

Project-Based Budgeting PHAs with 250-400 units

November 24, 2009

1. Question: The 2008 HUD appropriations bill included an election for PHAs between 250 and 400 public housing units to be exempt from asset management. For purposes of project-based budgeting, affected PHAs that elected to be exempt were permitted to combine all public housing units into one project. For PHAs preparing budgets for fiscal years beginning January 1, 2009, can they continue to combine all units into one project (and assume that the exemption carries forward)? (**Note:** This election does not apply to stop-loss agencies. See PIH Notice 2008-16.)

Answer: Except in the case of stop-loss, PHAs with between 250-400 units whose fiscal years begin 1/1/09, 4/1/09, 7/1/09, and 10/1/09 may determine that combining all units into one project is reasonable and, therefore, only need to prepare one budget for this consolidated project. No approval is needed from HUD for this action. Upon passage of a final 2009 appropriations bill, HUD will provide supplemental guidance regarding any necessary changes in HUD systems and databases.