



# FY 2022 FAIR MARKET RENT DOCUMENTATION SYSTEM

## The FY 2022 Jersey City, NJ HUD Metro FMR Area Small Area FMRs

The following are the steps used to calculate the 2-bedroom rent of \$1,790 for ZIP Code 07306.

1. Evaluate the current 5-year ACS Adjusted Standard Quality (ASQ) 40<sup>th</sup> percentile 2-bedroom gross rent. If the estimate has a margin of error ratio of less than 50% and at least one hundred survey cases, use this as the ZCTA base rent for the SAFMR for the current year.
2. If the 2-Bedroom rent is not reliable, evaluate the 1-Bedroom gross rent. If this estimate is reliable, convert it to a 2-bedroom rent using the appropriate bedroom ratio of the parent HUD metropolitan area.
3. If the 2 and 1-Bedroom rents are not reliable, evaluate the 3-Bedroom gross rent. If this estimate is reliable, convert it to a 2-bedroom rent using the appropriate bedroom ratio of the parent HUD metropolitan area.
4. Repeat the above three steps for the previous two ACS years. If a ZIP code has reliable 2-Bedroom equivalent rents in at least two or the three ACS years, update the non-current year ACS estimates for inflation, and take the average of the reliable estimates as the base rent for FY2022.
5. Calculate a FY2022 Small Area Fair Market Rent by multiplying this base rent by the recent mover factor, the CPI gross rent update factor, and the forecasted trend factor.
6. If the ZIP code does not have a reliable base rent, evaluate the quality of its 5-year ACS Adjusted Standard Quality (ASQ) median all bedroom gross rent for the previous three ACS years. If at least two of these three estimates are reliable, calculate ratios of the ZIP code median gross rent estimate to that of the ZIP code's parent HUD metropolitan area. Take the average of these ratios. If the ZIP code does not have reliable ZIP code median gross rents, examine the reliability of the ZIP code's parent county. If at least two of these three estimates are reliable, calculate ratios of the county median gross rent estimate to that of the county's parent HUD metropolitan area. If county level estimates are not reliable, set the ratio to 1.
7. If necessary apply the ZIP code rent ratio to the FY2022 2-Bedroom Fair Market Rent for the ZIP code's parent HUD metropolitan area.
8. Ensure that the 2-Bedroom SAFMR does not exceed 150% of the parent HUD metropolitan FMR.
9. Ensure the 2-Bedroom SAFMR is not lower than the ZIP code's parent state minimum FMR.
10. Calculate SAFMRs for other bedroom sizes using the bedroom ratios for the ZIP code's parent metropolitan area.
11. Ensure that the SAFMRs do not fall below the appropriate 90% floor.

### The FY 2022 Jersey City, NJ HUD Metro FMR Area Small Area FMRs for All Bedroom Sizes in ZIP Code 07306

FY2022 SAFMRs By Unit Bedrooms				
Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
\$1,460	\$1,550	\$1,790	\$2,210	\$2,430

The remainder of this page provides complete documentation of the development of the Final FY 2022 2 Bedroom Small Area Fair Market Rent (FMR) for 07306 within the Jersey City, NJ HUD Metro FMR Area.

1. Evaluate the bedroom size estimates of 40<sup>th</sup> percentile gross rent for 07306.

ACS Release	Bedroom Size	Adjusted Standard Quality Estimate of 40 <sup>th</sup> Percentile Gross Rent for 07306	Adjusted Standard Quality Margin of Error of 40 <sup>th</sup> Percentile Gross Rent for 07306	Adjusted Standard Quality count indicator of 40 <sup>th</sup> Percentile Gross Rent for 07306	Margin of Error Ratio	Reliable?	Two Bedroom Adjustment, if applicable	Inflation Adjustment, if applicable
2019	2-Bedroom	\$1,249	\$45	6	$\frac{\$45}{\$1,249} = 0.04$	Yes	N/A	N/A
2018	2-Bedroom	\$1,185	\$31	6	$\frac{\$31}{\$1,185} = 0.03$	Yes	N/A	\$1,217
2017	2-Bedroom	\$1,176	\$30	6	$\frac{\$30}{\$1,176} = 0.03$	Yes	N/A	\$1,234

2. The FY2022 base rent for 07306 is the average of the reliable 2-bedroom equivalent rents or \$1,233
3. Since 07306 has a 2-bedroom equivalent rent, calculate the SAFMR based on that rent.

ZIP Code Base Rent	Recent Mover Adjustment Factor for Jersey City, NJ HUD Metro FMR Area	CPI Gross Rent Update Factor	Forecasted Trend Factor	Preliminary 2-Bedroom SAFMR
\$1,233	1.3968	1.0187	1.0222	\$1,790

4. Ensure that the 2 Bedroom Small Area FMR Does Not Fall Below the State Minimum FMR.

Preliminary 2 Bedroom Small Area FMR for 07306	State Minimum	2 Bedroom Small Area FMR for 07306
\$1,790	\$757	Do Not Use State Minimum

5. The FY2022 SAFMR must not be below 90% of the FY2021 FMR.

	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY2021 FMR	\$1,550	\$1,686	\$1,958	\$2,435	\$2,655
FY2021 Floor	\$1,400	\$1,520	\$1,770	\$2,200	\$2,390
Preliminary FY 2022 SAFMR	\$1,460	\$1,550	\$1,790	\$2,210	\$2,430

Use FY2021 floor for FY2022?	No	No	No	No	No
FY 2022 SAFMR	\$1,460	\$1,550	\$1,790	\$2,210	\$2,430

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