

Office of Public and Indian Housing

**For Public Housing Operating Fund
Explanation of Calendar Year (CY) 2020 Obligations for May and June****Operating Fund May and June Obligations and COVID 19 Needs**

Under the Operating Fund Regulation 24 CFR 990.210, “... HUD shall establish thresholds that permit PHAs to request monthly installments. Requests by PHAs that exceed these thresholds will be subject to HUD review. HUD approvals of requests that exceed these thresholds are limited to PHAs that have an unanticipated and immediate need for disbursement...” As provided in the regulation, PHAs may request overrides of Operating Fund monthly disbursement thresholds to have early and/or full release of the May/June obligations for COVID-19 needs. PHA requests should be sent to their respective HUD Field Office with a brief description of the COVID-19 need.

Congress provided a Supplemental Appropriation for Coronavirus impacts with an additional \$685 million for Operating Fund obligations. This is the equivalent to approximately two months funding. The Department is working on obligating those funds to be available for PHAs in early May.

Interim Project Eligibility Levels for CY 2020

The Department is in the process of obligating Operating Fund subsidies for the months of May and June 2020, in accordance with the information below. May and June obligations are based on the interim eligibility determined after processing the 2020 Operating Subsidy forms. All Operating Subsidy obligations are cumulative, meaning that public housing projects are provided funding in the amount of sixth twelfths of prorated eligibility. As such, to the extent that excess amounts were cumulatively obligated to a project previously, its current obligation will reflect a relative decrease. To the extent that insufficient amounts were cumulatively obligated to a project previously, its current obligation will reflect a relative increase. This round of funding is expected to be available in eLOCCS not later than May 1, 2020. The next round of funding is expected to be made available in eLOCCS no later than July 1, 2020. Obligation Letters and project level Detailed Calculation Reports will be available on the FMD website for 2020: https://www.hud.gov/program_offices/public_indian_housing/programs/ph/am/of/opfnd2020

Interim Proration Levels for CY 2020 using an Interim Eligibility

The Department’s undertakes a conservative methodology in determining proration levels prior to a determination of final eligibility. For the two months of funding, the Department considered 2020 interim eligibility to provide for an interim proration level of approximately 96.64%. The final proration will reflect the difference in the amount of the actual eligibility for final approved PHA subsidy requests and the Appropriation Act.

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CY 2020 Interim Proration Calculation May and June		
#	Description	Amount
1	CY 2020 Appropriation (1)	\$4,549,000,000
2	RAD Reapportionment (2)	\$63,103,303
3	Insolvency/Shortfall Funding	\$25,000,000
4	Amount Available for Distributions	\$4,460,896,697
5	CY2020 Actual Eligibility 2/20/2020	\$4,575,749,332
6	Add: Eligibility for HKT Submissions	\$6,400
7	Add: Reserve for Revision and Appeals	\$40,000,000
8	Total Eligibility (4 through 6)	\$4,615,755,732
9	Proration (4) / (9)	96.64%