are:

The three FMR area eligibility criteria were:

1. *FMR Area Size:* the FMR area had to have at least 100 census tracts.

2. *Concentration of Affordable Units:* 70 percent or fewer of the tracts with at least 10 two-bedroom units had at least 30 percent of these units with gross rents at or below the 40th percentile two-bedroom FMR; and,

3. *Concentration of Participants:* 25 percent or more of the tenant-based rental program participants in the FMR area resided in the 5 percent of census tracts with the largest number of program participants.

The rule also specified that areas assigned 50th percentile FMRs were to be re-evaluated after three years, and that the 50th percentile rents would be rescinded unless an area has made at least a fraction of a percent progress in reducing concentration and otherwise remains eligible. (See 24 CFR 888.113.) As noted in the June 2, 2005, notice, the three-year period for the first areas determined eligible to receive the 50th percentile FMRs, following promulgation of the regulation in § 888.113, has come to a close.

II. 50th Percentile FMR Areas for FY2006

Based on its assessment, HUD has determined that only 14 of the 48 areas assigned 50th percentile FMRs in the June 2, 2005, notice shall continue to be assigned 50th percentile FMRs. Only these 14 areas met the regulatory requirements for continued eligibility. In addition to these 14 areas that continue to remain eligible for 50th percentile FMRs, HUD identified 10 areas currently assigned 40th percentile FMRs that are eligible for 50th percentile FMRs. These 24 areas are as follows (note that the acronym MSA refers to metropolitan statistical area, and HMFA refers to HUD Metro FMR area as defined in the June 2, 2005, notice):

Albuquerque, NM MSA.
Austin-Round Rock, TX MSA.
Baltimore-Towson, MD MSA.
Chicago-Naperville-Joliet, IL HMFA.
Denver-Aurora, CO MSA.
Fort Worth-Arlington, TX HMFA.
Grand Rapids-Wyoming, MI HMFA.
Hartford-West Hartford-East Hartford, CT HMFA.
Honolulu, HI MSA.
Houston-Baytown-Sugar Land, TX HMFA.
Kansas City, MO-KS HMFA.
Las Vegas-Paradise, NV MSA.
Milwaukee-Waukesha-West Allis, WI MSA.
New Haven-Meriden, CT HMFA.
Orange County, CA HMFA.
Phoenix-Mesa-Scottsdale, AZ MSA.
Providence-Fall River, RI-MA HMFA.
Richmond, VA HMFA.
Riverside-San Bernardino-Ontario, CA MSA.
Sarasota-Bradenton-Venice, FL MSA.
Tacoma, WA HMFA.
Tucson, AZ MSA.
Virginia Beach-Norfolk-Newport News, VA-NC MSA.
Washington-Arlington-Alexandria, DC-VA-MD HMFA.

The following section provides the analysis undertaken by HUD to determine 50th percentile eligibility and 50th percentile continued eligibility.

III. Procedures for Determining 50th Percentile FMRs

This section describes the procedure HUD followed in evaluating which new and currently designated areas are eligible for 50th percentile FMRs under HUD's regulations in 24 CFR part 888. Additionally, in accordance with HUD's Information Quality Guidelines (published at 67 FR 69642), certain FMR areas were deemed ineligible for 50th percentile FMRs because the information on concentration of voucher program participants needed to make the eligibility determination was of inadequate quality as described in this section. Table 1 lists the 48 FMR areas that were assigned proposed FY2006 FMRs set at the 50th percentile based on new FMR area definitions. Table 1 includes the 39 areas originally determined eligible for 50th percentile FMRs (following the October 2000 final rule that allowed 50th percentile FMRs) plus subparts of these areas that were separated from the original areas in accordance with the new Office of Management and Budget (OMB) metropolitan area definitions. Those areas marked by an asterisk (*) in Table 1 failed to meet one or more eligibility criteria as described below, including measurable deconcentration. Those areas marked by a plus sign (+) in Table 1 had insufficient information, as described below, upon which to determine concentration of voucher program participants and are deemed ineligible for 50th percentile FMRs. Only 14 of these areas met all of the eligibility criteria including information quality requirements and had measurable deconcentration.

