

**Office of Public and Indian Housing**

---

**For Public Housing Operating Subsidy  
Explanation of Calendar Year (CY) 2020 Obligations for February and  
March****Estimate Project Eligibility Levels for CY 2020**

The Department is in the process of obligating Operating Subsidy grants for the month of February and approximately two thirds of March 2020, in accordance with the information below. The obligations are based on the final 2019 Operating Fund eligibility. 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. In an effort to obligate funds on an expedited basis, Funding Year 2019 Operating Subsidy eligibility was used as the basis for February and March funding this year. PHAs are advised that once HUD is able to utilize prepop data to estimate eligibility, that eligibility and associated 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 not later than February 17, 2020. The next round of funding is expected to be made available in eLOCCS no later than March 21, 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/opfnd2020](https://www.hud.gov/program_offices/public_indian_housing/programs/ph/am/opfnd2020)

Where a PHA finds that the estimate funding does not reflect its actual eligibility to be reported on the 2020 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 2020, the PHA shall notify its Field Office by February 3rd, 2020. PHAs should not draw funding for any project that fully converted to RAD, with a HAP effective date in 2019 or before, that is not eligible for funding.

**Estimate 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 estimate eligibility. For the February and two weeks of March funding, the Department considered 2019 final eligibility to provide for an estimate proration level of approximately 96.54%. The final proration will reflect the difference in the amount of the actual eligibility for final approved PHA subsidy requests and the Appropriation Act.