

Office of Public and Indian Housing

**For Public Housing Operating Fund
Explanation of Calendar Year (CY) 2017 Obligations for June****Interim Project Eligibility Levels for CY 2017**

The Department will obligate Operating Fund subsidies for the month of June 2017, in accordance with the information below. June obligations are based on the eligibility determined after processing the 2017 Operating Subsidy forms. All Operating Subsidy obligations are cumulative, meaning that public housing projects are provided funding in the amount of six twelfths of prorated eligibility in June. As such, to the extent that excess amounts were cumulatively obligated to a project previously, its June obligation will reflect a relative decrease. To the extent that insufficient amounts were cumulatively obligated to a project previously, its June obligation will reflect a relative increase. HUD refers to these adjustments as true ups. Since, as explained below, proration increased in June, most projects should see a significant increase in June. The increase will be primarily due to the true up. In July, overall funding will decrease from June amounts because July will not have the true up due to the significant change in proration.

To increase transparency, we are publishing a report this month which will provide more detail on the calculation, and plan on continuing to publish this report with each round of funding. The detailed project level obligation report can be found on the FMD website at https://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/p/h/am/of/opfnd2017

This round of funding is expected to be available in eLOCCS not later than June 1, 2017. The next round of funding is expected to be made available in eLOCCS no later than July 1, 2017. Future obligations will reflect any revised operating subsidy forms as approved and processed by HUD (see the 2017 Operating Subsidy Processing Notice for further detail).

Interim Proration Levels for CY 2017 using an Interim Eligibility

The Department's undertakes a conservative methodology in determining proration levels prior to a budget or a full year Continuing Resolution being passed. For the June funding, the proration increased to 92.89% as the full year budget was passed. The proration calculation is detailed below. As PHAs know, eligibility can change throughout the year based upon the submission of new projects and revisions.

The proration may fluctuate each month due to changes in eligibility. Normally, such fluctuations are relatively minor. The final proration will be established after final eligibility is determined for all projects.

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| CY 2017 Interim Proration Calculation POS 9 | | |
|---|--|------------------------|
| # | Description | Amount |
| 1 | CY 2017 Appropriation | \$4,400,000,000 |
| 2 | RAD Reapportionment (2) | \$109,645,600 |
| | Correction of Prior Year Funding Error | \$1,171,720 |
| 3 | Amount Available for Distributions | \$4,289,182,680 |
| 4 | CY 2017 Initial Eligibility (3) | \$4,572,054,718 |
| 5 | Add: Eligibility for HTK Submissions | \$250,000 |
| 6 | Add: Reserve for Revision and Appeals | \$45,000,000 |
| 7 | Total Estimated Eligibility (4 through 6) | \$4,617,304,718 |
| 8 | Proration (3) / (7) | 92.89% |

Notes:

1. RAD Reapportionment for units converted in 2016.
2. Eligibility is based on HUD-52723s as of 04/14/2017