



FY 2014 FAIR MARKET RENT DOCUMENTATION SYSTEM

The Final FY 2014 Monterey County FMRs for All Bedroom Sizes

The following table shows the Final FY 2014 FMRs by unit bedrooms for
Monterey County, California.

Final FY 2014 FMRs By Unit Bedrooms				
Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
\$871	\$980	\$1,234	\$1,800	\$2,012

FY 2014 FMR areas continue to use the revised Office of Management and Budget (OMB) area definitions that were first issued in 2003 along with HUD defined Metropolitan areas (HMFAs) as described in the FY2011 FMR documentation, which can be found at ([Monterey County FY2011 FMR Documentation system](#)). No changes have been made to these OMB-defined areas since the publication of Final FY2011 FMRs

Monterey County, California is part of the Salinas, CA MSA, which is comprised of the following counties: Monterey County, California. All information here applies to the entirety of the Salinas, CA MSA.

Fair Market Rent Calculation Methodology

Show/Hide Methodology Narrative

Fair Market Rents for metropolitan areas and non-metropolitan FMR areas are developed as follows:

1. 2007-2011 5-year American Community Survey (ACS) estimates of 2-bedroom adjusted standard quality gross rents calculated for each FMR area are used as the new basis for FY2014.

In areas where the 2007-2011 5-year ACS 2-bedroom adjusted standard quality gross rent estimate is less than its respective margin of error, the state non-metro estimate of 2-bedroom adjusted standard quality gross rent is used.

2. HUD calculates a recent mover adjustment factor by comparing a 2011 1-year 40th percentile recent mover 2-bedroom rent to the 2007-2011 5-year 40th

percentile adjusted standard quality gross rent. If either the recent mover and non-recent mover rent estimates has a margin of error that includes zero, HUD uses the recent mover adjustment for a larger geography. For metropolitan areas, the order of geographies examined is: FMR Area, Entire Metropolitan Area (for Metropolitan Sub-Areas), State Metropolitan Portion, Entire State, and Entire US; for non-metropolitan areas, the order of geographies examined is: FMR Area, State Non-Metropolitan Portion, Entire State, and Entire US. The recent mover adjustment factor is floored at one.

3. HUD calculates the appropriate recent mover adjustment factor between the 5-year data and the 1-year data and applies this to the 5-year base rent estimate.
4. Rents are calculated as of December 2012 using the relevant (regional or local) change in CPI from annual 2011 to annual 2012 as well as the change in national CPI from annual 2012 to December 2012.
5. All estimates are then trended from December 2012 to April 2014 (15 months) with a trending factor of 2.68 percent per year.
6. The FY2014 FMR is then calculated by multiplying the base rent, the recent mover adjustment factor, the CPI adjustment, and the trend factor.
7. FY2014 FMRs are then compared to a state minimum rent, and any area whose preliminary FMR falls below this value is raised to the level of the state minimum.

The results of the Fair Market Rent Step-by-Step Process

1. The following are the 2011 American Community Survey 5-year 2-Bedroom Adjusted Standard Quality Gross Rent estimate and margin of error for Salinas, CA MSA. The following calculations are based on data for the entirety of the OMB-defined metropolitan area of Salinas, CA MSA.

Area	ACS ₂₀₁₁ 5-Year 2-Bedroom Adjusted Standard Quality Gross Rent	ACS ₂₀₁₁ 5-Year 2-Bedroom Adjusted Standard Quality Gross Rent Margin of Error	Ratio	Result
Salinas, CA MSA	<u>\$1,082</u>	\$15	$\frac{\$15}{\$1,082} = 0.014$	0.014 < 1 Use ACS ₂₀₁₁ 5-Year Salinas, CA MSA 2-Bedroom Adjusted

Standard
Quality
Gross Rent

Since the ACS₂₀₁₁ Margin of Error Ratio is less than 1, the ACS₂₀₁₁ Salinas, CA MSA value is used for the estimate of 2-Bedroom Adjusted Standard Quality Gross Rent:

Area	ACS ₂₀₁₁ Rent
Salinas, CA MSA	\$1,082

- A recent mover adjustment factor is applied based on the smallest area of geography which contains Salinas, CA MSA and has an ACS₂₀₁₁ 1-year Adjusted Standard Quality Recent-Mover estimate with a Margin of Error Ratio that is less than 1.

Area	ACS ₂₀₁₁ 1-Year 2-Bedroom Adjusted Standard Quality Recent-Mover Gross Rent	ACS ₂₀₁₁ 1-Year 2-Bedroom Adjusted Standard Quality Recent-Mover Gross Rent Margin of Error	Ratio	Result
Salinas, CA MSA	\$1,173	\$69	$\frac{\$69}{\$1,173} = 0.059$	0.059 < 1 Use ACS ₂₀₁₁ 1-Year Salinas, CA MSA 2-Bedroom Adjusted Standard Quality Recent-Mover Gross Rent

The smallest area of geography which contains Salinas, CA MSA and has an ACS₂₀₁₁ 1-year Adjusted Standard Quality Recent-Mover estimate with a Margin of Error Ratio that is less than 1 is Salinas, CA MSA.

