



Special Attention of:  
Public Housing Agencies  
Public Housing Hub Directors  
Public Housing Program Center Directors  
Regional and Field Office Directors  
Resident Management Corporations

Notice PIH-2021-30

Issued: November 16, 2021

Expires: This Notice remains in effect until amended, superseded, or rescinded

Cross Reference(s):

PIH-2020-30, PIH-2021-04, PIH-2021-17  
PIH- 2021-24

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**SUBJECT: Revision of Application Process for the Small-Rural Frozen Rolling Base Program**

**1. Purpose:** This Notice provides updated guidance to Public Housing Agencies (PHAs) on the implementation of Section 209 (b) of the Economic Growth, Regulatory Relief, and Consumer Protection Act (Economic Growth Act), Public Law No: 115-174. Specifically, this notice revises Notice PIH-2020-30 and establishes an updated and simplified procedure for electing to participate in the Small Rural-Frozen Rolling Base (SR-FRB) program.

**2. Background:** The Economic Growth Act authorized the Department to permit eligible PHAs to freeze their three-year rolling base consumption level (RBCL) for utilities costs that is used to calculate Operating Subsidy for each project. PHAs that qualify as Small Rural PHAs<sup>1</sup> are able to freeze consumption using the average annual consumption for the most recent three-year period for a period of up to 20 years. Eligibility criteria and program guidelines are detailed in PIH Notice 2020-30. Information about the election process was initially described in PIH Notice 2020-30 at Section 4 and updated in PIH Notices 2021-17 and 2021-24.

**3. Electing to Participate in the SR-FRB Program:** For Calendar Year (CY) 21, the SR-FRB program participation election deadline was June 30, 2021. In addition, for PHAs that have elected to participate in the SR-FRB program for CY 2021, the deadline for submitting SR-FRB related revisions to Form HUD-52722 (and associated Form HUD-52723) was August 27, 2021.

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<sup>1</sup> A definition of small rural PHAs can be found in *Federal Register* Notice FR-6115-N-02: Economic Growth, Regulatory Relief, and Consumer Protection Act: Initial Guidance on Property Inspections and Environmental Reviews

For funding year 2022, SR-FRB elections/change requests must be made no later than December 06, 2021. Such requests include –

- Making an initial election for a project or utility to participate in the SR-FRB,
- Adding a utility for a development that is already participating in the SR-FRB program,
- Removing a project from participation in the SR-FRB program (utilities cannot be removed from participation individually, the entire project must be removed from the program, triggering the four-year waiting period to rejoin),
- Removing Units from Inventory (adjustment to SR-FRB required),
- Change in resident responsibility (adjustment to SR-FRB required), and
- Changing heating fuel source (i.e., switching heating fuel from oil to gas or electricity, adjustment to SR-FRB required).

Elections and changes will once again be made through the OpFund Web Portal using the SR-FRB submodule. HUD will notify PHAs eligible to participate in the SR-FRB via email when the SR-FRB module is open and available to PHAs to make elections and will provide appropriate user guidance for the module. After PHAs elect to participate in the SR-FRB HUD will deploy Form HUD-52722s containing the SR-FRB. This will take place as part of the initial deployment of the tools by HUD and submission by PHAs.

After an election is made, the SR-FRB will be included in the PHA's current year Operating Fund subsidy. HUD will provide appropriate guidance regarding the submission of Form HUD-52722 and associated Form HUD-52723 to PHAs that elect to participate in the SR-FRB.

For CY 2023 and subsequent years, the deadline for new elections and change requests will be published in the annual Operating Subsidy Processing Notice and the PHA OpFund Schedule Calendar.

As was done in CY 2021, for CY 2022 the list of PHAs that are eligible to participate has been deployed in the Operating Fund Web Portal Energy Incentives Module. Only those PHAs eligible to participate in the SR-FRB are able to make an election.

CY 2022 will be the first year PHAs that elected to participate in the program in CY 2021 will be able to remove a project from participation in the SR-FRB. PHAs that elect to participate in the SR-FRB in the current CY are unable to remove a project from participation in the SR-FRB until the following calendar Year.

**4. Paperwork Reduction Act:** The information collection requirements contained in this notice are approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act (PRA) of 1995 (44 U.S.C. 3520). In accordance with the PRA, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number. The active information collections contained in this Notice are approved under the PRA OMB Control Number 2577-0157.

**13. Further Information:** Any questions concerning this Notice should be directed to [SR\\_FRB@hud.gov](mailto:SR_FRB@hud.gov).

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for Public and Indian Housing