

Office of Public and Indian Housing

**For Public Housing Operating Subsidy
Explanation of Calendar Year (CY) 2021 Obligations for March and April****Estimate Project Eligibility Levels for CY 2021**

The Department is in the process of obligating Operating Subsidy grants for the month of March and April 2021, in accordance with the information below. March and April obligations are based on the selected elements of final 2020 Operating Fund eligibility and 2021 HUD-52723 Prepopulated Data. 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 tools. PHAs are advised that once HUD can utilize HUD-52723 data for eligibility, funding may fluctuate significantly.

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 (and possibly future obligations depending upon the amount of the underfunding) will reflect a relative increase. This round of funding is expected to be available in eLOCCS no later than March 1, 2021. The next round of funding is expected to be made available in eLOCCS no later than May 1, 2021. Obligation Letters and project level Detailed Calculation Reports will be available on the FMD website for 2021:

https://www.hud.gov/program_offices/public_indian_housing/programs/ph/am/opfnd2021

Where a PHA finds that the estimate funding does not reflect its actual eligibility to be reported on the 2021 HUD-52723, the PHA is expected to refrain from drawing any excess funds and notify the HUD Field Office. If a PHA received funding for a project that is ineligible for funding in CY 2021, the PHA shall notify its Field Office by March 5, 2021. PHAs should not draw funding for any project that fully converted to RAD, with a HAP effective date in 2020 or before, that is not eligible for funding.

Estimate Proration Levels for CY 2021 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 March and April funding, the Department considered estimate eligibility and 2021 Appropriation amount to provide for an interim proration level of approximately 96%. The final proration will reflect the difference in the amount of the final approved PHA eligibility and the 2021 Appropriation Act.