

Office of Public and Indian Housing

Explanation of Calendar Year (CY) 2023 Public Housing Operating Subsidy Obligations for Partial March and April**Initial Estimate of Project Eligibility Levels for CY 2023**

The Department is in the process of obligating Operating Subsidy grants for the months of partial March and April 2023, in accordance with the information below. At the beginning of the year, before Operating Subsidy forms are processed and current year eligibility determined, HUD normally estimates eligibility based upon the data we use to prepopulate the Operating Subsidy forms. Partial March and April obligations are based on the selected elements of final 2022 Operating Fund eligibility and 2023 HUD-52723 Prepopulated Data. PHAs are advised that once HUD can utilize HUD-52723 data for eligibility, funding for individual projects may fluctuate significantly. PHAs should be conservative in budgeting the receipt and expenditure of Operating Funds during this period. PHAs may consider the use of Operating Reserves to manage fluctuations in the receipt of Operating Subsidy during this period.

All Operating Subsidy obligations are cumulative. As such, to the extent that excess amounts were cumulatively obligated to a project previously, its next obligation (and possibly future obligations depending upon the amount of the overfunding) will reflect a relative decrease. To the extent that insufficient amounts were cumulatively obligated to a project previously, its next obligation will reflect a relative increase. This round of funding is expected to be available in eLOCCS not later than March 20, 2023. The next round of funding is expected to be made available in eLOCCS no later than May 1, 2023. Obligation Letters and project level Detailed Calculation Reports will be available on the FMD website for 2023:

[Calendar Year \(CY\) 2023 Operating Fund Grant Processing | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](#)

Where a PHA finds that the estimate funding does not reflect its actual eligibility to be reported on the 2023 HUD-52723, the PHA is expected to refrain from drawing any excess funds and notify the HUD Field Office. If a PHA received an obligation for a project that is ineligible for funding in CY 2023, the PHA shall notify its Field Office immediately. PHAs should not draw funding for any project that fully converted to RAD, with a HAP effective date in 2022 or before, that is not eligible for funding.

Estimate Proration Levels for CY 2023 using an Interim Eligibility

The Department undertakes a conservative methodology in determining proration levels prior to a determination based on actual eligibility and an Appropriation Act. For the March and April funding, the Department considered estimate eligibility and 2023 Appropriation amount to set an interim proration level of 98.72%. The final proration will reflect the difference in the amount of the final approved PHA eligibility and the 2023 Appropriation Act.