

## **Explanation of Calendar Year (CY) 2024 Public Housing Operating Subsidy Obligations for February, March, and Three Weeks of April**

### **Initial Estimate of Project Eligibility Levels for CY 2024**

The Department is in the process of obligating Operating Subsidy grants for the month of February, March, and three weeks of April 2024, in accordance with the information below. February, March, and three weeks of April 2024 obligations are based on the interim eligibility determined after processing the 2024 Operating Subsidy forms. Although this covers partial April, this obligation will cover three twelfths of prorated eligibility in eLOCCS. This will have the effect of making funding allocable to April, part of the funds available in eLOCCS for February and March. PHAs should manage these funds recognizing that they are applicable through the third week of April. Only one additional week of funding will be provided to PHAs in the next obligation. HUD is taking this approach to obligate all funds available in the current Continuing Resolution. System limitations impact how those funds are made available to PHAs.

For PHAs that have not submitted their Operating Subsidy forms as of December 18, 2023, their eligibility will be estimated based upon the data we use to prepopulate the Operating Subsidy forms. This data includes selected elements of final 2023 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 no later than February 1, 2024. The next round of funding is expected to be made available in eLOCCS no later than April 1, 2024. Obligation Letters and project level Detailed Calculation Reports will be available on the FMD website for 2024:

[Calendar Year \(CY\) 2024 Operating Fund Grant Processing | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](https://www.hud.gov/operating-fund-grant-processing)

### **Proration Levels for CY 2024 using an Interim and Estimated Eligibility**

For the February, March and April (three weeks) months of funding, the Department considered 2024 interim eligibility to provide for an interim proration level of approximately 87.44%. For estimated 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 February, March and April (three weeks) funding, the Department considered the lowest

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of the current Congressional Legislative bodies (House of Representatives and Senate) 2024 Budget Proposals and 2024 estimated eligibility to provide for an interim proration level of approximately 87.44%. The final proration will reflect the difference in the amount of the final approved PHA eligibility and the 2024 Appropriation Act.