- The calculation of the relevant Recent-Mover Adjustment Factor for Salinas, CA MSA is as follows:

ACS ₂₀₁₁	ACS ₂₀₁₁ 5-Year 40th	ACS ₂₀₁₁ 1-Year 40th Percentile
---------------------	---------------------------------	--

5-Year Area	Percentile 2-Bedroom Adjusted Standard Quality Gross Rent	2-Bedroom Adjusted Standard Quality Recent-Mover Gross Rent
Salinas, CA MSA	\$1,082	\$1,173

Area	Ratio	Recent-Mover Adjustment Factor
Salinas, CA MSA	\$1,173 / \$1,082 = 1.0841	1.0841 > 1.0 Use calculated Recent-Mover Adjustment Factor of 1.0841

4. The calculation of the relevant CPI Update Factors for Salinas, CA MSA is as follows: HUD updates the 2011 intermediate rent with the ratio of the annual 2012 local or regional CPI to the annual 2011 local or regional CPI to establish rents as of 2012. HUD then updates this 2012 annual CPI with the ratio of the December 2012 national CPI to the annual 2011 national CPI to establish rents as of December 2012.

	Update Factor	Type
CPI Update Factor	1.0178	Regional CPI

5. The calculation of the Trend Factor is as follows: HUD applies an additional 15 months of trending to update rents to April, 2014, the mid-point of FY 2014. This trend factor is determined by taking the average annual growth rate in the national 1-Year Median Gross Rent between the 2007 and 2011 American Community Surveys.

ACS₂₀₀₇ U.S. 1-Year Median Gross Rent	ACS₂₀₁₁ U.S. 1-Year Median Gross Rent	Average Annual Change in U.S. 1-Year Median Gross Rent	Trend Factor 2.68% for 1.25 years
\$763	\$871	$(\$871 / \$763)^{1/5} = (1.1415)^{1/5} = 1.0268$	$1.0268^{1.25} = 1.03365$

6. The FY 2014 2-Bedroom Fair Market Rent for Salinas, CA MSA is calculated as follows:

Area	ACS₂₀₁₁ 5-Year Estimate	Recent-Mover Adjustment Factor	Annual 2011 to December 2012 CPI Adjustment	Trending 2.68% for 1.25 years	FY 2014 2-Bedroom FMR

Salinas, CA MSA	\$1,082	1.0841	1.0178	1.0336	\$1,082 * 1.0841 * 1.0178 * 1.0336=\$1,234
--------------------	---------	--------	--------	--------	---

7. In keeping with HUD policy, the preliminary FY 2014 FMR is checked to ensure that it does not fall below the state minimum for California:

Area	Preliminary FY 2014-2-Bedroom FMR	FY 2014 California State Minimum	Final FY 2014-2-Bedroom FMR
Salinas, CA MSA	\$1,234	\$637	\$1,234 ≥ \$637 Use Salinas, CA MSA FMR of \$1,234

Final FY 2014 Rents for All Bedroom Sizes for Salinas, CA MSA

The following table shows the Final FY 2014 FMRs by bedroom sizes. The FMRs for units with different numbers of bedrooms are computed from the ratio of the 40th percentile adjusted standard quality gross rent for the different unit sizes to the 40th percentile adjusted standard quality 2-Bedroom gross rent from the 2006-2010 5-year ACS. These Rent Ratios are applied to the Final FY 2014 2-Bedroom FMR to determine the Final FY 2014 FMRs for the different size units.

Click on the links in the table to see how the bedroom rents were derived.

Final FY 2014 FMRs By Unit Bedrooms

	<u>Efficiency</u>	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>	<u>Four-Bedroom</u>
Final FY 2014 FMR	\$871	\$980	\$1,234	\$1,800	\$2,012

The FMRs for unit sizes larger than four bedrooms are calculated by adding 15 percent to the four bedroom FMR, for each extra bedroom. For example, the FMR for a five bedroom unit is 1.15 times the four bedroom FMR, and the FMR for a six bedroom unit is 1.30 times the four bedroom FMR. FMRs for single-room occupancy units are 0.75 times the zero bedroom (efficiency) FMR.

Data file last updated Wed., May 07, 2014.

Select a different area

Press below to select a different county within the same state (same primary state for metropolitan areas):

Alameda County, CA
 Alpine County, CA
 Amador County, CA
 Butte County, CA
 Calaveras County, CA

Select a new county

Press below to select a different state:

Select a new state

Select a Final FY 2014 Metropolitan FMR Area:

Salinas, CA MSA

Select Metropolitan FMR Area

Press below for a permanent link to this page

Click here for permanent link

[HUD Home Page](#) | [HUD User Home](#) | [Data Sets](#) | [Fair Market Rents](#) | [Section 8 Income Limits](#) | [FMR/IL Summary System](#) | [Multifamily Tax Subsidy Project \(MTSP\) Income Limits](#) | [HUD LIHTC Database](#)

Prepared by the [Economic and Market Analysis Division](#), HUD. Technical Problems or questions?
[Contact Us.](#)