TABLE 1.—PROPOSED FY2006 50TH PERCENTILE FMR AREAS LISTED IN JUNE 2, 2005, NOTICE

Albuquerque, NM MSA
*Allegan County, MI
*Ashtabula County, OH
*Atlanta-Sandy Springs-Marietta, GA HMFA
Austin-Round Rock, TX MSA
*Baton Rouge, LA HMFA
*Bergen-Passaic, NJ HMFA
*Buffalo-Niagara Falls, NY MSA
Chicago-Naperville-Joliet, IL HMFA
*Cleveland-Elyria-Mentor, OH MSA
+Dallas, TX HMFA
Denver-Aurora, CO MSA
*Detroit-Warren-Livonia, MI HMFA
Fort Worth-Arlington, TX HMFA
Grand Rapids-Wyoming, MI HMFA
*Holland-Grand Haven, MI MSA
*Hood County, TX
Houston-Baytown-Sugar Land, TX HMFA
Kansas City, MO-KS HMFA
Las Vegas-Paradise, NV MSA
+Miami-Fort Lauderdale-Miami Beach, FL MSA
*Minneapolis-St. Paul-Bloomington, MN-WI MSA
*Mohave County, AZ
*Monroe, MI MSA
*Muskegon-Norton Shores, MI MSA
*+Newark, NJ HMFA
*Nye County, NV
*Oakland-Fremont, CA HMFA
*Ogden-Clearfield, UT MSA
*Oklahoma City, OK HMFA

TABLE 1.—PROPOSED FY2006 50TH PERCENTILE FMR AREAS LISTED IN JUNE 2, 2005, NOTICE—Continued

Orange County, CA HMFA
*Oxnard-Thousand Oaks-Ventura, CA MSA
*+Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA
Phoenix-Mesa-Scottsdale, AZ MSA
*Pottawatomie County, OK
Richmond, VA HMFA
*+Sacramento—Arden-Arcade—Roseville, CA
*Salt Lake City, UT HMFA
*San Antonio, TX HMFA
*San Diego-Carlsbad-San Marcos, CA MSA
*San Jose-Sunnyvale-Santa Clara, CA HMFA
*St. Louis, MO-IL HMFA
*Tampa-St. Petersburg-Clearwater, FL MSA
*Tulsa, OK HMFA
Virginia Beach-Norfolk-Newport News, VA-NC MSA
*Warren County, NJ HMFA
Washington-Arlington-Alexandria, DC-VA-MD HMFA
*Wichita, KS HMFA

The following subsections describe HUD's application of the eligibility criteria for 50th percentile FMRs, set forth in 24 CFR 888.113, to the proposed FY2006 50th percentile FMR areas, and explain which areas lost eligibility for the 50th percentile FMR based on each criterion. The application of HUD's Information Quality Guidelines and findings of ineligibility of FMR areas on the basis of inadequate information on concentration of participants are described in the subsection on the ''concentration of participants'' (Concentration of Participants) criterion. The final section identifies 10 additional proposed FY2006 FMR areas originally assigned 40th percentile FMRs that are eligible, under the regulatory criteria and information quality guidelines, for 50th percentile FMRs.

Continued Eligibility: FMR Area Size Criterion

Application of the modified new OMB metropolitan area definitions results in several peripheral counties of FY2005 50th percentile FMR areas being separated from their core areas. The separated areas become either non-metropolitan counties, parts of different metropolitan areas, or form entirely new metropolitan areas. Table 2 shows proposed FY2006 FMR areas that are ineligible to receive 50th percentile FMRs because, as a result of the new metropolitan area definitions, they each have fewer than 100 census tracts and therefore fail to meet the FMR area size criterion.

TABLE 2.—PROPOSED FY2006 50TH PERCENTILE FMR AREAS WITH FEWER THAN 100 CENSUS TRACTS

	Tracts
Allegan County, MI	21
Ashtabula County, OH	22
Holland-Grand Haven, MI MSA	36
Hood County, TX	5
Mohave County, AZ	30
Monroe, MI MSA	39
Muskegon-Norton Shores, MI MSA	45
Nye County, NV	10
Ogden-Clearfield, UT MSA	93
Pottawatomie County, OK	15
Warren County, NJ HMFA	23

