Dear Mr. Gutzmann:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN001000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $2,308,211. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $2,308,211. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Calculated Reserve Balance</td>
</tr>
<tr>
<td>2. Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3. Revised Reserve Balance</td>
</tr>
<tr>
<td>4. PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5. Project Eligibility</td>
</tr>
<tr>
<td>6. Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7. Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Jon M. Gutzmann  
Executive Director  
Public Housing Agency Of The City Of Saint Paul  
555 N. Wabasha Street  
Suite 400  
Saint Paul, MN 55102

Dear Mr. Gutzmann:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN001000002

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $1,281,647. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $1,281,647. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Calculated Reserve Balance</td>
</tr>
<tr>
<td>2. Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3. Revised Reserve Balance</td>
</tr>
<tr>
<td>4. PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5. Project Eligibility</td>
</tr>
<tr>
<td>6. Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7. Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Mr. Jon M. Gutzmann  
Executive Director  
Public Housing Agency Of The City Of Saint Paul  
555 N. Wabasha Street  
Suite 400  
Saint Paul, MN 55102  

Dear Mr. Gutzmann:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN001000003

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $1,547,157. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $1,547,157. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Jon M. Gutzmann  
Executive Director  
Public Housing Agency Of The City Of Saint Paul  
555 N. Wabasha Street  
Suite 400  
Saint Paul, MN 55102  

Dear Mr. Gutzmann:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN001000004

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $1,033,016. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $1,033,016. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Dear Mr. Gutzmann:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN001000005

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $2,543,913. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $2,543,913. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Jon M. Gutzmann  
Executive Director  
Public Housing Agency Of The City Of Saint Paul  
555 N. Wabasha Street  
Suite 400  
Saint Paul, MN 55102

Dear Mr. Gutzmann:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN001000006

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $976,417. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $976,417. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Calculated Reserve Balance</td>
</tr>
<tr>
<td>2 Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3 Revised Reserve Balance</td>
</tr>
<tr>
<td>4 PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5 Project Eligibility</td>
</tr>
<tr>
<td>6 Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7 Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Mr. Jon M. Gutzmann
Executive Director
Public Housing Agency Of The City Of Saint Paul
555 N. Wabasha Street
Suite 400
Saint Paul, MN 55102

Dear Mr. Gutzmann:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN001000007

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $1,727,999. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $1,727,999. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

![Signature]

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Jon M. Gutzmann  
Executive Director  
Public Housing Agency Of The City Of Saint Paul  
555 N. Wabasha Street  
Suite 400  
Saint Paul, MN 55102

Dear Mr. Gutzmann:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN001000008

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $1,975,393. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $1,975,393. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Calculated Reserve Balance</td>
</tr>
<tr>
<td>2. Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3. Revised Reserve Balance</td>
</tr>
<tr>
<td>4. PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5. Project Eligibility</td>
</tr>
<tr>
<td>6. Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7. Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Mr. Jon M. Gutzmann  
Executive Director  
Public Housing Agency Of The City Of Saint Paul  
555 N. Wabasha Street  
Suite 400  
Saint Paul, MN 55102  

Dear Mr. Gutzmann:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN001000009

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $1,185,375. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $1,185,375. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Richard W. Ball  
Executive Director  
Hra Of Duluth, Minnesota  
222 East Second Street PO Box 16900  
PO Box 16900  
Duluth, MN 55816  

Dear Mr. Ball:  

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN003000001  

This letter provides information related to your Public Housing Agency’s (PHA)  
Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After  
HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating  
Subsidy,” this project’s eligibility has been determined to be $832,349. Please note that  
the eligibility for this project is subject to modification for revisions permitted in Notice  
PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012.  
Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end  
of the federal fiscal year. The project funding amount is $748,775. The project funding  
amount takes into account the Allocation Adjustment for each PHA. The methodology  
used to determine this amount is provided in a schedule in greater detail below.  

As background, the FY 2012 Appropriations Act included a provision that directed  
HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund  
allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD  
identified the amount of reserves above a minimum reserve level (equivalent to six months  
of expenses for a small PHA, four months for all other PHAs, but in no event less than  
$100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s  
allocation adjustment exceeded their Operating Subsidy eligibility, their allocation  
adjustment was capped to 12 months of their eligibility.  

The Department afforded PHAs the opportunity to appeal the allocation adjustment  
determined by HUD (the exclusion request process described in PIH Notice 2011-55).  
Allocation adjustment appeals went through a rigorous review process within the  
Department. Significant HUD resources were dedicated to the review of all appeals, to  
ensure a fair and equitable process, and to further ensure that HUD could provide PHAs  
their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard  
were focused on providing timely eligibility information to assist PHAs in forecasting and  
budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Calculated Reserve Balance</td>
</tr>
<tr>
<td>2. Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3. Revised Reserve Balance</td>
</tr>
<tr>
<td>4. PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5. Project Eligibility</td>
</tr>
<tr>
<td>6. Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7. Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

[Signature]

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Dear Mr. Ball:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN003000002

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $813,956. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $732,229. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Dear Mr. Ball:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN003000003

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $679,680. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $611,435. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Dear Mr. Ball:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN003000004

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $460,767. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $414,503. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.

Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Mr. Richard W. Ball  
Executive Director  
Hra Of Duluth, Minnesota  
222 East Second Street PO Box 16900  
PO Box 16900  
Duluth, MN 55816  

Dear Mr. Ball:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN0030000005

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $37,556. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $33,785. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Richard W. Ball  
Executive Director  
Hra Of Duluth, Minnesota  
222 East Second Street PO Box 16900  
PO Box 16900  
Duluth, MN 55816  

Dear Mr. Ball:  

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN003000006  

This letter provides information related to your Public Housing Agency’s (PHA)  
Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After  
HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating  
Subsidy,” this project’s eligibility has been determined to be $40,171. Please note that the  
eligibility for this project is subject to modification for revisions permitted in Notice PIH  
2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final  
HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the  
federal fiscal year. The project funding amount is $36,138. The project funding amount  
takes into account the Allocation Adjustment for each PHA. The methodology used to  
determine this amount is provided in a schedule in greater detail below.  

As background, the FY 2012 Appropriations Act included a provision that directed  
HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund  
allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD  
identified the amount of reserves above a minimum reserve level (equivalent to six months  
of expenses for a small PHA, four months for all other PHAs, but in no event less than  
$100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s  
allocation adjustment exceeded their Operating Subsidy eligibility, their allocation  
adjustment was capped to 12 months of their eligibility.  

The Department afforded PHAs the opportunity to appeal the allocation adjustment  
determined by HUD (the exclusion request process described in PIH Notice 2011-55).  
Allocation adjustment appeals went through a rigorous review process within the  
Department. Significant HUD resources were dedicated to the review of all appeals, to  
ensure a fair and equitable process, and to further ensure that HUD could provide PHAs  
their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard  
were focused on providing timely eligibility information to assist PHAs in forecasting and  
budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center

Dear Mr. Ball:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN003000007

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $80,227. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $72,172. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Dear Mr. Ball:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN003000008

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $51,669. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $46,481. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Calculated Reserve Balance</td>
</tr>
<tr>
<td>2  Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3  Revised Reserve Balance</td>
</tr>
<tr>
<td>4  PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5  Project Eligibility</td>
</tr>
<tr>
<td>6  Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7  Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Dear Mr. Ball:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN003000009

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $37,125. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $33,397. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Calculated Reserve Balance</td>
</tr>
<tr>
<td>2 Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3 Revised Reserve Balance</td>
</tr>
<tr>
<td>4 PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5 Project Eligibility</td>
</tr>
<tr>
<td>6 Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7 Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Richard W. Ball  
Executive Director  
Hra Of Duluth, Minnesota  
222 East Second Street PO Box 16900  
PO Box 16900  
Duluth, MN 55816

Dear Mr. Ball:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN003000010

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $58,006. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $52,182. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

[Signature]

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Anita Provinzino  
Executive Director  
The Hra Of Hibbing, Minnesota  
3115 7th Avenue E  
Hibbing, MN 55746  

Dear Ms. Provinzino:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN004000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $458,579. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $385,079. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Anita Provinzino  
Executive Director  
The Hra Of Hibbing, Minnesota  
3115 7th Avenue E  
Hibbing, MN 55746  

Dear Ms. Provinzino:  

SUBJECT:   Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN004000002  

This letter provides information related to your Public Housing Agency’s (PHA)  
Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment.  After  
HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating  
Subsidy,” this project’s eligibility has been determined to be $189,174.  Please note that  
the eligibility for this project is subject to modification for revisions permitted in Notice  
PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012.  
Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end  
of the federal fiscal year.  The project funding amount is $158,854.  The project funding  
amount takes into account the Allocation Adjustment for each PHA.  The methodology  
used to determine this amount is provided in a schedule in greater detail below.  

As background, the FY 2012 Appropriations Act included a provision that directed  
HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund  
allocation adjustments).  To determine an individual PHA’s allocation adjustment, HUD  
identified the amount of reserves above a minimum reserve level (equivalent to six months  
of expenses for a small PHA, four months for all other PHAs, but in no event less than  
$100,000).  Next, each PHA’s allocation adjustment was calculated.  Where a PHA’s  
allocation adjustment exceeded their Operating Subsidy eligibility, their allocation  
adjustment was capped to 12 months of their eligibility.  

The Department afforded PHAs the opportunity to appeal the allocation adjustment  
determined by HUD (the exclusion request process described in PIH Notice 2011-55).  
Allocation adjustment appeals went through a rigorous review process within the  
Department.  Significant HUD resources were dedicated to the review of all appeals, to  
ensure a fair and equitable process, and to further ensure that HUD could provide PHAs  
their eligibility amounts earlier this year than ever before.  HUD’s efforts in this regard  
were focused on providing timely eligibility information to assist PHAs in forecasting and  
budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Anita Provinzino  
Executive Director  
The Hra Of Hibbing, Minnesota  
3115 7th Avenue E  
Hibbing, MN 55746

Dear Ms. Provinzino:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN004000003

This letter provides information related to your Public Housing Agency’s (PHA)  
Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After  
HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating  
Subsidy,” this project’s eligibility has been determined to be $112,368. Please note that  
the eligibility for this project is subject to modification for revisions permitted in Notice  
PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012.  
Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end  
of the federal fiscal year. The project funding amount is $94,358. The project funding  
amount takes into account the Allocation Adjustment for each PHA. The methodology  
used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed  
HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund  
allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD  
identified the amount of reserves above a minimum reserve level (equivalent to six months  
of expenses for a small PHA, four months for all other PHAs, but in no event less than  
$100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s  
allocation adjustment exceeded their Operating Subsidy eligibility, their allocation  
adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment  
determined by HUD (the exclusion request process described in PIH Notice 2011-55).  
Allocation adjustment appeals went through a rigorous review process within the  
Department. Significant HUD resources were dedicated to the review of all appeals, to  
ensure a fair and equitable process, and to further ensure that HUD could provide PHAs  
their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard  
were focused on providing timely eligibility information to assist PHAs in forecasting and  
budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Table 1. CY 2012 Project Eligibility and Allocation Adjustment


