



**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**  
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

---

**Special Attention of**

All Multifamily Hub Directors  
All Program Center Directors  
All Project Managers  
All Field Office Directors

**Notice H 2011-28**

Issued: October 4, 2011  
Expires: October 31, 2012

---

**Cross References**

Handbook 4571.2 (811)  
Handbook 4571.3 REV-1 (202)

---

**SUBJECT:**

Fiscal Year 2010 Annual Operating Cost Standards – Section 202 Supportive Housing for the Elderly and Section 811 Supportive Housing for Persons with Disabilities Programs

Attached are the Operating Cost Standards (OCS), which HUD Office staff should use for calculating the annual per person/per unit amount of a Project Rental Assistance Contract (PRAC) when making Fiscal Year 2010 subsidy fund reservations for Capital Advance applications under the subject programs.

These Standards have been updated using the National Consumer Price Index (CPI) of housing changes for 2010. Each HUD Office should adjust these Standards downward to accommodate any lower cost area within its jurisdiction when locally developed cost data so indicate.

Historically, some areas significantly exceed the National CPI average. To assure that those areas are not precluded from program participation, each HUD Office noted below is authorized to adjust its annual OCS by up to the additional percentage shown: New York – 42.9 percent; Philadelphia – 17.9 percent; Los Angeles – 27.3 percent; and San Francisco – 28.2 percent.

To determine the total amount of an annual PRAC, multiply the OCS by the number of residential spaces in a group home or by the number of revenue-producing units in either an independent living facility or an elderly project. For the four cities listed above, the result thus obtained would be multiplied by part or all of the additional percentage, as needed.

In accordance with the waiver authority provided in the Fiscal Year 2010 HUD Appropriations Act, the Secretary is waiving the following statutory and regulatory provisions in the FY 2010 Program NOFA for the Section 202 and Section 811 Programs:

The term of the PRAC is reduced from 5 years to 3 years. The Department anticipates that, at the end of the contract terms, renewals will be approved subject to the availability of funds. In addition to this provision, the Department will reserve PRAC funds based on 75 percent rather than 100 percent of the current OCS for approved units in order to take into account the average tenant contribution toward rent.

Should you have questions, please contact Adia Hayes at (202) 708-3000, Extension 2463. Hearing or speech impaired individuals may access the number through TTY by calling the toll free Federal Relay Service at 800.877.8339.

/s/

---

Carol J. Galante, Acting Assistant Secretary  
for Housing – Federal Housing Commissioner

Attachments

---

**Distribution: W-3-1,**

---

**NATIONAL AVERAGE FOR 2010 – 216.1**

<b><u>CITIES</u></b>	<b><u>ANNUAL AVERAGE 2010</u></b>	<b><u>PERCENTAGE INCREASE</u></b>
Los Angeles-Riverside-Orange County, CA	243.4	27.3
NY-Northern NJ-Long Island, NY-NJ-CT-PA	259.0	42.9
Phil-Wilmington-Atlantic City, PA-NJ-DE-MD	234.0	17.9
San Francisco-Oakland-San Jose, CA	244.3	28.2

**FISCAL YEAR 2010**  
**Operating Cost Standards**  
**Section 202 and 811**

**OFFICE**

**2010 OPERATING COST STANDARDS**

**BOSTON HUB**

Boston	\$7,100
Hartford	\$6,689
Manchester	\$5,401
Bangor	\$5,556
Burlington	\$5,415
Providence	\$6,615

**NEW YORK HUB**

New York City	\$8,038
---------------	---------

**BUFFALO HUB**

Buffalo	\$5,658
Albany	\$5,795

**PHILADELPHIA HUB**

Charleston	\$5,317
Newark	\$6,958
Camden	\$6,308
Pittsburgh	\$5,148
Philadelphia	\$6,341
Wilmington	\$5,864

**BALTIMORE HUB**

Baltimore	\$5,520
Richmond	\$4,936
Washington	\$5,620

**GREENSBORO HUB**

Columbia	\$4,389
Greensboro	\$4,764

**ATLANTA HUB**

Atlanta	\$4,490
San Juan	\$4,389
Louisville	\$4,764
Knoxville	\$4,388
Nashville	\$4,219
Memphis	\$4,490

**OFFICE****2010 OPERATING COST STANDARDS****JACKSONVILLE HUB**

Jacksonville	\$4,351
Miami	\$4,657
Tampa	\$4,114
Birmingham	\$4,389
Jackson	\$4,522

**CHICAGO HUB**

Chicago	\$5,347
Indianapolis	\$5,073

**COLUMBUS HUB**

Cincinnati	\$5,108
Cleveland	\$5,691
Columbus	\$5,042

**DETROIT HUB**

Detroit	\$5,688
Grand Rapids	\$4,731

**MINNEAPOLIS HUB**

Milwaukee	\$5,175
Minneapolis	\$5,520

**FT. WORTH HUB**

Ft. Worth	\$4,764
Albuquerque	\$4,660
Lubbock	\$4,594
Houston	\$4,731
Little Rock	\$4,081
New Orleans	\$4,253
Shreveport	\$4,388
San Antonio	\$4,372

**KANSAS CITY HUB**

Des Moines	\$4,630
Kansas City	\$5,175
Topeka	\$4,558
Omaha	\$4,660
Oklahoma City	\$4,388
Tulsa	\$4,496
St. Louis	\$5,453

**OFFICE****2010 OPERATING COST STANDARDS****DENVER HUB**

Denver	\$5,042
Casper	\$4,282
Fargo	\$4,282
Helena	\$4,660
Salt Lake City	\$4,421
Sioux Falls	\$4,253

**SAN FRANCISCO HUB**

Honolulu (Guam)	\$6,615
Reno	\$5,347
Phoenix	\$4,660
Sacramento	\$5,933
San Francisco	\$6,576

**LOS ANGELES HUB**

Los Angeles	\$6,174
San Diego	\$5,724
Santa Ana	\$6,174

**SEATTLE HUB**

Anchorage	\$9,439
Portland	\$4,936
Boise	\$4,800
Seattle	\$5,247
Spokane	\$5,139