Continued Eligibility: Concentration of Affordable Units

The original 50th percentile FMR determination in 2000 measured the Concentration of Affordable Units criterion with data from the 1990 Census because 2000 Census data were not available. According to 2000 Census data, the FMR areas, shown in Table 3, and assigned proposed FY2006 50th percentile FMRs have more than 70 percent of their tracts containing 10 or more rental units where at least 30 percent of rental units rent for the 40th percentile two-bedroom FMR or less. These areas therefore fail to meet the Concentration of Affordable Units criterion and are not eligible for 50th percentile FMRs (FMR areas that are listed above as too small and also fail to meet this criterion are not listed here). In Table 3, the percentages following each FMR area name are, respectively, the 1990 Census and 2000 Census percent of tracts containing 10 or more rental units where at least 30 percent of rental units rent for the 40th percentile two-bedroom FMR or less. This number must be no greater than 70 percent for an FMR Area to qualify for 50th percentile FMRs.

TABLE 3.—PROPOSED FY2006 50TH PERCENTILE FMR AREAS WHERE AFFORDABLE UNITS ARE NOT CONCENTRATED

FMR Area	1990[1]	2000
Atlanta-Sandy Springs-Marietta, GA HMFA	69.5	72.8
Baton Rouge, LA HMFA	69.2	80.3

[1] The 1990 percent of tracts containing 10 or more rental units where at least 30 percent of rental units rent for the 40th percentile 2-bedroom FMR or less is the figure computed for the original old-definition FMR area that was assigned the 50th percentile FMR in 2000. The 2000 figure may differ both because of change between the two decennial censuses as well as change in the geographic definition of the FMR areas.

TABLE 3.—PROPOSED FY2006 50TH PERCENTILE FMR AREAS WHERE AFFORDABLE UNITS ARE NOT CONCENTRATED—Continued

FMR Area	1990[1]	2000
Buffalo-Niagara Falls, NY MSA	67.7	75.4
Cleveland-Elyria-Mentor, OH MSA	62.3	70.3
Detroit-Warren-Livonia, MI HMFA	65.7	72.7
Minneapolis-St. Paul, MN-WI MSA	65.0	73.1
Oakland-Fremont, CA HMFA	67.8	74.4
Oklahoma City, OK HMFA	63.1	71.5
Oxnard-Ventura, CA MSA	68.1	71.8
St. Louis, MO-IL HMFA	69.9	71.1
Salt Lake City, UT HMFA	66.3	70.6
San Antonio, TX HMFA	66.0	70.7
San Jose-Santa Clara, CA HMFA	67.5	74.8
Tampa-St. Petersburg, FL MSA	63.9	74.1
Tulsa, OK HMFA	67.5	70.4
Wichita, KS HMFA	68.4	70.2

Continued Eligibility: Concentration of Participants

The Concentration of Participants criterion requires that 25 percent or more of voucher program participants be located in the five percent of census tracts with the highest number of voucher participants. Otherwise, an area is not eligible for 50th percentile FMRs. The data for evaluating the Concentration of Participants criterion comes from HUD's Public Housing Information Center (PIC). All public housing authorities (PHAs) that administer Housing Choice Voucher (HCV) programs must submit, on a timely basis, family records to HUD's PIC as set forth by 24 CFR part 908 and the consolidated annual contributions contract (CACC). PIC is the Department's official system to track and account for HCV family characteristics, income, rent, and other occupancy factors. PHAs must submit their form HUD–50058 records electronically to HUD for all current HCV families. Under HUD Notice PIH 2000–13 (HA), PHAs were required to successfully submit a minimum of 85 percent of their resident records to PIC during the measurement period covered by this notice (this requirement was raised to 95 percent by HUD Notice PIH 2005–17 (HA), but this higher reporting rate requirement is not used for purposes of this notice because it does not become effective until December 31, 2005, data submissions by PHAs).

Under HUD's Information Quality Guidelines,[2] the data used to determine eligibility for 50th percentile FMRs qualifies as ''influential'' and is therefore subject to a higher ''level of scrutiny and pre-dissemination review'' including ''robustness checks'' because ''public access to data and methods will not occur'' due to HUD's statutory duty to protect private information.[3] HUD cannot reasonably base the eligibility decision on inadequate data.

The information used to determine which FMR areas are assigned 50th percentile FMRs is ''influential'' because it has ''a clear and substantial impact,'' namely because it can potentially affect how voucher subsidy levels will be set in up to 108 large FMR areas containing about 59 percent of voucher tenants, thereby affecting ''a broad range of parties.'' PHA voucher payment standards are set according to a percentage of the FMR, so the setting of 50th percentile FMRs ''has a high probability'' of affecting subsidy levels for tenants in the affected FMR areas. An ''important'' public policy is affected by the decisions rendered from the information, namely the goal of deconcentrating voucher tenants and improving their access to jobs and improved quality of life.

