

Cost Comparison Spreadsheet Voluntary and Required Conversions under 24 CFR Part 972

This spreadsheet is provided as a tool for public housing agencies conducting cost comparisons pursuant to 24 CFR Part 972, "Conversions of Public Housing to Tenant Based Assistance." The spreadsheet assists PHAs in comparing public housing costs to voucher costs using the methodology presented in the appendix to 24 CFR 972 for both Required Conversions (subpart A) and Voluntary Conversions (subpart B).

Spreadsheet cells shaded in green allow PHAs to enter information on the subject property's operating, modernization, and accrual costs, as well as information on voucher costs. Use the arrow keys to move from one cell to another. Enter numbers without commas and press "Enter" when you are done with each cell. Enter data only in the cells you need. Green cells may be left blank (you do not need to enter zeros). Where green cells show "NA" the item is not applicable and should be skipped. Cells shaded yellow contain formulas and cannot be changed.

The spreadsheet consists of seven tabs, including this introduction. To move from tab to tab, click on the tab name at the bottom of the screen.

Tab 2 -- Public Housing Operating Cost. At this tab, the PHA enters the projected operating costs for the revitalized property and also checks these costs for reasonableness by comparing them to current operating costs, using either the Development or the PHA-wide method.

Tab 3 -- Public Housing Capital Cost. At this tab, the PHA enters the anticipated costs of revitalization/modernization, relocation, and demolition (if any) and indicates the year in which costs are expected to be incurred based on the PHA's modernization plan. Up to four years are permitted for this activity. PHAs will also enter data needed to estimate ongoing accrual costs for the property.

Tab 4 -- Voucher Cost. At this tab, the PHA enters the average voucher cost and administrative fee in order to calculate annual Housing Choice Voucher (HCV) costs. PHAs will also estimate demolition, remediation, and relocation costs associated with the conversion (and test these against 10% of TDC).

Tab 5 -- Cost Comparison. At this tab, the PHA enters key assumptions, including current OMB-specified discount rates and the number of years for the comparison (15, 20 or 30) depending on the type of conversion (voluntary or required). Summary numbers are then presented from the previous tabs (e.g., first year operating cost, capital costs incurred in years 1 to 4, initial accrual, and voucher and demolition costs). Finally, the net present value of the costs is compared for Public Housing and for Vouchers.

Tab 6 -- Net Present Value Calculation. This tab shows the costs of each line item in each year as well as the discounted totals for public housing and vouchers. The discounted totals are summed for the relevant period (15, 20 or 30 years) to create the cost comparison results at TAB 5.

Tab 7 -- New Budget Authority. This tab shows the costs of each line item in each year, including the effects of inflation. The inflated costs are summed for the relevant period (15, 20 or 30 years) to create the cost comparison results at TAB 5.