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Anita Provinzino  
Executive Director  
The Hra Of Hibbing, Minnesota  
3115 7th Avenue E  
Hibbing, MN 55746  

Dear Ms. Provinzino:

SUBJECT:  Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN004000004

This letter provides information related to your Public Housing Agency’s (PHA)  
Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment.  After  
HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating  
Subsidy,” this project’s eligibility has been determined to be $3,441. Please note that the  
eligibility for this project is subject to modification for revisions permitted in Notice PIH  
2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final  
HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the  
federal fiscal year. The project funding amount is $2,889. The project funding amount  
takes into account the Allocation Adjustment for each PHA. The methodology used to  
determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed  
HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund  
allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD  
identified the amount of reserves above a minimum reserve level (equivalent to six months  
of expenses for a small PHA, four months for all other PHAs, but in no event less than  
$100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s  
allocation adjustment exceeded their Operating Subsidy eligibility, their allocation  
adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment  
determined by HUD (the exclusion request process described in PIH Notice 2011-55).  
Allocation adjustment appeals went through a rigorous review process within the  
Department. Significant HUD resources were dedicated to the review of all appeals, to  
ensure a fair and equitable process, and to further ensure that HUD could provide PHAs  
their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard  
were focused on providing timely eligibility information to assist PHAs in forecasting and  
budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Dear Mr. Vicari:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN005000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $230,066. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $230,066. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Ms. Linda Bedtka  
Executive Director  
Hra Of Winona, Minnesota  
1756 Kraemer Drive  
Winona, MN 55987

Dear Ms. Bedtka:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN006000001

This letter provides information related to your Public Housing Agency’s (PHA)  
Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After  
HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating  
Subsidy,” this project’s eligibility has been determined to be $214,064. Please note that  
the eligibility for this project is subject to modification for revisions permitted in Notice  
PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012.  
Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of  
the federal fiscal year. The project funding amount is $214,064. The project funding  
amount takes into account the Allocation Adjustment for each PHA. The methodology  
used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed  
HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund  
allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD  
identified the amount of reserves above a minimum reserve level (equivalent to six months  
of expenses for a small PHA, four months for all other PHAs, but in no event less than  
$100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s  
allocation adjustment exceeded their Operating Subsidy eligibility, their allocation  
adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment  
determined by HUD (the exclusion request process described in PIH Notice 2011-55).  
Allocation adjustment appeals went through a rigorous review process within the  
Department. Significant HUD resources were dedicated to the review of all appeals, to  
sure a fair and equitable process, and to further ensure that HUD could provide PHAs  
their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard  
were focused on providing timely eligibility information to assist PHAs in forecasting and  
budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Calculated Reserve Balance</td>
</tr>
<tr>
<td>2 Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3 Revised Reserve Balance</td>
</tr>
<tr>
<td>4 PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5 Project Eligibility</td>
</tr>
<tr>
<td>6 Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7 Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Ms. Linda Bedtka
Executive Director
Hra Of Winona, Minnesota
1756 Kraemer Drive
Winona, MN 55987

Dear Ms. Bedtka:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,
Project No. MN006000002

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $50,872. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $50,872. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Calculated Reserve Balance</th>
<th>$268,931</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
<td>$0</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
<td>$268,931</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
<td>$0</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
<td>$50,872</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
<td>$0</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
<td>$50,872</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Linda Bedtka  
Executive Director  
Hra Of Winona, Minnesota  
1756 Kraemer Drive  
Winona, MN 55987  

Dear Ms. Bedtka:  

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN006000003  

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $158,280. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $158,280. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.  

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.  

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Ms. Linda Bedtka
Executive Director
Hra Of Winona, Minnesota
1756 Kraemer Drive
Winona, MN 55987

Dear Ms. Bedtka:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN006000004

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $66,717. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $66,717. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.

Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. James Paske
Executive Director
Hra Of Virginia, Minnesota
PO Box 1146
Virginia, MN 55792

Dear Mr. Paske:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN007000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $399,998. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $237,918. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Calculated Reserve Balance</td>
</tr>
<tr>
<td>2. Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3. Revised Reserve Balance</td>
</tr>
<tr>
<td>4. PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5. Project Eligibility</td>
</tr>
<tr>
<td>6. Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7. Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. James Paske  
Executive Director  
Hra Of Virginia, Minnesota  
PO Box 1146  
Virginia, MN 55792  

Dear Mr. Paske:  

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN007000002  

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $245,295. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $145,901. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below. 

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.  

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

[Signature]

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Jeffrey Gaffaney  
Executive Director  
Hra Of Fergus Falls, Minnesota  
1151 Friberg Avenue  
Fergus Falls, MN 56537

Dear Mr. Gaffaney:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN008000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $98,598. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $98,598. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Laura Straw  
Executive Director  
Hra Of Bemidji, Minnesota  
619 America Avenue NW  
Bemidji, MN 56601

Dear Ms. Straw:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN009000001

This letter provides information related to your Public Housing Agency’s (PHA)  
Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After  
HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating  
Subsidy,” this project’s eligibility has been determined to be $178,978. Please note that  
the eligibility for this project is subject to modification for revisions permitted in Notice  
PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012.  
Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end  
of the federal fiscal year. The project funding amount is $132,759. The project funding  
amount takes into account the Allocation Adjustment for each PHA. The methodology  
used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed  
HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund  
allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD  
identified the amount of reserves above a minimum reserve level (equivalent to six months  
of expenses for a small PHA, four months for all other PHAs, but in no event less than  
$100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s  
allocation adjustment exceeded their Operating Subsidy eligibility, their allocation  
adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment  
determined by HUD (the exclusion request process described in PIH Notice 2011-55).  
Allocation adjustment appeals went through a rigorous review process within the  
Department. Significant HUD resources were dedicated to the review of all appeals, to  
ensure a fair and equitable process, and to further ensure that HUD could provide PHAs  
their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard  
were focused on providing timely eligibility information to assist PHAs in forecasting and  
budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Calculated Reserve Balance</th>
<th>$372,602</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
<td>$0</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
<td>$372,602</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
<td>$46,219</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
<td>$178,978</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
<td>$46,219</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
<td>$132,759</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Branna K. Lindell  
Executive Director  
Hra Of The City Of South St Paul, Minnesota  
125 3rd Avenue N  
South St Paul, MN 55075

Dear Ms. Lindell:

SUBJECT:  Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN010000001

This letter provides information related to your Public Housing Agency’s (PHA)  
Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After  
HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating  
Subsidy,” this project’s eligibility has been determined to be $293,095. Please note that  
the eligibility for this project is subject to modification for revisions permitted in Notice  
PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012.  
Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end  
of the federal fiscal year. The project funding amount is $293,095. The project funding  
amount takes into account the Allocation Adjustment for each PHA. The methodology  
used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed  
HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund  
allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD  
identified the amount of reserves above a minimum reserve level (equivalent to six months  
of expenses for a small PHA, four months for all other PHAs, but in no event less than  
$100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s  
allocation adjustment exceeded their Operating Subsidy eligibility, their allocation  
adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment  
determined by HUD (the exclusion request process described in PIH Notice 2011-55).  
Allocation adjustment appeals went through a rigorous review process within the  
Department. Significant HUD resources were dedicated to the review of all appeals, to  
ensure a fair and equitable process, and to further ensure that HUD could provide PHAs  
their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard  
were focused on providing timely eligibility information to assist PHAs in forecasting and  
budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Ms. Branna K. Lindell  
Executive Director  
Hra Of The City Of South St Paul, Minnesota  
125 3rd Avenue N  
South St Paul, MN 55075  

Dear Ms. Lindell:  

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN010000002  

This letter provides information related to your Public Housing Agency’s (PHA)  
Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After  
HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating  
Subsidy,” this project’s eligibility has been determined to be $362,058. Please note that  
the eligibility for this project is subject to modification for revisions permitted in Notice  
PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012.  
Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end  
of the federal fiscal year. The project funding amount is $362,058. The project funding  
amount takes into account the Allocation Adjustment for each PHA. The methodology  
used to determine this amount is provided in a schedule in greater detail below.  

As background, the FY 2012 Appropriations Act included a provision that directed  
HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund  
allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD  
identified the amount of reserves above a minimum reserve level (equivalent to six months  
of expenses for a small PHA, four months for all other PHAs, but in no event less than  
$100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s  
allocation adjustment exceeded their Operating Subsidy eligibility, their allocation  
adjustment was capped to 12 months of their eligibility.  

The Department afforded PHAs the opportunity to appeal the allocation adjustment  
determined by HUD (the exclusion request process described in PIH Notice 2011-55).  
Allocation adjustment appeals went through a rigorous review process within the  
Department. Significant HUD resources were dedicated to the review of all appeals, to  
ensure a fair and equitable process, and to further ensure that HUD could provide PHAs  
their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard  
were focused on providing timely eligibility information to assist PHAs in forecasting and  
budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Calculated Reserve Balance</th>
<th>$241,399</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
<td>$0</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
<td>$241,399</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
<td>$0</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
<td>$362,058</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
<td>$0</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
<td>$362,058</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Rachelle Huffman
Executive Director
Hra Of Eveleth, Minnesota
902 Clay Court
Eveleth, MN 55734

Dear Ms. Huffman:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,
Project No. MN011000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $93,032. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Calculated Reserve Balance</td>
</tr>
<tr>
<td>2 Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3 Revised Reserve Balance</td>
</tr>
<tr>
<td>4 PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5 Project Eligibility</td>
</tr>
<tr>
<td>6 Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7 Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

[Signature]

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Michelle Bouta  
Executive Director  
Hra Of Benson, Minnesota  
300 13th Street N  
Benson, MN 56215

Dear Ms. Bouta:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN014000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $157,892. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $157,892. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Calculated Reserve Balance</th>
<th>Revised Reserve Balance</th>
<th>PHA Allocation Adjustment</th>
<th>Project Eligibility</th>
<th>Project Allocation Adjustment (if any)</th>
<th>Project Funding Level after Allocation Adjustment and before Proration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$187,828</td>
<td>$0</td>
<td>$187,828</td>
<td>$0</td>
<td>$0</td>
<td>$157,892</td>
</tr>
<tr>
<td>2</td>
<td>$0</td>
<td>$187,828</td>
<td></td>
<td></td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>$157,892</td>
<td>$0</td>
<td></td>
<td></td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
<td>$0</td>
<td></td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Ms. Sally Roe  
Executive Director  
Moorhead Public Housing Agency  
800 2nd Avenue N  
Moorhead, MN 56560

Dear Ms. Roe:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN0170000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $165,632. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:  

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

[Signature]

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Ms. Dianne Rousslang
Executive Director
Hra Of Wadena, Minnesota
222 2nd Street SE
Wadena, MN 56482

