

## **Explanation of Calendar Year (CY) 2015 Interim Obligation (April)**

### **Public Housing Operating Fund**

The Department has obligated funds for operating subsidies for the month of April, 2015 in accordance with the information below. This interim obligation was based on the preliminary eligibility determined after processing the 2015 Operating Subsidy forms submitted. Where 2015 Operating Subsidy form had not yet been processed, or the processed form resulted in an excessive eligibility compared to the previous year without adequate justification, an estimate was used to determine the obligation amount. Adjustments have been made to the April obligation amounts to ensure that projects that have received funding in excess of what should have been obligated based on the 2015 preliminary eligibility determined, do not receive additional funding for the month of April, to the extent of the excess funding. The fifth round of funding is expected to be made available in eLOCCS no later than May 1, 2015, and will be based on eligibility derived from processing the Operating Subsidy forms.

### **Methodology for Estimating Project Eligibility**

In cases where project eligibility was estimated, the CY 2015 project prepopulated formula data and CY 2014 HUD-52723 data were used as the basis for deriving the monthly funding estimate. The Financial Management Division (FMD) used the following data, when available, in making the estimate:

- Prepopulated Unit Status Category data for 2015 HUD-52723;
- 2015 Project Expense Levels (PELs) and in certain cases such as new projects, a PHA's average PEL;
- 2014 Utility Expense Levels (UELs) and in certain cases a national average UEL;
- Add-on amounts from the CY 2014 HUD-52723 data for PILOT and Audit were used. Asset Management Fees, Information Technology, and Resident Participation funding were all based on prepopulated unit status data. Asset Repositioning Fees (ARF) in CY 2015 were based on ARF PIC data used to prepopulate the amounts in the 2015 HUD-52723;

- Stop Loss/Transition Funding is consistent with the 2015 prepopulated amount times 2015 unit status data; and,
- Formula income used was based on the CY 2014 HUD-52723 data, or in certain cases, a PHA's average.

Where a PHA finds that the estimated monthly funding does not reflect the eligibility reported on the 2015 HUD-52723, or ineligible projects have been funded, the PHA should refrain from drawing any excess funds and immediately notify the Field Office.

**Proration Levels**

The Department undertakes a conservative methodology in determining proration levels prior to establishing final eligibility for all projects. For April funding, the Department used the initial 2015 eligibility to derive an interim proration level of approximately 85%. The proration rate for May funding will also be determined utilizing the eligibility derived from processing all the Operating Subsidy forms submitted at that point. The proration rate will continue to fluctuate during the year based on the submission of new and revised Operating Subsidy forms, until the final proration rate can be determined based on the final eligibility established for the calendar year 2015 funding cycle.

#	Description	Amount
1	CY 2015 Appropriation (1)	\$4,422,332,665
2	RAD Reapportionment (2)	\$ 71,000,000
3	<b>Amount Available for Distributions</b>	\$ 4,351,332,665
4	CY 2015 Initial Eligibility (3)	\$ 5,096,678,006.00
5	Add: Eligibility for HTK & MHP Submissions	\$ 169,068
6	Add: Reserve for Revision and Appeals	\$ 10,000,000
7	<b>Total Estimated Eligibility (3 through 5)</b>	<b>\$5,106,847,074</b>
8	<b>Proration (3) / (7)</b>	<b>85.21%</b>

For April funding, and for the remainder of the year, eligibility (determined from processing Op Sub forms) will be applied cumulatively so that funding for each project will either increase or decrease depending on the level of eligibility established and the amount previously obligated for the project.