Under HUD's Final Information Quality Guidelines, influential information that is developed using data that cannot be released to the public under Title XIII or for ''other compelling interests'' is subject to ''robustness checks'' to address, among other things, ''sources of bias or other error'' and ''programmatic and policy

[2] Section 515 of the Treasury and General Government Appropriations Act for FY2001 (Pub.L. 106–554) directed the OMB to issue governmentwide guidelines that ''provide policy and procedural guidance to federal agencies for ensuring and maximizing the quality, objectivity, utility, and integrity of information (including statistical information) disseminated by federal agencies.'' Within one year after OMB issued its guidelines, agencies were directed to issue their own guidelines that described internal mechanisms by which agencies ensure that their information meets the standards of quality, objectivity, utility, and integrity. The mechanism also must allow affected persons to seek and obtain correction of information maintained and disseminated by the agency that does not comply with the guidelines. OMB issued its final guidelines on September 28, 2001 (66 FR 49718), but requested additional comment on one component of the OMB guidelines. The OMB guidelines addressing additional public comment were published on January 3, 2002 (67 FR 369), and republished on February 22, 2002 (67 FR 6452). HUD issued its Final Information Quality Guidelines on November 18, 2002 (67 FR 69642), which follow public comment on proposed guidelines published on May 30, 2002 (67 FR 37851).

[3] Note that 13 U.S.C. 9 governs the confidentiality of census data. The Privacy Act (5 U.S.C. 552) governs confidentiality of the data used to evaluate the Concentration of Participants criterion.

implications.'' The typical reason for a low overall reporting rate in an FMR area is very low reporting rates by the largest PHAs in the FMR area (or non-reporting in the case of Moving-to-Work program PHAs that are not required to report). Unless it could be shown that underreporting is essentially random (which would be difficult and impose a major administrative burden on HUD), low reporting rates render any results derived from the data inaccurate, unreliable, and biased.

The setting of a reporting rate threshold for consideration of eligibility for 50th percentile FMRs is, therefore, justified because it constitutes a ''robustness check'' on ''influential information'' as defined in HUD's Final Information Quality Guidelines. HUD sets the overall FMR area minimum reporting rate standard at 85 percent based on the minimum requirements established for PHA reporting rates.

Of the 21 areas passing the FMR Area Size and Concentration of Affordable Units criteria, the five listed below in Table 4 have data quality issues in measuring Concentration of Participants in 2005 because of low reporting by PHAs in the FMR area.

TABLE 4.—PROPOSED FY2006 50TH PERCENTILE FMR AREAS MEETING FMR AREA SIZE AND CONCENTRATION OF AFFORDABLE UNITS CRITERIA, BUT HAVING REPORTING RATES BELOW 85 PERCENT AS DERIVED FROM THE MAY 31, 2005, DELINQUENCY REPORT [4]

Dallas, TX HMFA	83.2
Miami-Fort Lauderdale-Miami Beach, FL MSA	83.5
Newark, NJ HMFA	79.9
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA	54.0
Sacramento-Arden-Arcade-Roseville, CA HMFA	62.7

The only area with a proposed FY2006 50th percentile FMR that met the first two eligibility criteria, had adequate data to measure Concentration of Participants, but failed to meet 25 percent concentration criterion, is the San Diego-Carlsbad-San Marcos, CA MSA.[5]

Continued Eligibility: Deconcentration of Participants

HUD's regulations in 24 CFR 888.113 specify that areas assigned 50th percentile rents are to be reviewed at the end of three years, and that the 50th percentile rents will be rescinded if no progress has been made in deconcentrating voucher tenants. FMR Areas that failed this test are ineligible for 50th percentile FMRs for the subsequent three years. Three FMR areas with proposed FY2006 50th percentile FMRs that passed the other 50th percentile eligibility tests failed to deconcentrate voucher tenants between 2000 and 2005. They are the Bergen-Passaic, NJ HMFA, the Newark, NJ HMFA, and the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA.