Dear Ms. Rousslang:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,
Project No. MN018000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $134,768. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Calculated Reserve Balance</th>
<th>Revised Reserve Balance</th>
<th>PHA Allocation Adjustment</th>
<th>Project Eligibility</th>
<th>Project Allocation Adjustment (if any)</th>
<th>Project Funding Level after Allocation Adjustment and before Proration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$529,407</td>
<td>$529,407</td>
<td>$134,768</td>
<td>$134,768</td>
<td>$134,768</td>
<td>$0</td>
</tr>
<tr>
<td>2</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>$529,407</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>$134,768</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>$134,768</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>$134,768</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Joleen Pfau  
Executive Director  
North Mankato Housing And Redevelopment Autho  
615 Nicollet Avenue  
North Mankato, MN 56003

Dear Ms. Pfau:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN019000001

This letter provides information related to your Public Housing Agency’s (PHA)  
Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After  
HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating  
Subsidy,” this project’s eligibility has been determined to be $120,205. Please note that  
the eligibility for this project is subject to modification for revisions permitted in Notice  
PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012.  
Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end  
of the federal fiscal year. The project funding amount is $54,269. The project funding  
amount takes into account the Allocation Adjustment for each PHA. The methodology  
used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed  
HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund  
allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD  
identified the amount of reserves above a minimum reserve level (equivalent to six months  
of expenses for a small PHA, four months for all other PHAs, but in no event less than  
$100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s  
allocation adjustment exceeded their Operating Subsidy eligibility, their allocation  
adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment  
determined by HUD (the exclusion request process described in PIH Notice 2011-55).  
Allocation adjustment appeals went through a rigorous review process within the  
Department. Significant HUD resources were dedicated to the review of all appeals, to  
ensure a fair and equitable process, and to further ensure that HUD could provide PHAs  
their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard  
were focused on providing timely eligibility information to assist PHAs in forecasting and  
budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

[Signature]

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Dear Mr. Klemm:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN020000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $62,932. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$229,581</td>
</tr>
<tr>
<td></td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td>$229,581</td>
</tr>
<tr>
<td></td>
<td>$62,932</td>
</tr>
<tr>
<td></td>
<td>$62,932</td>
</tr>
<tr>
<td></td>
<td>$62,932</td>
</tr>
<tr>
<td></td>
<td>$0</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Dear Mr. Hoiseth:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN021000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $84,561. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Nancy Cole  
Executive Director  
Hra Of The City Of Blue Earth, Minnesota  
220 E 7th Street  
Blue Earth, MN 56013

Dear Ms. Cole:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN022000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $110,300. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $106,912. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Calculated Reserve Balance</td>
</tr>
<tr>
<td>2. Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3. Revised Reserve Balance</td>
</tr>
<tr>
<td>4. PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5. Project Eligibility</td>
</tr>
<tr>
<td>6. Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7. Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Mrs. Diane Edens  
Executive Director  
Hra Of International Falls, Minnesota  
1200 Riverside Drive  
International Falls, MN 56649

Dear Mrs. Edens:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN023000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $83,676. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $83,676. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Judith Osbakken  
Executive Director  
Hra Of Two Harbors, Minnesota  
505 1st Avenue  
Two Harbors, MN 55616

Dear Ms. Osbakken:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN024000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $90,293. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $55,436. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Calculated Reserve Balance</td>
</tr>
<tr>
<td>2. Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3. Revised Reserve Balance</td>
</tr>
<tr>
<td>4. PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5. Project Eligibility</td>
</tr>
<tr>
<td>6. Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7. Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Kevin Castiglione  
Executive Director  
Hra Of Walker, Minnesota  
PO Box 217  
Walker, MN 56484

Dear Mr. Castiglione:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN025000001

This letter provides information related to your Public Housing Agency’s (PHA)  
Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After  
HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating  
Subsidy,” this project’s eligibility has been determined to be $59,335. Please note that the  
eligibility for this project is subject to modification for revisions permitted in Notice PIH  
2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final  
HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the  
federal fiscal year. The project funding amount is $46,653. The project funding amount  
takes into account the Allocation Adjustment for each PHA. The methodology used to  
determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed  
HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund  
allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD  
identified the amount of reserves above a minimum reserve level (equivalent to six months  
of expenses for a small PHA, four months for all other PHAs, but in no event less than  
$100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s  
allocation adjustment exceeded their Operating Subsidy eligibility, their allocation  
adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment  
determined by HUD (the exclusion request process described in PIH Notice 2011-55).  
Allocation adjustment appeals went through a rigorous review process within the  
Department. Significant HUD resources were dedicated to the review of all appeals, to  
ensure a fair and equitable process, and to further ensure that HUD could provide PHAs  
their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard  
were focused on providing timely eligibility information to assist PHAs in forecasting and  
budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Sharon R. Olson  
Executive Director  
Hra Of Montevideo, Minnesota  
501 N 1st Street  
Montevideo, MN 56265

Dear Ms. Olson:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
          Project No. MN026000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $48,663. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $47,838. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Calculated Reserve Balance</td>
</tr>
<tr>
<td>2. Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3. Revised Reserve Balance</td>
</tr>
<tr>
<td>4. PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5. Project Eligibility</td>
</tr>
<tr>
<td>6. Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7. Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Debra Drees  
Executive Director  
Thief River Falls Housing & Redevelopment Aut  
415 Arnold Avenue S  
Thief River Falls, MN 56701  

Dear Ms. Drees:  

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN027000001  

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $112,987. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.  

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.  

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Dear Mrs. Sieben:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN028000010

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $72,642. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $72,642. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Calculated Reserve Balance</th>
<th>$99,991</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
<td>$0</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
<td>$99,991</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
<td>$0</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
<td>$72,642</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
<td>$0</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
<td>$72,642</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Linda Gloege  
Executive Director  
Hra Of Madison, Minnesota  
310 Park Avenue  
Madison, MN 56256

Dear Ms. Gloege:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN029000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $51,187. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Melanie Fohl  
Executive Director  
Hra Of Morris, Minnesota  
100 S Columbia Avenue  
Morris, MN 56267  

Dear Ms. Fohl:  

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN030000001  

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $120,607. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $120,607. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Calculated Reserve Balance</td>
</tr>
<tr>
<td>2 Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3 Revised Reserve Balance</td>
</tr>
<tr>
<td>4 PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5 Project Eligibility</td>
</tr>
<tr>
<td>6 Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7 Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Dear Mrs. Blackstad:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN031000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $139,537. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $124,159. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Jennifer Bergman  
Executive Director  
Hra In And For The City Of Brainerd, Minnesota  
324 E River Road  
Brainerd, MN 56401  

Dear Ms. Bergman:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN032000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $332,698. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $331,496. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Calculated Reserve Balance</th>
<th>$433,913</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
<td>$0</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
<td>$433,913</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
<td>$1,202</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
<td>$332,698</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
<td>$1,202</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
<td>$331,496</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

[Signature]

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Dear Mr. Rotter:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN033000002

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $54,865. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Calculated Reserve Balance</td>
</tr>
<tr>
<td>2  Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3  Revised Reserve Balance</td>
</tr>
<tr>
<td>4  PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5  Project Eligibility</td>
</tr>
<tr>
<td>6  Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7  Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Rosie Rogers  
Executive Director  
Hra Of Worthington, Minnesota  
819 10th Street  
Worthington, MN 56187

Dear Ms. Rogers:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN034000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $241,096. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfdn2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

[Signature]

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Jeff Hess  
Executive Director  
Hra Of Alexandria, Minnesota  
805 Fillmore Street  
Alexandria, MN 56308  

Dear Mr. Hess:  

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN035000001  

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $288,028. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $14,794. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.  

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.  

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Ms. Nicole Warner  
Executive Director  
Hra Of Redwood Falls, Minnesota  
300 S Minnesota Street  
Redwood Falls, MN 56283  

Dear Ms. Warner:  

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN036000001  

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $76,367. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.  

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.  

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Calculated Reserve Balance</td>
</tr>
<tr>
<td>2 Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3 Revised Reserve Balance</td>
</tr>
<tr>
<td>4 PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5 Project Eligibility</td>
</tr>
<tr>
<td>6 Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7 Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Nancy Johnson Houg  
Executive Director  
Hra Of Aitkin County, Minnesota  
215 3rd Street SE  
Aitkin, MN 56431

Dear Ms. Johnson:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN037000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $286,570. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $286,570. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Calculated Reserve Balance</td>
<td>$256,703</td>
</tr>
<tr>
<td>2. Approved PHA Exclusion Request (Appeal)</td>
<td>$0</td>
</tr>
<tr>
<td>3. Revised Reserve Balance</td>
<td>$256,703</td>
</tr>
<tr>
<td>4. PHA Allocation Adjustment</td>
<td>$0</td>
</tr>
<tr>
<td>5. Project Eligibility</td>
<td>$286,570</td>
</tr>
<tr>
<td>6. Project Allocation Adjustment (if any)</td>
<td>$0</td>
</tr>
<tr>
<td>7. Project Funding Level after Allocation Adjustment and before Proration</td>
<td>$286,570</td>
</tr>
</tbody>
</table>

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Louise Reis  
Executive Director  
Hra Of St. Cloud, Minnesota  
1225 W. Saint Germain  
Saint Cloud, MN 56301

Dear Ms. Reis:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN038000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $182,857. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $123,170. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Calculated Reserve Balance</td>
</tr>
<tr>
<td>2. Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3. Revised Reserve Balance</td>
</tr>
<tr>
<td>4. PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5. Project Eligibility</td>
</tr>
<tr>
<td>6. Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7. Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
March 2, 2012

Ms. Louise Reis
Executive Director
Hra Of St. Cloud, Minnesota
1225 W. Saint Germain
Saint Cloud, MN 56301

Dear Ms. Reis:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN038000002

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $176,028. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $118,570. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Element</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Calculated Reserve Balance</td>
<td>$882,395</td>
</tr>
<tr>
<td>2. Approved PHA Exclusion Request (Appeal)</td>
<td>$0</td>
</tr>
<tr>
<td>3. Revised Reserve Balance</td>
<td>$882,395</td>
</tr>
<tr>
<td>4. PHA Allocation Adjustment</td>
<td>$212,053</td>
</tr>
<tr>
<td>5. Project Eligibility</td>
<td>$176,028</td>
</tr>
<tr>
<td>6. Project Allocation Adjustment (if any)</td>
<td>$57,458</td>
</tr>
<tr>
<td>7. Project Funding Level after Allocation Adjustment and before Proration</td>
<td>$118,570</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

[Signature]

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Louise Reis  
Executive Director  
Hra Of St. Cloud, Minnesota  
1225 W. Saint Germain  
Saint Cloud, MN 56301  

Dear Ms. Reis:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN038000003

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $290,761. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $195,853. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Kathie Johannsen  
Executive Director  
Hra Of Le Sueur, Minnesota  
220 Risedorph Street  
Apartment A3  
Le Sueur, MN 56058  

