

the relationship of rents in that area to the combined rents in the cluster of FMR areas. In addition, PHAs are advised that counties whose FMRs are based on the state minimum will not have their FMRs revised unless the grouped survey results show a revised FMR above the state minimum level.

PHAs that plan to use the RDD survey technique should obtain a copy of the appropriate survey guide. Larger PHAs should request HUD's survey guide entitled "Random Digit Dialing Surveys; A Guide to Assist Larger Public Housing Agencies in Preparing Fair Market Rent Comments." Smaller PHAs should obtain a guide entitled "Rental Housing Surveys; A Guide to Assist Smaller Public Housing Agencies in Preparing Fair Market Rent Comments." These guides are available from HUD USER on 1-800-245-2691, or from HUD's Worldwide website, in Microsoft Word or Adobe Acrobat format, at the following address: <http://www.huduser.org/datasets/fmr.html>.

Other survey methodologies are acceptable in providing data with comments as long as the surveys submitted provide statistically reliable, unbiased estimates of the gross rent. Survey samples should preferably be randomly drawn from a complete list of rental units for the FMR area. If this is not feasible, the selected sample must be drawn so as to be statistically representative of the entire rental housing stock of the FMR area. In particular, surveys must include units of all rent levels and be representative by structure type (including single-family, duplex, and other small rental properties), age of housing unit, and geographic location. The decennial Census should be used as a starting point and means to verify whether the sample is representative of the FMR area's rental housing stock.

Most surveys cover only 1- and 2-bedroom units, in which case HUD will make the adjustments for other size units consistent with the differentials established on the basis of the decennial Census data for the FMR area. When 3- and 4-bedroom units are surveyed separately to determine FMRs for these unit size categories, the commenter should multiply the 40th percentile survey rents by 1.087 and 1.077, respectively, to determine the FMRs. The use of these factors will produce the same upward adjustments in the rent differentials as those used in the HUD methodology.

HUD will consider increasing manufactured home space FMRs where public comment demonstrates that 40 percent of the 2-bedroom FMR is not adequate. In order to be accepted as a

basis for revising the manufactured home space FMRs, comments must include a pad rental survey of the mobile home parks in the area (and note the utilities included in this rental fee) along with a copy of the applicable public housing authority utility schedule.

Accordingly, the Fair Market Rent Schedules, which will not be codified in 24 CFR part 888, are proposed to be amended as follows:

Dated: May 20, 2003.

**Mel Martinez,**  
*Secretary.*

### **Fair Market Rents for the Housing Choice Voucher Program**

#### *Schedules B and D—General Explanatory Notes*

##### **1. Geographic Coverage**

a. *Metropolitan Areas*—FMRs are housing market-wide rent estimates that are intended to provide housing opportunities throughout the geographic area in which rental-housing units are in direct competition. The FMRs shown in Schedule B are determined for the same areas as the Office of Management and Budget's (OMB) most current definitions of metropolitan areas, with the exceptions discussed in paragraph b. HUD uses the OMB Metropolitan Statistical Area (MSA) and Primary Metropolitan Statistical Area (PMSA) definitions for FMR areas because they closely correspond to housing market area definitions.

b. *Exceptions to OMB Definitions*—The exceptions are counties deleted from several large metropolitan areas whose revised OMB metropolitan area definitions were determined by HUD to be larger than the housing market areas. The FMRs for the following counties (shown by the metropolitan area) are calculated separately and are shown in Schedule B within their respective states under the "Metropolitan FMR Areas" listing:

#### **Metropolitan Area and Counties Deleted**

Chicago, IL: DeKalb, Grundy and Kendall Counties  
Cincinnati-Hamilton, OH-KY-IN: Brown County, Ohio; Gallatin, Grant and Pendleton Counties in Kentucky; and Ohio County, Indiana  
Dallas, TX: Henderson County  
Flagstaff, AZ-UT: Kane County, UT  
New Orleans, LA: St. James Parish  
Washington, DC-MD-VA-WV: Berkeley and Jefferson Counties in West Virginia; and Clarke, Culpeper, King George, and Warren counties in Virginia

c. *Nonmetropolitan Area FMRs*—FMRs also are established for nonmetropolitan counties and for county equivalents in the United States, for nonmetropolitan parts of counties in the New England states, and for FMR areas in Puerto Rico, the Virgin Islands, and the Pacific Islands.

Nonmetropolitan area FMRs are set at the higher of the local 40th percentile rent level or the statewide average of nonmetropolitan counties. (The state minimum also affects a small number of metropolitan areas whose rents would otherwise fall below the state minimum.)

d. *Virginia Independent Cities*—FMRs for the areas in Virginia shown in the table below were established by combining the Census data for the nonmetropolitan counties with the data for the independent cities that are located within the county borders. Because of space limitations, the FMR listing in Schedule B includes only the name of the nonmetropolitan county. The complete definitions of these areas including the independent cities are as follows:

#### **Virginia Nonmetropolitan County FMR Area and Independent Cities Included**

County	Cities
Alleghany .....	Clifton Forge and Covington
Augusta .....	Staunton and Waynesboro
Carroll .....	Galax
Frederick .....	Winchester
Greensville .....	Emporia
Henry .....	Martinsville
Montgomery .....	Radford
Rockbridge .....	Buena Vista and Lexington
Rockingham .....	Harrisonburg
Southampton ..	Franklin
Wise .....	Norton

##### **2. Bedroom Size Adjustments**

Schedule B shows the FMRs for 0-bedroom through 4-bedroom units. The FMRs for unit sizes larger than 4 bedrooms are calculated by adding 15 percent to the 4-bedroom FMR for each extra bedroom. For example, the FMR for a 5-bedroom unit is 1.15 times the 4-bedroom FMR, and the FMR for a 6-bedroom unit is 1.30 times the 4-bedroom FMR. FMRs for single-room-occupancy (SRO) units are 0.75 times the 0-bedroom FMR.

##### **3. FMRs for Manufactured Home Spaces**

FMRs for manufactured home spaces in the housing choice voucher program are 40 percent of the 2-bedroom existing housing program FMRs, with the exception of the areas listed in Schedule D whose manufactured home space FMRs have been modified on the basis