With the exception of the Bergen-Passaic, NJ HMFA, however, this conclusion is based on poor quality data. The other two areas do not have sufficient reporting rates as derived from the May 31, 2005, Delinquency Report to measure deconcentration progress. Therefore, the Newark, NJ HMFA and the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA are ineligible for 50th percentile FMRs because neither concentration nor deconcentration progress can be measured accurately based on data provided by PHA reporting. If reporting in these FMR areas has increased sufficiently when future evaluations of deconcentration are made, and eligibility can be established with increased reporting rates, the 50th percentile FMRs could be reinstated before the end of a three-year hiatus.

Since the Bergen-Passaic, NJ HMFA has not demonstrated progress in deconcentrating voucher participants, and this measurement is made with data of adequate quality (85.7 percent reporting rate), the Bergen-Passaic, NJ HMFA is ineligible for FY2006 50th percentile FMRs. The 40th percentile Bergen-Passaic, NJ HMFA FMR is almost identical to the revised proposed New York-Bergen-Passaic-Monmouth-Ocean NY-NJ HMFA of which the originally proposed Bergen-Passaic, NJ HMFA is a part. So, as a result of losing its 50th percentile status, the Bergen-Passaic, NJ HMFA is combined into the revised proposed New York-Bergen-Passaic-Monmouth-Ocean, NY-NJ HMFA and shares the same revised proposed FY2006 FMRs with the component counties of this area as indicated in Schedule B of this notice.

Table 5 lists the areas, originally assigned 50th percentile FMRs, and also assigned proposed FY2006 50th percentile FMRs that meet all eligibility criteria, that have shown evidence of participant deconcentration, and have sufficient Reporting Rates as derived from the May 31, 2005, Delinquency Report to make an accurate assessment of participant concentration.

TABLE 5.—PROPOSED FY2006 50TH PERCENTILE FMR AREAS THAT SHOULD CONTINUE AS 50TH PERCENTILE AREAS

Albuquerque, NM MSA
Austin-Round Rock, TX MSA
Chicago-Naperville-Joliet, IL HMFA
Denver-Aurora, CO MSA
Fort Worth-Arlington, TX HMFA
Grand Rapids-Wyoming, MI HMFA
Houston-Baytown-Sugar Land, TX HMFA
Kansas City, MO-KS HMFA
Las Vegas-Paradise, NV MSA
Orange County, CA HMFA
Phoenix-Mesa-Scottsdale, AZ MSA
Richmond, VA HMFA
Virginia Beach-Norfolk-Newport News, VA-NC MSA
Washington-Arlington-Alexandria, DC-VA-MD HMFA

Newly Eligible Areas

Table 6 lists the FY2006 FMR areas not originally assigned proposed 50th percentile FMRs that meet the eligibility requirements for 50th percentile FMRs and have sufficient Reporting Rates as derived from the May 31, 2005, Delinquency Report (more than 85 percent overall for the FMR area) to evaluate the Concentration of Participants. There were no FY2006 FMR areas originally assigned proposed 40th percentile FMRs that otherwise met the eligibility requirements for 50th percentile FMRs, but were deemed ineligible by having insufficient Reporting Rates as derived from the May 31, 2005, Delinquency Report.

TABLE 6.—PROPOSED FY2006 40TH PERCENTILE FMR AREAS THAT SHOULD BE ASSIGNED 50TH PERCENTILE FMRS

Baltimore-Towson, MD MSA
Hartford-West Hartford-East Hartford, CT HMFA
Honolulu, HI MSA
Milwaukee-Waukesha-West Allis, WI MSA
New Haven-Meriden, CT HMFA
Providence-Fall River, RI-MA HMFA
Riverside-San Bernardino-Ontario, CA MSA
Sarasota-Bradenton-Venice, FL MSA

[4] For most PHAs the reporting rate comes directly from the Delinquency Report and is the ratio of form 50058 received to required units. In some cases, the number of 50058 required units was inconsistent with other figures on the number of HCV participants served by the PHA and was replaced with either the December 2004 leased units (if available) or Annual Contribution Contracts (ACC) units. The two significant instances where this procedure was used and negatively affected FMR area reporting rates in this table because the resulting PHA rates were below 85 percent are as follows: Dallas, TX HA (15,975 ACC units, PHA Report Rate 78.3%) and Philadelphia, PA HA (15,641 leased units, PHA Report Rate 0.0%).