Dear Ms. Johannsen:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN039000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $86,044. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Dear Mrs. Benson:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN040000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $137,738. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $137,568. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Calculated Reserve Balance</td>
</tr>
<tr>
<td>2  Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3  Revised Reserve Balance</td>
</tr>
<tr>
<td>4  PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5  Project Eligibility</td>
</tr>
<tr>
<td>6  Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7  Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

![Signature]

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Mark Farrell  
Executive Director  
Public Housing Commission Of The City Of Marshall  
202 N 1st Street  
Marshall, MN 56258  

Dear Mr. Farrell:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN041000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $317,097. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $281,079. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary, Real Estate Assessment Center
Ms. Angie Rangel  
Executive Director  
Hra Of Little Falls, Minnesota  
901 1st Avenue SW  
Little Falls, MN 56345

Dear Ms. Rangel:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN042000001

This letter provides information related to your Public Housing Agency’s (PHA)  
Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After  
HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating  
Subsidy,” this project’s eligibility has been determined to be $105,326. Please note that  
the eligibility for this project is subject to modification for revisions permitted in Notice  
PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012.  
Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end  
of the federal fiscal year. The project funding amount is $0. The project funding amount  
takes into account the Allocation Adjustment for each PHA. The methodology used to  
determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed  
HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund  
allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD  
identified the amount of reserves above a minimum reserve level (equivalent to six months  
of expenses for a small PHA, four months for all other PHAs, but in no event less than  
$100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s  
allocation adjustment exceeded their Operating Subsidy eligibility, their allocation  
adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment  
determined by HUD (the exclusion request process described in PIH Notice 2011-55).  
Allocation adjustment appeals went through a rigorous review process within the  
Department. Significant HUD resources were dedicated to the review of all appeals, to  
ensure a fair and equitable process, and to further ensure that HUD could provide PHAs  
their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard  
were focused on providing timely eligibility information to assist PHAs in forecasting and  
budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Sharon Voyda
Executive Director
Hra Of Park Rapids, Minnesota
500 Riverside Avenue
Park Rapids, MN 56470

Dear Ms. Voyda:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,
Project No. MN043000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $84,215. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $57,519. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Mr. Fran Schlaeger  
Executive Director (Acting)  
Hra Of Forest Lake, Minnesota  
7 5th Avenue NE  
Forest Lake, MN 55025

Dear Mr. Schlaeger:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN044000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $43,762. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Shannon Lloyd  
Executive Director  
Hra Of St. Peter, Minnesota  
1010 S 4th Street  
St Peter, MN 56082

Dear Ms. Lloyd:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN046000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $44,281. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Calculated Reserve Balance</td>
</tr>
<tr>
<td>2. Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3. Revised Reserve Balance</td>
</tr>
<tr>
<td>4. PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5. Project Eligibility</td>
</tr>
<tr>
<td>6. Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7. Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

[Signature]

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Tom Derby  
Executive Director  
Hra Of Bagley, Minnesota  
516 Main Avenue N. #118  
Bagley, MN 56621

Dear Mr. Derby:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN047000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $53,580. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $24,917. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA's allocation adjustment was calculated. Where a PHA's allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Calculated Reserve Balance</th>
<th></th>
<th>Revised Reserve Balance</th>
<th></th>
<th>PHA Allocation Adjustment</th>
<th></th>
<th>Project Eligibility</th>
<th></th>
<th>Project Allocation Adjustment (if any)</th>
<th></th>
<th>Project Funding Level after Allocation Adjustment and before Proration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1. CY 2012 Project Eligibility and Allocation Adjustment


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Marcia Linssen  
Executive Director  
Hra Of Luverne, Minnesota  
216 N McKenzie Street  
Luverne, MN 56156  

Dear Ms. Linssen:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN048000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $194,203. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $56,931. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Calculated Reserve Balance</td>
</tr>
<tr>
<td>2 Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3 Revised Reserve Balance</td>
</tr>
<tr>
<td>4 PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5 Project Eligibility</td>
</tr>
<tr>
<td>6 Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7 Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Tammy Manderscheid
Executive Director
Hra Of Pipestone, Minnesota
PO Box 365
Pipestone, MN 56164

Dear Ms. Manderscheid:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN049000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $220,252. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $29,033. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.

Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Dear Mrs. Bengtson:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN051000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $413,389. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $252,704. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Kelly Kolke  
Executive Director  
Hra Of Braham, Minnesota  
409 Central Drive W  
Braham, MN 55006

Dear Ms. Kolke:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN052000001

This letter provides information related to your Public Housing Agency’s (PHA)  
Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After  
HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating  
Subsidy,” this project’s eligibility has been determined to be $74,913. Please note that the  
eligibility for this project is subject to modification for revisions permitted in Notice PIH  
2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final  
HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the  
federal fiscal year. The project funding amount is $74,913. The project funding amount  
takes into account the Allocation Adjustment for each PHA. The methodology used to  
determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed  
HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund  
allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD  
identified the amount of reserves above a minimum reserve level (equivalent to six months  
of expenses for a small PHA, four months for all other PHAs, but in no event less than  
$100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s  
allocation adjustment exceeded their Operating Subsidy eligibility, their allocation  
adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment  
determined by HUD (the exclusion request process described in PIH Notice 2011-55).  
Allocation adjustment appeals went through a rigorous review process within the  
Department. Significant HUD resources were dedicated to the review of all appeals, to  
ensure a fair and equitable process, and to further ensure that HUD could provide PHAs  
their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard  
were focused on providing timely eligibility information to assist PHAs in forecasting and  
budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Calculated Reserve Balance</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$84,781</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
<td>$0</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
<td>$84,781</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
<td>$0</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
<td>$74,913</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
<td>$0</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
<td>$74,913</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Marty Hendrickson  
Executive Director  
Hra Of Ely, Minnesota  
114 N 8th Avenue E  
Apartment 111  
Ely, MN 55731

Dear Mr. Hendrickson:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN053000001

This letter provides information related to your Public Housing Agency’s (PHA)  
Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After  
HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating  
Subsidy,” this project’s eligibility has been determined to be $301,186. Please note that  
the eligibility for this project is subject to modification for revisions permitted in Notice  
PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012.  
Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end  
of the federal fiscal year. The project funding amount is $253,349. The project funding  
amount takes into account the Allocation Adjustment for each PHA. The methodology  
used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed  
HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund  
allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD  
identified the amount of reserves above a minimum reserve level (equivalent to six months  
of expenses for a small PHA, four months for all other PHAs, but in no event less than  
$100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s  
allocation adjustment exceeded their Operating Subsidy eligibility, their allocation  
adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment  
determined by HUD (the exclusion request process described in PIH Notice 2011-55).  
Allocation adjustment appeals went through a rigorous review process within the  
Department. Significant HUD resources were dedicated to the review of all appeals, to  
ensure a fair and equitable process, and to further ensure that HUD could provide PHAs  
their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard  
were focused on providing timely eligibility information to assist PHAs in forecasting and  
budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Calculated Reserve Balance</th>
<th>$419,524</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
<td>$0</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
<td>$419,524</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
<td>$47,837</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
<td>$301,186</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
<td>$47,837</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
<td>$253,349</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Ms. Ruth Lewis  
Executive Director  
Hra Of Fairmont, Minnesota  
500 Home Street  
Fairmont, MN 56031

Dear Ms. Lewis:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN054000001

This letter provides information related to your Public Housing Agency’s (PHA)  
Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After  
HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating  
Subsidy,” this project’s eligibility has been determined to be $277,138. Please note that  
the eligibility for this project is subject to modification for revisions permitted in Notice  
PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012.  
Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end  
of the federal fiscal year. The project funding amount is $0. The project funding amount  
takes into account the Allocation Adjustment for each PHA. The methodology used to  
determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed  
HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund  
allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD  
identified the amount of reserves above a minimum reserve level (equivalent to six months  
of expenses for a small PHA, four months for all other PHAs, but in no event less than  
$100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s  
allocation adjustment exceeded their Operating Subsidy eligibility, their allocation  
adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment  
determined by HUD (the exclusion request process described in PIH Notice 2011-55).  
Allocation adjustment appeals went through a rigorous review process within the  
Department. Significant HUD resources were dedicated to the review of all appeals, to  
ensure a fair and equitable process, and to further ensure that HUD could provide PHAs  
their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard  
were focused on providing timely eligibility information to assist PHAs in forecasting and  
budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

[Signature]

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Debra Shaff
Executive Director
Hra Of Carlton, Minnesota
950 14th Street
Cloquet, MN 55720

Dear Ms. Shaff:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN055000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $19,908. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Dorothy Gaffaney  
Executive Director  
Hra Of Glenwood, Minnesota  
507 5th Street SE  
Glenwood, MN 56334

Dear Ms. Gaffaney: 

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN056000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $62,077. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $62,077. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

| 1 | Calculated Reserve Balance | $35,337 |
| 2 | Approved PHA Exclusion Request (Appeal) | $0 |
| 3 | Revised Reserve Balance | $35,337 |
| 4 | PHA Allocation Adjustment | $0 |
| 5 | Project Eligibility | $62,077 |
| 6 | Project Allocation Adjustment (if any) | $0 |
| 7 | Project Funding Level after Allocation Adjustment and before Proration | $62,077 |

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center

Mr. Jerry Culliton  
Executive Director  
Hra Of Grand Rapids, Minnesota  
411 NW 7th Street  
Grand Rapids, MN 55744

Dear Mr. Culliton:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN057000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $111,798. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Wendy Fast  
Executive Director  
Hra Of Mountain Lake, Minnesota  
1225 3rd Avenue  
Mountain Lake, MN 56159  

Dear Ms. Fast:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN058000001  

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $61,408. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $15,411. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Element</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Calculated Reserve Balance</td>
<td>$195,727</td>
</tr>
<tr>
<td>2 Approved PHA Exclusion Request (Appeal)</td>
<td>$0</td>
</tr>
<tr>
<td>3 Revised Reserve Balance</td>
<td>$195,727</td>
</tr>
<tr>
<td>4 PHA Allocation Adjustment</td>
<td>$45,997</td>
</tr>
<tr>
<td>5 Project Eligibility</td>
<td>$61,408</td>
</tr>
<tr>
<td>6 Project Allocation Adjustment (if any)</td>
<td>$45,997</td>
</tr>
<tr>
<td>7 Project Funding Level after Allocation Adjustment and before Proration</td>
<td>$15,411</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Gwyn Doenz  
Executive Director  
Hra Of Pine City, Minnesota  
905 7th Street SW  
Pine City, MN 55063

