

Explanation of Second Funding Obligation for Calendar Year (CY) 2009 Public Housing Operating Fund

The Department has obligated CY 2009 Operating Fund subsidies for the five (5) months from May – September 2009. The funding is expected to be available in eLOCCS by Friday, May 1, 2009.

HUD Field Offices reviewed and approved operating subsidy eligibility for projects eligible to receive operating subsidy in CY 2009. The approved forms were submitted to the Financial Management Division (FMD) for processing. FMD is currently in the process of performing quality control reviews on the data received from the Field Offices. As such, the final eligibility and proration percentage are not available at this time. To expedite the funding to PHAs, the Department has funded PHAs at the same proration level, i.e. 88 percent, as the first obligation. The proration is applied to the CY 2009 operating subsidy eligibility approved by the Field Offices.

The Department anticipates publishing an updated CY 2009 proration estimate by late May, 2009, once the quality control review and data aggregation is complete.

Illustration of how second funding amount is calculated:

A.	Project's Approved CY 2009 Eligibility		\$1,000,000
B.	Prorated Eligibility for Nine Months (Jan – Sept) at 88%	$(A) \times 88\% \times 9 \text{ months} / 12$	\$660,000
C.	Funding Provided in Initial Obligation (Jan – April)		\$264,000
D.	Current Funding (May – Sept)	$(B) - (C)$	\$396,000