[5] The Sacramento-Arden-Arcade-Roseville, CA HUD FMR, in a measure based on inadequate data, also had a concentration ratio of less than 25 percent but is deemed ineligible based on data quality.

TABLE 6.—PROPOSED FY2006 40TH PERCENTILE FMR AREAS THAT SHOULD BE ASSIGNED 50TH PERCENTILE FMRS—Continued

Tacoma, WA HMFA
Tucson, AZ MSA

Revised proposed FY2006 FMRs for the areas affected by this notice are listed in Schedule B of the June 2, 2005, notice. Consistent with current regulations, PHAs must obtain the approval of their governing board to implement use of 50th percentile FMRs or payment standards based on those FMRs. Other information pertaining to the proposed FY2006 FMRs is unchanged from the June 2, 2005, notice.

Dated: August 12, 2005.

Roy A. Bernardi,

Deputy Secretary.

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SCHEDULE B - FY 2006 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING PAGE 1

ARIZONA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
*Tucson, AZ MSA	486	571	746	1076	1209	Pima

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Mohave	509	560	653	903	1008

CALIFORNIA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Oxnard-Thousand Oaks-Ventura, CA MSA	982	1084	1379	1976	2260	Ventura
*Riverside-San Bernardino-Ontario, CA MSA	715	781	911	1294	1512	Riverside, San Bernardino
Sacramento--Arden-Arcade--Roseville, CA HMFA	691	786	959	1384	1586	El Dorado, Placer, Sacramento
San Diego-Carlsbad-San Marcos, CA MSA	760	870	1065	1514	1871	San Diego
Oakland-Fremont, CA HMFA	865	1045	1238	1679	2079	Alameda, Contra Costa
San Jose-Sunnyvale-Santa Clara, CA HMFA	876	1015	1220	1754	1931	Santa Clara

CONNECTICUT

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Components of FMR AREA within STATE
*Hartford-West Hartford-East Hartford, CT HMFA	669	801	979	1176	1460	Hartford County towns of Avon town, Berlin town, Bloomfield town, Bristol town, Burlington town, Canton town, East Granby town, East Hartford town, East Windsor town, Enfield town, Farmington town, Glastonbury town, Granby town, Hartford town, Hartland town, Manchester town, Marlborough town, New Britain town, Newington town, Plainville town, Rocky Hill town, Simsbury town, Southington town, South Windsor town, Suffield town, West Hartford town, Wethersfield town, Windsor town, Windsor Locks town Middlesex County towns of Chester town, Cromwell town, Durham town, East Haddam town, East Hampton town, Haddam town, Middlefield town, Middletown town, Portland town Tolland County towns of Andover town, Bolton town, Columbia town, Coventry town, Ellington town, Hebron town, Mansfield town, Somers town, Stafford town, Tolland town, Union town, Vernon town, Willington town
*New Haven-Meriden, CT HMFA	732	830	1003	1201	1372	New Haven County towns of Bethany town, Branford town, Cheshire town, East Haven town, Guilford town, Hamden town, Madison town, Meriden town, New Haven town, North Branford town, North Haven town, Orange town, Wallingford town, West Haven town, Woodbridge town

DELAWARE

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA	649	742	886	1061	1262	New Castle

FLORIDA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Miami-Fort Lauderdale-Miami Beach, FL MSA	652	752	911	1205	1377	Broward, Miami-Dade, Palm Beach

SCHEDULE B - FY 2006 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING PAGE 2

FLORIDA continued

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
*Sarasota-Bradenton-Venice, FL MSA	625	685	824	1052	1156	Manatee, Sarasota
Tampa-St. Petersburg-Clearwater, FL MSA	585	649	785	995	1201	Hernando, Hillsborough, Pasco, Pinellas

GEORGIA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Atlanta-Sandy Springs-Marietta, GA HMFA	633	686	763	929	1013	Barrow, Bartow, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Heard, Henry, Jasper, Newton, Paulding, Pickens, Pike, Rockdale, Spalding, Walton

HAWAII

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
*Honolulu, HI MSA	836	997	1205	1757	2069	Honolulu

ILLINOIS

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
St. Louis, MO-IL HMFA	485	526	654	842	882	Calhoun, Clinton, Jersey, Madison, Monroe, St. Clair
Bond County, IL HMFA	307	328	426	619	728	Bond
Macoupin County, IL HMFA	398	399	479	597	618	Macoupin

