

Fiscal Year (FY) 2016 Inflation Factors for Public Housing Agency (PHA) Renewal Funding

April 19, 2016

Dear NAHMA Member,

HUD recently issued the inflation factor to adjust FY 2016 renewal funding for the Housing Choice Voucher (HCV) Program of each PHA. These inflation factors incorporate economic indices to measure the expected change in per unit costs (PUC) for the HCV program.

The methodology for FY 2016 is modified from what was used by HUD in FY 2015. The Department has focused on measuring the change in average PUC as captured in HUD's administrative data. In order to predict the likely path of PUC over time, HUD has implemented a model that uses three economic indices that capture key components of the economic climate: 1) the seasonally-adjusted unemployment rate (lagged twelve months), 2) the Consumer Price Index from the Bureau of Labor Statistics, and 3) the "wages and salaries" component of personal income from the National Income and Product Accounts from the Bureau of Economic Analysis.

More information on geographic areas and the use of inflation factors can be found in the notice. The notice is attached to this message and may be found on the NAHMA website [here](#)

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