Dear Ms. Doenz:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN059000001

This letter provides information related to your Public Housing Agency’s (PHA)  
Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After  
HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating  
Subsidy,” this project’s eligibility has been determined to be $45,302. Please note that the  
eligibility for this project is subject to modification for revisions permitted in Notice PIH  
2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final  
HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the  
federal fiscal year. The project funding amount is $43,441. The project funding amount  
takes into account the Allocation Adjustment for each PHA. The methodology used to  
determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed  
HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund  
allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD  
identified the amount of reserves above a minimum reserve level (equivalent to six months  
of expenses for a small PHA, four months for all other PHAs, but in no event less than  
$100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s  
allocation adjustment exceeded their Operating Subsidy eligibility, their allocation  
adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment  
determined by HUD (the exclusion request process described in PIH Notice 2011-55).  
Allocation adjustment appeals went through a rigorous review process within the  
Department. Significant HUD resources were dedicated to the review of all appeals, to  
sure a fair and equitable process, and to further ensure that HUD could provide PHAs  
their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard  
were focused on providing timely eligibility information to assist PHAs in forecasting and  
budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
<td>$103,746</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
<td>$0</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
<td>$103,746</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
<td>$1,861</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
<td>$45,302</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
<td>$1,861</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
<td>$43,441</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Laura Trebesch  
Executive Director  
Hra Of Sleepy Eye, Minnesota  
313 4th Avenue SE  
Sleepy Eye, MN 56085

Dear Ms. Trebesch:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN060000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $57,918. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $57,918. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Calculated Reserve Balance</th>
<th>Revised Reserve Balance</th>
<th>PHA Allocation Adjustment</th>
<th>Project Eligibility</th>
<th>Project Allocation Adjustment (if any)</th>
<th>Project Funding Level after Allocation Adjustment and before Proration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$98,624</td>
<td>$98,624</td>
<td>$0</td>
<td>$57,918</td>
<td>$0</td>
<td>$57,918</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Dear Mrs. Phillipe:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN061000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $37,758. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $37,758. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Calculated Reserve Balance</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
<td>$72,394</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
<td>$0</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
<td>$72,394</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
<td>$0</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
<td>$37,758</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
<td>$37,758</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Tammy Matthees  
Executive Director  
Hra Of City Of Delano, Minnesota  
125 5th Street S  
Delano, MN 55328

Dear Ms. Matthees:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN062000001

This letter provides information related to your Public Housing Agency’s (PHA)  
Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After  
HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating  
Subsidy,” this project’s eligibility has been determined to be $40,007. Please note that the  
eligibility for this project is subject to modification for revisions permitted in Notice PIH  
2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final  
HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the  
federal fiscal year. The project funding amount is $39,168. The project funding amount  
takes into account the Allocation Adjustment for each PHA. The methodology used to  
determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed  
HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund  
allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD  
identified the amount of reserves above a minimum reserve level (equivalent to six months  
of expenses for a small PHA, four months for all other PHAs, but in no event less than  
$100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s  
allocation adjustment exceeded their Operating Subsidy eligibility, their allocation  
adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment  
determined by HUD (the exclusion request process described in PIH Notice 2011-55).  
Allocation adjustment appeals went through a rigorous review process within the  
Department. Significant HUD resources were dedicated to the review of all appeals, to  
ensure a fair and equitable process, and to further ensure that HUD could provide PHAs  
their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard  
were focused on providing timely eligibility information to assist PHAs in forecasting and  
budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Mr. Patrick Hentges  
Executive Director  
Mankato Eda  
PO Box 3368  
Mankato, MN 56002

Dear Mr. Hentges:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN063000001

This letter provides information related to your Public Housing Agency’s (PHA)  
Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After  
HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating  
Subsidy,” this project’s eligibility has been determined to be $216,975. Please note that  
the eligibility for this project is subject to modification for revisions permitted in Notice  
PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012.  
Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end  
of the federal fiscal year. The project funding amount is $0. The project funding amount  
takes into account the Allocation Adjustment for each PHA. The methodology used to  
determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed  
HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund  
allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD  
identified the amount of reserves above a minimum reserve level (equivalent to six months  
of expenses for a small PHA, four months for all other PHAs, but in no event less than  
$100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s  
allocation adjustment exceeded their Operating Subsidy eligibility, their allocation  
adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment  
determined by HUD (the exclusion request process described in PIH Notice 2011-55).  
Allocation adjustment appeals went through a rigorous review process within the  
Department. Significant HUD resources were dedicated to the review of all appeals, to  
ensure a fair and equitable process, and to further ensure that HUD could provide PHAs  
their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard  
were focused on providing timely eligibility information to assist PHAs in forecasting and  
budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
<td>$1,260,646</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
<td>$1,260,646</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
<td>$216,975</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
<td>$216,975</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
<td>$216,975</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Katherine Kleinbaum  
Executive Director  
Hra Of Princeton, Minnesota  
801 3rd Street N  
Princeton, MN 55371  

Dear Ms. Kleinbaum:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN064000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $62,935. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Calculated Reserve Balance</th>
<th>$327,705</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
<td>$0</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
<td>$327,705</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
<td>$62,935</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
<td>$62,935</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
<td>$62,935</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
<td>$0</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Mr. Ernest Kociemba  
Executive Director  
Hra Of City Of Melrose, Minnesota  
16 E 1st Street S  
Melrose, MN 56352

Dear Mr. Kociemba:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN065000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $54,543. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $30,785. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
<td>$147,823</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
<td>$0</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
<td>$147,823</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
<td>$23,758</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
<td>$54,543</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
<td>$23,758</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
<td>$30,785</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Ms. Lynda Woulfe  
Executive Director  
Cambridge Economic Development Authority  
121 Fern Street S  
Cambridge, MN 55008  

Dear Ms. Woulfe:  

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN067000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $93,451. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Calculated Reserve Balance</th>
<th>Approved PHA Exclusion Request (Appeal)</th>
<th>Revised Reserve Balance</th>
<th>PHA Allocation Adjustment</th>
<th>Project Eligibility</th>
<th>Project Allocation Adjustment (if any)</th>
<th>Project Funding Level after Allocation Adjustment and before Proration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$425,804</td>
<td>$0</td>
<td>$425,804</td>
<td>$93,451</td>
<td>$93,451</td>
<td>$93,451</td>
<td>$0</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Gwen L. Johnson
Executive Director
Hra Of Barnesville, Minnesota
PO Box 158
Barnesville, MN 56514

Dear Ms. Johnson:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN068000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $56,593. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $38,147. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Calculated Reserve Balance</td>
<td>$137,130</td>
</tr>
<tr>
<td>2 Approved PHA Exclusion Request (Appeal)</td>
<td>$0</td>
</tr>
<tr>
<td>3 Revised Reserve Balance</td>
<td>$137,130</td>
</tr>
<tr>
<td>4 PHA Allocation Adjustment</td>
<td>$18,446</td>
</tr>
<tr>
<td>5 Project Eligibility</td>
<td>$56,593</td>
</tr>
<tr>
<td>6 Project Allocation Adjustment (if any)</td>
<td>$18,446</td>
</tr>
<tr>
<td>7 Project Funding Level after Allocation Adjustment and before Proration</td>
<td>$38,147</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Ms. Stephanie Brock
Executive Director
Hra Of Clarkfield, Minnesota
1012 12th Avenue
Apartment 101
Clarkfield, MN 56223

Dear Ms. Brock:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN069000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $71,979. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $40,101. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Calculated Reserve Balance</td>
</tr>
<tr>
<td>2. Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3. Revised Reserve Balance</td>
</tr>
<tr>
<td>4. PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5. Project Eligibility</td>
</tr>
<tr>
<td>6. Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7. Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:  

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

[Signature]

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Pat Braaten  
Executive Director  
Hra Of Litchfield, Minnesota  
122 W 4th Street  
Litchfield, MN 55355

Dear Ms. Braaten:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN070000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $116,077. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $47,075. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Calculated Reserve Balance</th>
<th>$291,281</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
<td>$0</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
<td>$291,281</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
<td>$69,002</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
<td>$116,077</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
<td>$69,002</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
<td>$47,075</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Mary Ann Benoit
Executive Director
Hra Of Red Lake Falls, Minnesota
209 International Drive
Red Lake Falls, MN 56750

Dear Ms. Benoit:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN071000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $49,385. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $49,385. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.

Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Arlo Smith  
Executive Director (Acting)  
Breckenridge Hra Of Breckenridge, Minnesota  
200 Park Avenue  
Breckenridge, MN 56520

Dear Mr. Smith:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN072000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $196,291. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $103,687. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>1 Calculated Reserve Balance</th>
<th>$432,711</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
<td>$62,858</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
<td>$369,853</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
<td>$92,604</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
<td>$196,291</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
<td>$92,604</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
<td>$103,687</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Ms. Debra Shaff  
Executive Director  
Hra Of Cloquet, Minnesota  
950 14th Street  
Cloquet, MN 55720  

Dear Ms. Shaff:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN073000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $73,286. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfdn2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Kandis M. Hanson  
Executive Director  
Hra Of The City Of Mound, Minnesota  
5341 Maywood Road  
Mound, MN 55364

Dear Ms. Hanson:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN074000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $124,769. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $124,769. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/amo/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

[Signature]

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Bobbi Blanchard  
Executive Director (Acting)  
Hra Of Staples  
615 4th Street NE  
Staples, MN 56479

Dear Ms. Blanchard:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN075000001

This letter provides information related to your Public Housing Agency’s (PHA)  
Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After  
HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating  
Subsidy,” this project’s eligibility has been determined to be $121,699. Please note that  
elligibility for this project is subject to modification for revisions permitted in Notice  
PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012.  
Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end  
of the federal fiscal year. The project funding amount is $0. The project funding amount  
takes into account the Allocation Adjustment for each PHA. The methodology used to  
determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed  
HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund  
allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD  
identified the amount of reserves above a minimum reserve level (equivalent to six months  
of expenses for a small PHA, four months for all other PHAs, but in no event less than  
$100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s  
allocation adjustment exceeded their Operating Subsidy eligibility, their allocation  
adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment  
determined by HUD (the exclusion request process described in PIH Notice 2011-55).  
Allocation adjustment appeals went through a rigorous review process within the  
Department. Significant HUD resources were dedicated to the review of all appeals, to  
sure a fair and equitable process, and to further ensure that HUD could provide PHAs  
their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard  
were focused on providing timely eligibility information to assist PHAs in forecasting and  
budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Ms. Sandy Johnson  
Executive Director  
Hra Of Warren, Minnesota  
411 N 4th Street  
Warren, MN 56762

Dear Ms. Johnson:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN076000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $114,721. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Calculated Reserve Balance</th>
<th></th>
<th>Revised Reserve Balance</th>
<th></th>
<th>PHA Allocation Adjustment</th>
<th></th>
<th>Project Eligibility</th>
<th></th>
<th>Project Allocation Adjustment (if any)</th>
<th></th>
<th>Project Funding Level after Allocation Adjustment and before Proration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$478,144</td>
<td></td>
<td>$478,144</td>
<td></td>
<td>$114,721</td>
<td></td>
<td>$114,721</td>
<td></td>
<td>$114,721</td>
<td></td>
<td>$0</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Jon Ford  
Executive Director  
Hra In And For The City Of Albert Lea, Minnesota  
800 4th Avenue S.  
Albert Lea, MN 56007  

Dear Mr. Ford:  

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN077000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $227,331. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $200,087. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Calculated Reserve Balance</th>
<th>$475,704</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
<td>$0</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
<td>$475,704</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
<td>$40,720</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
<td>$227,331</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
<td>$27,244</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
<td>$200,087</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Jon Ford  
Executive Director  
Hra In And For The City Of Albert Lea, Minnesota  
800 4th Avenue S.  
Albert Lea, MN 56007

Dear Mr. Ford:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN077000002

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $112,448. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $98,972. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

[Signature]

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Stacy Unowsky  
Executive Director  
Hra Of Hopkins, Minnesota  
1010 1st Street S  
Hopkins, MN 55343

Dear Ms. Unowsky:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN078000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $135,826. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Vicki Flatgard  
Executive Director  
Hra Of Windom, Minnesota  
605 10th Street  
Apartment 104  
Windom, MN 56101

Dear Ms. Flatgard:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN080000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $146,413. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

[Signature]

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Michael Kneeland  
Executive Director  
Hra Of Crosby, Minnesota  
300 3rd Avenue NE  
Crosby, MN 56441

Dear Mr. Kneeland:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN082000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $73,355. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $70,737. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.

Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Calculated Reserve Balance</th>
<th>Approved PHA Exclusion Request (Appeal)</th>
<th>Revised Reserve Balance</th>
<th>PHA Allocation Adjustment</th>
<th>Project Eligibility</th>
<th>Project Allocation Adjustment (if any)</th>
<th>Project Funding Level after Allocation Adjustment and before Proration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$136,521</td>
<td>$0</td>
<td>$136,521</td>
<td>$2,618</td>
<td>$73,355</td>
<td>$2,618</td>
<td>$70,737</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Michelle Bode  
Executive Director  
Hra Of Henning, Minnesota  
500 Holden Avenue  
Henning, MN 56551  

Dear Ms. Bode:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN083000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $28,274. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

[Signature]

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Dear Mr. Hurm:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN085000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $337,625. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. James C Hurm  
Executive Director  
Housing & Redevelopment Authority Of Austin  
308 2nd Avenue NE  
Austin, MN 55912

Dear Mr. Hurm:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN085000002

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $72,998. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Calculated Reserve Balance</th>
<th>$2,304,886</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
<td>$0</td>
</tr>
<tr>
<td>2</td>
<td>Revised Reserve Balance</td>
<td>$2,304,886</td>
</tr>
<tr>
<td>3</td>
<td>PHA Allocation Adjustment</td>
<td>$529,752</td>
</tr>
<tr>
<td>4</td>
<td>Project Eligibility</td>
<td>$72,998</td>
</tr>
<tr>
<td>5</td>
<td>Project Allocation Adjustment (if any)</td>
<td>$72,998</td>
</tr>
<tr>
<td>6</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
<td>$0</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. James C Hurm
Executive Director
Housing & Redevelopment Authority Of Austin
308 2nd Avenue NE
Austin, MN 55912

Dear Mr. Hurm:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN085000003

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $119,129. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Calculated Reserve Balance</th>
<th>Approved PHA Exclusion Request (Appeal)</th>
<th>Revised Reserve Balance</th>
<th>PHA Allocation Adjustment</th>
<th>Project Eligibility</th>
<th>Project Allocation Adjustment (if any)</th>
<th>Project Funding Level after Allocation Adjustment and before Proration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$2,304,886</td>
<td>$0</td>
<td>$2,304,886</td>
<td>$529,752</td>
<td>$119,129</td>
<td>$119,129</td>
<td>$0</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

[Signature]

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Eunice Korczak  
Executive Director  
Hra Of Village Of Greenbush, Minnesota  
610 Central Avenue W  
Suite A  
Greenbush, MN 56726  

Dear Ms. Korczak:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN086000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $48,819. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $48,819. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Calculated Reserve Balance</td>
</tr>
<tr>
<td>2. Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3. Revised Reserve Balance</td>
</tr>
<tr>
<td>4. PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5. Project Eligibility</td>
</tr>
<tr>
<td>6. Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7. Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Vicki Kipka  
Executive Director  
Hra Of Waseca, Minnesota  
308 2nd Avenue NW  
Waseca, MN 56093  

Dear Ms. Kipka:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN087000001  

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $73,337. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Calculated Reserve Balance</td>
</tr>
<tr>
<td>2 Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3 Revised Reserve Balance</td>
</tr>
<tr>
<td>4 PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5 Project Eligibility</td>
</tr>
<tr>
<td>6 Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7 Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Kristin Osterdyk  
Executive Director  
Hra Of Long Prairie, Minnesota  
601 Central Avenue  
Long Prairie, MN 56347

Dear Ms. Osterdyk:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN088000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $48,119. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
<td>$264,404</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
<td>$0</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
<td>$264,404</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
<td>$48,119</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
<td>$48,119</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
<td>$48,119</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
<td>$0</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Dear Mrs. Bakken:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN089000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $151,343. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $151,343. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Randal Hemmerlin  
Executive Director  
Hra Of Red Wing, Minnesota  
428 W 5th Street  
Red Wing, MN 55066

Dear Mr. Hemmerlin:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN090000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $96,521. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $53,954. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

[Signature]

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Mark Vahlsing  
Executive Director  
Hra Of Moose Lake, Minnesota  
708 4th Street  
Moose Lake, MN 55767

Dear Mr. Vahlsing:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN091000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $61,944. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $61,944. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

[Signature]

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Alice Taylor  
Executive Director  
Hra Of Pine River, Minnesota  
312 1st Street S  
Apartment 100  
Pine River, MN 56474  

Dear Ms. Taylor:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN092000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $107,441. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $107,441. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

| Table 1. CY 2012 Project Eligibility and Allocation Adjustment |
|-------------------|-----------------|
| 1                  | Calculated Reserve Balance | $12,712 |
| 2                  | Approved PHA Exclusion Request (Appeal) | $0 |
| 3                  | Revised Reserve Balance | $12,712 |
| 4                  | PHA Allocation Adjustment | $0 |
| 5                  | Project Eligibility | $107,441 |
| 6                  | Project Allocation Adjustment (if any) | $0 |
| 7                  | Project Funding Level after Allocation Adjustment and before Proration | $107,441 |

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center

Ms. Barb Carlson  
Executive Director  
Hra Of Pequot Lakes, Minnesota  
PO Box 243  
Pequot Lakes, MN 56472

Dear Ms. Carlson:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN095000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $30,430. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $30,430. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Calculated Reserve Balance</td>
<td>$7,154</td>
</tr>
<tr>
<td>2 Approved PHA Exclusion Request (Appeal)</td>
<td>$0</td>
</tr>
<tr>
<td>3 Revised Reserve Balance</td>
<td>$7,154</td>
</tr>
<tr>
<td>4 PHA Allocation Adjustment</td>
<td>$0</td>
</tr>
<tr>
<td>5 Project Eligibility</td>
<td>$30,430</td>
</tr>
<tr>
<td>6 Project Allocation Adjustment (if any)</td>
<td>$0</td>
</tr>
<tr>
<td>7 Project Funding Level after Allocation Adjustment and before Proration</td>
<td>$30,430</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Ms. Amy Blake  
Executive Director  
Hra Of Cook, Minnesota  
111 5th Street SE  
Cook, MN 55723  

Dear Ms. Blake:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN096000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $98,316. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $98,316. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

![Signature]

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Dear Mrs. Johnson:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN097000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $37,476. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $28,183. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Ms. Kathy Martin  
Executive Director  
Hra Of Cottonwood, Minnesota  
425 Prairie Street W  
Cottonwood, MN 56229  

Dear Ms. Martin:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN098000001  

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $77,606. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $56,247. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Calculated Reserve Balance</th>
<th>Revised Reserve Balance</th>
<th>PHA Allocation Adjustment</th>
<th>Project Eligibility</th>
<th>Project Allocation Adjustment (if any)</th>
<th>Project Funding Level after Allocation Adjustment and before Proration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$145,264</td>
<td>$145,264</td>
<td>$21,359</td>
<td>$77,606</td>
<td>$21,359</td>
<td>$56,247</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Ms. Cynthia Wisehart  
Executive Director  
Hra Of Cass Lake, Minnesota  
PO Box 397  
Cass Lake, MN 56633  

Dear Ms. Wisehart:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN100000001

This letter provides information related to your Public Housing Agency’s (PHA)  
Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After  
HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating  
Subsidy,” this project’s eligibility has been determined to be $101,500. Please note that  
the eligibility for this project is subject to modification for revisions permitted in Notice  
PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012.  
Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end  
of the federal fiscal year. The project funding amount is $0. The project funding amount  
takes into account the Allocation Adjustment for each PHA. The methodology used to  
determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed  
HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund  
allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD  
identified the amount of reserves above a minimum reserve level (equivalent to six months  
of expenses for a small PHA, four months for all other PHAs, but in no event less than  
$100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s  
allocation adjustment exceeded their Operating Subsidy eligibility, their allocation  
adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment  
determined by HUD (the exclusion request process described in PIH Notice 2011-55).  
Allocation adjustment appeals went through a rigorous review process within the  
Department. Significant HUD resources were dedicated to the review of all appeals, to  
ensure a fair and equitable process, and to further ensure that HUD could provide PHAs  
their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard  
were focused on providing timely eligibility information to assist PHAs in forecasting and  
budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Calculated Reserve Balance</td>
</tr>
<tr>
<td>2 Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3 Revised Reserve Balance</td>
</tr>
<tr>
<td>4 PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5 Project Eligibility</td>
</tr>
<tr>
<td>6 Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7 Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Rose Dunn  
Executive Director  
Hra Of Mora, Minnesota  
160 Valhalla Circle  
Mora, MN 55051

Dear Ms. Dunn:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN101000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $65,592. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $45,836. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Yvonne Johnson  
Executive Director  
Hra Of Lindstrom, Minnesota  
12940 N 1st Avenue  
Lindstrom, MN 55045  

Dear Ms. Johnson:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN102000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $25,487. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Calculated Reserve Balance $229,471</td>
</tr>
<tr>
<td></td>
<td>Approved PHA Exclusion Request (Appeal) $0</td>
</tr>
<tr>
<td></td>
<td>Revised Reserve Balance $229,471</td>
</tr>
<tr>
<td></td>
<td>PHA Allocation Adjustment $25,487</td>
</tr>
<tr>
<td></td>
<td>Project Eligibility $25,487</td>
</tr>
<tr>
<td></td>
<td>Project Allocation Adjustment (if any) $25,487</td>
</tr>
<tr>
<td></td>
<td>Project Funding Level after Allocation Adjustment and before Proration $0</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

[Signature]

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Ms. Jean Ward  
Executive Director  
Hra Of Hutchinson, Minnesota  
133 3rd Avenue SW  
Hutchinson, MN 55350

Dear Ms. Ward:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN103000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $168,373. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.

Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Calculated Reserve Balance</th>
<th></th>
<th>Revised Reserve Balance</th>
<th></th>
<th>PHA Allocation Adjustment</th>
<th></th>
<th>Project Eligibility</th>
<th></th>
<th>Project Allocation Adjustment (if any)</th>
<th></th>
<th>Project Funding Level after Allocation Adjustment and before Proration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td>$931,823</td>
<td></td>
<td>$931,823</td>
<td></td>
<td>$168,373</td>
<td></td>
<td>$168,373</td>
<td></td>
<td>$168,373</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
<td></td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
<td></td>
<td>$931,823</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
<td></td>
<td>$168,373</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
<td></td>
<td>$168,373</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
<td></td>
<td>$168,373</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
<td></td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Walter R. Fehst  
Executive Director  
Hra Of Columbia Heights  
590 40th Avenue NE  
Columbia Heights, MN 55421

Dear Mr. Fehst:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN105000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $195,360. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
<td>$960,410</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
<td>$0</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
<td>$960,410</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
<td>$195,360</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
<td>$195,360</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
<td>$195,360</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
<td>$0</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Gordon Grabow
Executive Director
Hra Of Detroit Lakes, Minnesota
PO Box 731
Detroit Lakes, MN 56502

Dear Mr. Grabow:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,
Project No. MN107000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $32,767. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Vincent P. Robinson  
Executive Director  
Hra Of Lake Benton, Minnesota  
106 Bluff Street W  
Apartment 30  
Lake Benton, MN 56149  

Dear Mr. Robinson:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN108000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $59,651. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $59,651. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Calculated Reserve Balance</td>
</tr>
<tr>
<td>2 Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3 Revised Reserve Balance</td>
</tr>
<tr>
<td>4 PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5 Project Eligibility</td>
</tr>
<tr>
<td>6 Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7 Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Smith Susan  
Executive Director  
Hra Of Baudette, Minnesota  
PO Box 638  
Baudette, MN 56623  

Dear Ms. Susan:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN113000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $21,260. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Dear Mrs. Huffman:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN117000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $26,858. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

[Signature]

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Brian D. Gramentz  
Executive Director  
New Ulm Eda  
100 N Broadway Street  
New Ulm, MN 56073  

Dear Mr. Gramentz:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN128000001

This letter provides information related to your Public Housing Agency’s (PHA)  
Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After  
HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating  
Subsidy,” this project’s eligibility has been determined to be $65,722. Please note that the  
eligibility for this project is subject to modification for revisions permitted in Notice PIH  
2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final  
HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the  
federal fiscal year. The project funding amount is $0. The project funding amount takes  
into account the Allocation Adjustment for each PHA. The methodology used to  
determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed  
HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund  
allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD  
identified the amount of reserves above a minimum reserve level (equivalent to six months  
of expenses for a small PHA, four months for all other PHAs, but in no event less than  
$100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s  
allocation adjustment exceeded their Operating Subsidy eligibility, their allocation  
adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment  
determined by HUD (the exclusion request process described in PIH Notice 2011-55).  
Allocation adjustment appeals went through a rigorous review process within the  
Department. Significant HUD resources were dedicated to the review of all appeals, to  
ensure a fair and equitable process, and to further ensure that HUD could provide PHAs  
their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard  
were focused on providing timely eligibility information to assist PHAs in forecasting and  
budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Calculated Reserve Balance</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$463,233</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
<td>$0</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
<td>$463,233</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
<td>$65,722</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
<td>$65,722</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
<td>$65,722</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
<td>$0</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Mark Ulfers  
Executive Director  
Dakota County Cda  
1228 Town Centre Drive  
Eagan, MN 55123

Dear Mr. Ulfers:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN147000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $128,136. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Mr. Mark Ulfers  
Executive Director  
Dakota County Cda  
1228 Town Centre Drive  
Eagan, MN 55123

Dear Mr. Ulfers:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN147000002

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $105,928. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Calculated Reserve Balance</td>
</tr>
<tr>
<td>2  Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3  Revised Reserve Balance</td>
</tr>
<tr>
<td>4  PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5  Project Eligibility</td>
</tr>
<tr>
<td>6  Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7  Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Gary Lueders  
Executive Director  
Olmsted County Hra  
2122 Campus Drive SE  
Rochester, MN 55904

Dear Mr. Lueders:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN151000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $299,016. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $194,730. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Regina Harris  
Executive Director  
Hra In And For The City Of Bloomington  
1800 W Old Shakopee Road  
Bloomington, MN 55431

Dear Ms. Harris:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN152000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $65,335. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $65,335. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Ms. Diane Larson  
Executive Director  
Itasca County Hra  
102 NE Third Street, Suite 160  
Grand Rapids, MN 55744  

Dear Ms. Larson:  

SUBJECT:  Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN154000001  

This letter provides information related to your Public Housing Agency’s (PHA)  
Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment.  After  
HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating  
Subsidy,” this project’s eligibility has been determined to be $53,432.  Please note that the  
eligibility for this project is subject to modification for revisions permitted in Notice PIH  
2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012.  Final  
HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the  
federal fiscal year.  The project funding amount is $42,288.  The project funding amount  
takes into account the Allocation Adjustment for each PHA. The methodology used to  
determine this amount is provided in a schedule in greater detail below.  

As background, the FY 2012 Appropriations Act included a provision that directed  
HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund  
allocation adjustments).  To determine an individual PHA’s allocation adjustment, HUD  
identified the amount of reserves above a minimum reserve level (equivalent to six months  
of expenses for a small PHA, four months for all other PHAs, but in no event less than  
$100,000).  Next, each PHA’s allocation adjustment was calculated.  Where a PHA’s  
allocation adjustment exceeded their Operating Subsidy eligibility, their allocation  
adjustment was capped to 12 months of their eligibility.  

The Department afforded PHAs the opportunity to appeal the allocation adjustment  
determined by HUD (the exclusion request process described in PIH Notice 2011-55).  
Allocation adjustment appeals went through a rigorous review process within the  
Department.  Significant HUD resources were dedicated to the review of all appeals, to  
ensure a fair and equitable process, and to further ensure that HUD could provide PHAs  
their eligibility amounts earlier this year than ever before.  HUD’s efforts in this regard  
were focused on providing timely eligibility information to assist PHAs in forecasting and  
budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Peter Waldock  
Executive Director  
Housing & Redevelopment Authority Of Faribault  
208 1st Avenue NW  
Faribault, MN 55021  

Dear Mr. Waldock:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN157000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $118,947. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Calculated Reserve Balance</td>
</tr>
<tr>
<td>2 Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3 Revised Reserve Balance</td>
</tr>
<tr>
<td>4 PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5 Project Eligibility</td>
</tr>
<tr>
<td>6 Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7 Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Lee Meier  
Executive Director  
Nw Mn Multi-county Hra  
PO Box 128  
Mentor, MN 56736

Dear Mr. Meier:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN158000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $194,498. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Ms. Christina Hettig  
Executive Director  
Renville County Hra  
500 E. Depue Avenue  
Olivia, MN 56277

Dear Ms. Hettig:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN161000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $63,981. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $63,981. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

<p>| | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td>$95,986</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td>$95,986</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
<td>$63,981</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
<td></td>
<td>$63,981</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Dara Lee  
Executive Director  
Clay County Hra  
PO Box 99  
Dilworth, MN 56529

Dear Ms. Lee:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN164000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $56,598. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $56,598. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Calculated Reserve Balance</td>
</tr>
<tr>
<td>2. Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3. Revised Reserve Balance</td>
</tr>
<tr>
<td>4. PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5. Project Eligibility</td>
</tr>
<tr>
<td>6. Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7. Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Robert Meyer  
Executive Director  
Blue Earth County Eda  
10 Civic Center Plaza  
PO Box 3368  
Mankato, MN 56002  

Dear Mr. Meyer:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN167000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $148,722. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $101,557. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Calculated Reserve Balance</td>
</tr>
<tr>
<td>2. Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3. Revised Reserve Balance</td>
</tr>
<tr>
<td>4. PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5. Project Eligibility</td>
</tr>
<tr>
<td>6. Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7. Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Dear Mr. Meyer:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN167000002

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $22,189. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $15,152. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Dear Mr. Standish:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN169000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $134,556. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $117,067. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Calculated Reserve Balance</td>
</tr>
<tr>
<td>2 Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3 Revised Reserve Balance</td>
</tr>
<tr>
<td>4 PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5 Project Eligibility</td>
</tr>
<tr>
<td>6 Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7 Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Robert Swanberg  
Executive Director  
Stearns County Hra  
PO Box 484  
Cold Spring, MN 56320

Dear Mr. Swanberg:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN172000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $33,986. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $33,986. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.

Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Calculated Reserve Balance</td>
</tr>
<tr>
<td>2  Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3  Revised Reserve Balance</td>
</tr>
<tr>
<td>4  PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5  Project Eligibility</td>
</tr>
<tr>
<td>6  Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7  Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:  

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

[Signature]

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Jodi Hormann  
Executive Director (Acting)  
Big Stone County Hra  
11 S.e. Second Street  
Suite 102  
Ortonville, MN 56278  

Dear Ms. Hormann:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN176000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $121,374. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

[Signature]

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Jeffrey Gaffaney  
Executive Director  
Otter Tail County Hra  
1151 Friberg Avenue  
Fergus Falls, MN 56537  

Dear Mr. Gaffaney:  

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN177000001  

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $29,108. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $29,108. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.  

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.  

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Calculated Reserve Balance</th>
<th>$25,783</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
<td>$0</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
<td>$25,783</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
<td>$0</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
<td>$29,108</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
<td>$0</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
<td>$29,108</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Karla Landin  
Executive Director  
Meeker County Hra  
PO Box 277  
Dassel, MN 55325  

Dear Ms. Landin:  

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN178000001  

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $32,889. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $0. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.  

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.  