KANSAS

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Wichita, KS HMFA	408	457	600	767	863	Butler, Harvey, Sedgwick

LOUISIANA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Baton Rouge, LA HMFA	458	499	576	734	808	Ascension, East Baton Rouge, East Feliciana, Livingston, Pointe Coupee, St. Helena, West Baton Rouge, West Feliciana

MARYLAND

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
*Baltimore-Towson, MD MSA	700	791	950	1220	1507	Anne Arundel, Baltimore, Carroll, Harford, Howard, Queen Anne's, Baltimore city
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA	649	742	886	1061	1262	Cecil

MASSACHUSETTS

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Components of FMR AREA within STATE
*Providence-Fall River, RI-MA HMFA	757	827	965	1155	1472	Bristol County towns of Attleboro city, Fall River city, North Attleborough town, Rehoboth town, Seekonk town, Somerset town, Swansea town, Westport town

SCHEDULE B - FY 2006 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING PAGE 3

MICHIGAN

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Detroit-Warren-Livonia, MI HMFA	565	644	770	921	949	Lapeer, Macomb, Oakland, St. Clair, Wayne
Holland-Grand Haven, MI MSA	532	541	649	898	970	Ottawa
Monroe, MI MSA	599	601	723	944	1040	Monroe
Muskegon-Norton Shores, MI MSA	393	410	533	705	725	Muskegon

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Allegan	423	510	611	766	821						

MINNESOTA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Minneapolis-St. Paul-Bloomington, MN-WI MSA	598	705	855	1119	1258	Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, Wright

MISSOURI

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
St. Louis, MO-IL HMFA	485	526	654	842	882	Sullivan city part of Crawford, Franklin, Jefferson, Lincoln, St. Charles, St. Louis, Warren, St. Louis city
Washington County, MO HMFA	308	359	403	530	592	Washington

NEVADA

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Nye	409	568	631	919	947						

NEW JERSEY

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Warren County, NJ HMFA	763	854	999	1196	1231	Warren
New York-Bergen-Passaic-Monmouth-Ocean, NY-NJ HMFA	934	996	1125	1395	1545	Bergen, Monmouth, Ocean, Passaic
Newark, NJ HMFA	719	879	1004	1202	1329	Essex, Morris, Sussex, Union
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA	649	742	886	1061	1262	Burlington, Camden, Gloucester, Salem

NEW YORK

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Buffalo-Niagara Falls, NY MSA	487	488	586	725	800	Erie, Niagara
New York-Bergen-Passaic-Monmouth-Ocean, NY-NJ HMFA	934	996	1125	1395	1545	Bronx, Kings, New York, Putnam, Queens, Richmond, Rockland

SCHEDULE B - FY 2006 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING PAGE 4

OHIO

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Cleveland-Elyria-Mentor, OH MSA	488	566	682	874	929	Cuyahoga, Geauga, Lake, Lorain, Medina

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Ashtabula	394	463	590	750	874						

OKLAHOMA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Oklahoma City, OK HMFA	425	464	564	761	816	Canadian, Cleveland, Logan, McClain, Oklahoma
Grady County, OK HMFA	322	359	446	603	693	Grady
Lincoln County, OK HMFA	360	361	435	573	591	Lincoln
Tulsa, OK HMFA	456	495	605	799	825	Creek, Osage, Rogers, Tulsa, Wagoner

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Pottawatomie	393	447	497	630	731						

PENNSYLVANIA

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA	649	742	886	1061	1262	Bucks, Chester, Delaware, Montgomery, Philadelphia

RHODE ISLAND

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Components of FMR AREA within STATE
*Providence-Fall River, RI-MA HMFA	757	827	965	1155	1472	Bristol County towns of Barrington town, Bristol town, Warren town Kent County towns of Coventry town, East Greenwich town, Warwick city, West Greenwich town, West Warwick town Newport County towns of Jamestown town, Little Compton town, Tiverton town Providence County towns of Burrillville town, Central Falls city, Cranston city, Cumberland town, East Providence city, Foster town, Glocester town, Johnston town, Lincoln town, North Providence town, North Smithfield town, Pawtucket city, Providence city, Scituate town, Smithfield town, Woonsocket city Washington County towns of Charlestown town, Exeter town, Narragansett town, North Kingstown town, Richmond town, South Kingstown town

