



OFFICE OF POLICY DEVELOPMENT
AND RESEARCH

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-6000

FOR: Indian Housing Block Grant Formula Negotiated Rulemaking Committee

FROM: U.S. Department of Housing and Urban Development,
Policy Development and Research

SUBJECT: Response to TA Request 15

DATE: 6/3/2014

I. Introduction

This brief responds to part 2 of the Technical Assistance (TA) Request 15 submitted by Sharon Vogel in May 2014:

(2) List the established median incomes for counties within NAHASDA / IHBG formula areas within the past five years and the percentage increase/decrease per year, and clarify how ACS 5 year estimates incorporate these changes.

In response to this request, please see the excel document accompanied with this memo for a list of 4-person, 5-year income limits for three years of special tabulations of the American Community Survey (ACS) by counties that contain some Indian Housing Block Grant (IHBG) Formula Area.

II. Detailed Response

The US Department of Housing and Urban Development (HUD)'s Office of Policy Development and Research (PD&R) provides the US Census Bureau with income limits (50% and 80% of Area Median Income (AMI), adjusted by household size) by county and New England towns. The Census Bureau uses this information to derive income limits for 30%. Then, the Census places households into these three income categories (30%, 50% and 80% of AMI) and recodes certain ACS variables to produce new special tabulations that HUD uses to allocate IHBG funds.

PD&R derives income limits (adjusted by household size) from median incomes in the 5-year ACS products. Thus, for special tabulations of the 06-10 ACS data, the Census uses PD&R's income limits derived from the 06-10 ACS. The Census only uses one set of income limits for each special tabulation of the 5-year ACS data.

It is important to note that HUD adjusts income limits that are derived from median incomes in two ways. First, PD&R makes an adjustment to account for housing costs. Second, PD&R does not allow income limits to increase or decrease by more than 5% from year-to-year (or twice the national change, whichever is greater). Thus, notice in the excel document that income limits change very little from year-to-year for each county even if median incomes fluctuate +/- 25%.

The excel document lists the income limits PD&R provided to the Census to produce special tabulations of the ACS data for the following 5-year products: 05-09 ACS, 06-10 ACS and 07-11 ACS. PD&R does not have any other income limits that correspond with the 5-year ACS special tabulations since 2009 was the first five year ACS product. For simplification, the document only contains income limits for 4 person households and for counties that contain IHBG Formula Areas. For some counties in the Northeast, the income limits provided in this document are the average income limits of all the New England towns in those counties.