TEXAS

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Dallas, TX HMFA	548	607	733	954	1129	Collin, Dallas, Delta, Denton, Ellis, Hunt, Kaufman, Rockwall
San Antonio, TX HMFA	500	556	687	886	1077	Bandera, Bexar, Comal, Guadalupe, Wilson

NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR	NONMETROPOLITAN COUNTIES	0 BR	1 BR	2 BR	3 BR	4 BR
Hood	449	487	542	716	951						

SCHEDULE B - FY 2006 PROPOSED FAIR MARKET RENTS FOR EXISTING HOUSING PAGE 5

UTAH

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
Ogden-Clearfield, UT MSA	416	501	617	848	1003	Davis, Morgan, Weber
Salt Lake City, UT HMFA	526	572	690	971	1130	Salt Lake

WASHINGTON

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
*Tacoma, WA HMFA	532	621	774	1128	1269	Pierce

WISCONSIN

METROPOLITAN FMR AREAS	0 BR	1 BR	2 BR	3 BR	4 BR	Counties of FMR AREA within STATE
*Milwaukee-Waukesha-West Allis, WI MSA	496	591	706	890	916	Milwaukee, Ozaukee, Washington, Waukesha
Minneapolis-St. Paul-Bloomington, MN-WI MSA	598	705	855	1119	1258	Pierce, St. Croix

Note1: The FMRs for unit sizes larger then 4 BRs are calculated by adding 15% to the 4 BR FMR for each extra bedroom.
Note2: 50th percentile FMRs are indicated by an * before the FMR Area name. 07/30/2005

Technical Appendix to Schedule B

Under the FMR computation methodology described in the June 2, 2005, notice on proposed FY2006 FMRs, 6 additional FMR areas have altered rents from those originally proposed as a result of the changes in 50th percentile FMR areas. They are:

FMR Area Name	Original Proposed FY2006 2-Bedroom FMR	Revised Proposed FY2006 2-Bedroom FMR
Bond County, IL HMFA	420	426
Macoupin County, IL HMFA	471	479
Washington County, MO HMFA	397	403
Grady County, OK HMFA	426	446
Lincoln County, OK HMFA	423	435
New York-Bergen-Passaic-Monmouth-Ocean, NY-NJ HMFA (New York-Monmouth-Ocean, NY-NJ part)	1,133	1,125

The rents of the first five HMFAs change because, as described in the June 2, 2005, notice, subareas of Core Based Statistical Areas (CBSAs) use the CBSA 2005-to-2006 update factor. Bond, Macoupin, and Washington counties are subareas of the St. Louis, MO-IL Metro CBSA, and Grady and Lincoln counties are subareas of the Oklahoma City, OK Metro CBSA. Both St. Louis and Oklahoma City had Random Digit Dialings (RDDs) done in 2005 for implementation in FY2006 FMRs. All RDDs are evaluated at the FMR standard in effect (40th or 50th percentile) for the CBSA, which in these cases was the 50th percentile standard because more than 75 percent of the CBSAs' populations were in FY2005 50th percentile FMR areas. In the case of both St. Louis and Oklahoma City, the RDDs evaluated at the 40th percentile indicated a smaller decrease than the RDDs evaluated at the 50th percentile. Therefore, the switch from the 50th percentile standard to the 40th percentile standard resulted in a smaller downward adjustment of rents from 2005 to 2006 in these CBSAs, which caused the revised proposed 40th percentile rents of the associated subareas to be higher than the originally proposed 40th percentile rents.

Also, as described in the June 2, 2005, notice, the 2000 to 2005 update factor is a population-weighted average of the ratios of the revised final FY2005 FMRs to the 2000 Census Base Rents of the subareas that make up the FY2006 FMR area. The recombination of the Bergen-Passaic, NJ HMFA and the New York-Monmouth-Ocean HMFA, to form the New York-Bergen Passaic-Monmouth-Ocean, NY-NJ HMFA, results in a slightly smaller 2000-to-2005 update factor for the combined area than that which had applied to the originally proposed New York-Monmouth-Ocean, NY-NJ HMFA. This results in revised proposed FY2006 FMRs for the New York-Monmouth-Ocean, NY-NJ part of the recombined area that are slightly lower than those originally proposed.

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