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>1 Calculated Reserve Balance</th>
<th>2 Approved PHA Exclusion Request (Appeal)</th>
<th>3 Revised Reserve Balance</th>
<th>4 PHA Allocation Adjustment</th>
<th>5 Project Eligibility</th>
<th>6 Project Allocation Adjustment (if any)</th>
<th>7 Project Funding Level after Allocation Adjustment and before Proration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$189,023</td>
<td>$0</td>
<td>$189,023</td>
<td>$32,889</td>
<td>$32,889</td>
<td>$32,889</td>
<td>$0</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Dear Mrs. Wallace:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN180000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $34,303. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $32,240. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

Table 1. CY 2012 Project Eligibility and Allocation Adjustment

<table>
<thead>
<tr>
<th></th>
<th>Calculated Reserve Balance</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>$104,153</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
<td>$0</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
<td>$104,153</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
<td>$2,063</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
<td>$34,303</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
<td>$2,063</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
<td>$32,240</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Dear Mr. Robinson:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN183000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $46,322. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $46,322. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: 

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center

Mr. William Jaffa  
Executive Director  
Scott County Cda  
323 Naumkeag Street S  
Shakopee, MN 55379

Dear Mr. Jaffa:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN184000001

This letter provides information related to your Public Housing Agency’s (PHA)  
Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After  
HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating  
Subsidy,” this project’s eligibility has been determined to be $242,149. Please note that  
the eligibility for this project is subject to modification for revisions permitted in Notice  
PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012.  
Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end  
of the federal fiscal year. The project funding amount is $242,149. The project funding  
amount takes into account the Allocation Adjustment for each PHA. The methodology  
used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed  
HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund  
allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD  
identified the amount of reserves above a minimum reserve level (equivalent to six months  
of expenses for a small PHA, four months for all other PHAs, but in no event less than  
$100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s  
allocation adjustment exceeded their Operating Subsidy eligibility, their allocation  
adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment  
determined by HUD (the exclusion request process described in PIH Notice 2011-55).  
Allocation adjustment appeals went through a rigorous review process within the  
Department. Significant HUD resources were dedicated to the review of all appeals, to  
ensure a fair and equitable process, and to further ensure that HUD could provide PHAs  
their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard  
were focused on providing timely eligibility information to assist PHAs in forecasting and  
budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>1 Calculated Reserve Balance</th>
<th>($515,529)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
<td>$0</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
<td>($515,529)</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
<td>$0</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
<td>$242,149</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
<td>$0</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
<td>$242,149</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Scott Wilson  
Executive Director  
Cass County Hra  
PO Box 33  
Backus, MN 56435

Dear Mr. Wilson:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN188000001

This letter provides information related to your Public Housing Agency’s (PHA)  
Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After  
HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating  
Subsidy,” this project’s eligibility has been determined to be $32,774. Please note that the  
eligibility for this project is subject to modification for revisions permitted in Notice PIH  
2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final  
HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the  
federal fiscal year. The project funding amount is $32,774. The project funding amount  
takes into account the Allocation Adjustment for each PHA. The methodology used to  
determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed  
HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund  
allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD  
identified the amount of reserves above a minimum reserve level (equivalent to six months  
of expenses for a small PHA, four months for all other PHAs, but in no event less than  
$100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s  
allocation adjustment exceeded their Operating Subsidy eligibility, their allocation  
adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment  
determined by HUD (the exclusion request process described in PIH Notice 2011-55).  
Allocation adjustment appeals went through a rigorous review process within the  
Department. Significant HUD resources were dedicated to the review of all appeals, to  
ensure a fair and equitable process, and to further ensure that HUD could provide PHAs  
their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard  
were focused on providing timely eligibility information to assist PHAs in forecasting and  
budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Calculated Reserve Balance</th>
<th>Revised Reserve Balance</th>
<th>PHA Allocation Adjustment</th>
<th>Project Eligibility</th>
<th>Project Allocation Adjustment</th>
<th>Project Funding Level after Allocation Adjustment and before Proration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>($76,513)</td>
<td>($76,513)</td>
<td>$0</td>
<td>$32,774</td>
<td>$0</td>
<td>$32,774</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Dear Mr. Thomsen:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN190000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $79,990. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $53,631. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.

Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Michael Carlson
Executive Director
Mower County Hra
59039 220th Street
Austin, MN 55912

Dear Mr. Carlson:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN1910000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $71,537. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $71,537. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2012/allocationadjustment

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Jeffrey Schiffman  
Executive Director  
Douglas County Hra  
715 Elm Street  
Suite 1060  
Alexandria, MN 56308

Dear Mr. Schiffman:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program, Project No. MN192000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $42,376. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $42,376. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center

Sincerely,

PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Mr. Joseph Wheeler  
Executive Director  
Southeast Mn Multi-county Hra  
134 2nd Street E  
Wabasha, MN 55981

Dear Mr. Wheeler:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN197000001

This letter provides information related to your Public Housing Agency’s (PHA)  
Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After  
HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $224,244. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $197,503. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Calculated Reserve Balance</th>
<th>$306,282</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
<td>$0</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
<td>$306,282</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
<td>$26,741</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
<td>$224,244</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
<td>$26,741</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
<td>$197,503</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Amy Van Raam  
Executive Director  
Housing & Redevelopment Authority Of Dodge Center  
111 2nd Street SW  
Dodge Center, MN 55927

Dear Ms. Van:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN206000001

This letter provides information related to your Public Housing Agency’s (PHA)  
Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After  
HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating  
Subsidy,” this project’s eligibility has been determined to be $52,627. Please note that the  
eligibility for this project is subject to modification for revisions permitted in Notice PIH  
2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final  
HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the  
federal fiscal year. The project funding amount is $0. The project funding amount takes  
into account the Allocation Adjustment for each PHA. The methodology used to  
determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed  
HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund  
allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD  
identified the amount of reserves above a minimum reserve level (equivalent to six months  
of expenses for a small PHA, four months for all other PHAs, but in no event less than  
$100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s  
allocation adjustment exceeded their Operating Subsidy eligibility, their allocation  
adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment  
determined by HUD (the exclusion request process described in PIH Notice 2011-55).  
Allocation adjustment appeals went through a rigorous review process within the  
Department. Significant HUD resources were dedicated to the review of all appeals, to  
sure a fair and equitable process, and to further ensure that HUD could provide PHAs  
their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard  
were focused on providing timely eligibility information to assist PHAs in forecasting and  
budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

### Table 1. CY 2012 Project Eligibility and Allocation Adjustment

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Calculated Reserve Balance</td>
<td>$272,704</td>
</tr>
<tr>
<td>2</td>
<td>Approved PHA Exclusion Request (Appeal)</td>
<td>$0</td>
</tr>
<tr>
<td>3</td>
<td>Revised Reserve Balance</td>
<td>$272,704</td>
</tr>
<tr>
<td>4</td>
<td>PHA Allocation Adjustment</td>
<td>$52,627</td>
</tr>
<tr>
<td>5</td>
<td>Project Eligibility</td>
<td>$52,627</td>
</tr>
<tr>
<td>6</td>
<td>Project Allocation Adjustment (if any)</td>
<td>$52,627</td>
</tr>
<tr>
<td>7</td>
<td>Project Funding Level after Allocation Adjustment and before Proration</td>
<td>$0</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Jackie Splett  
Executive Director  
Housing & Redevelopment Authority Of Janesville  
106 E North Street  
Janesville, MN 56048  

Dear Ms. Splett:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN208000001

This letter provides information related to your Public Housing Agency’s (PHA)  
Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After  
HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating  
Subsidy,” this project’s eligibility has been determined to be $37,267. Please note that the  
eligibility for this project is subject to modification for revisions permitted in Notice PIH  
2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final  
HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the  
federal fiscal year. The project funding amount is $24,099. The project funding amount  
takes into account the Allocation Adjustment for each PHA. The methodology used to  
determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed  
HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund  
allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD  
identified the amount of reserves above a minimum reserve level (equivalent to six months  
of expenses for a small PHA, four months for all other PHAs, but in no event less than  
$100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s  
allocation adjustment exceeded their Operating Subsidy eligibility, their allocation  
adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment  
determined by HUD (the exclusion request process described in PIH Notice 2011-55).  
Allocation adjustment appeals went through a rigorous review process within the  
Department. Significant HUD resources were dedicated to the review of all appeals, to  
sure a fair and equitable process, and to further ensure that HUD could provide PHAs  
their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard  
were focused on providing timely eligibility information to assist PHAs in forecasting and  
budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>

Additional information is available at the PH Financial Management Division website under the topic, “Allocation Adjustment.” Below is the URL link:


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center
Ms. Julie Frick  
Executive Director  
Carver County Hra  
705 N Walnut St  
Chaska, MN 55318

Dear Ms. Frick:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN211000001

This letter provides information related to your Public Housing Agency’s (PHA)  
Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After  
HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $215,832. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $215,832. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th></th>
<th>Calculated Reserve Balance</th>
<th>Approved PHA Exclusion Request (Appeal)</th>
<th>Revised Reserve Balance</th>
<th>PHA Allocation Adjustment</th>
<th>Project Eligibility</th>
<th>Project Allocation Adjustment (if any)</th>
<th>Project Funding Level after Allocation Adjustment and before Proration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>($1,520,685)</td>
<td>$0</td>
<td>($1,520,685)</td>
<td>$0</td>
<td>$215,832</td>
<td>$0</td>
<td>$215,832</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA  
Deputy Assistant Secretary,  
Real Estate Assessment Center
Ms. Barbara Dacy  
Executive Director  
Washington County Hra  
321 Broadway Avenue  
St. Paul Park, MN 55071

Dear Ms. Dacy:

SUBJECT: Eligibility for Calendar Year 2012, Public Housing Operating Fund Program,  
Project No. MN212000001

This letter provides information related to your Public Housing Agency’s (PHA) Calendar Year 2012 Operating Fund program eligibility and Allocation Adjustment. After HUD’s review of your PHA’s HUD-52723, “Operating Fund Calculation of Operating Subsidy,” this project’s eligibility has been determined to be $187,287. Please note that the eligibility for this project is subject to modification for revisions permitted in Notice PIH 2011-55, Public Housing Operating Subsidy Calculations for Calendar Year 2012. Final HUD-52723s will be posted on the Calendar Year 2012 Subsidy website at the end of the federal fiscal year. The project funding amount is $187,287. The project funding amount takes into account the Allocation Adjustment for each PHA. The methodology used to determine this amount is provided in a schedule in greater detail below.

As background, the FY 2012 Appropriations Act included a provision that directed HUD to offset up to $750 million from PHAs operating reserves (i.e., Operating Fund allocation adjustments). To determine an individual PHA’s allocation adjustment, HUD identified the amount of reserves above a minimum reserve level (equivalent to six months of expenses for a small PHA, four months for all other PHAs, but in no event less than $100,000). Next, each PHA’s allocation adjustment was calculated. Where a PHA’s allocation adjustment exceeded their Operating Subsidy eligibility, their allocation adjustment was capped to 12 months of their eligibility.

The Department afforded PHAs the opportunity to appeal the allocation adjustment determined by HUD (the exclusion request process described in PIH Notice 2011-55). Allocation adjustment appeals went through a rigorous review process within the Department. Significant HUD resources were dedicated to the review of all appeals, to ensure a fair and equitable process, and to further ensure that HUD could provide PHAs their eligibility amounts earlier this year than ever before. HUD’s efforts in this regard were focused on providing timely eligibility information to assist PHAs in forecasting and budgeting to better enable PHAs to manage in an austere fiscal environment.
Table 1 below lists elements in the structure of the 2012 Calendar Year allocations with respect to the PHA and project eligibility and the Allocation Adjustment.

<table>
<thead>
<tr>
<th>Table 1. CY 2012 Project Eligibility and Allocation Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>


PHAs may also contact their HUD Field Offices regarding the eligibility calculations and their Allocation Adjustments. It is important to note that the FY 2012 HUD Appropriations statute permitted HUD to set aside up to $20 million from the Operating Fund appropriation to provide assistance to PHAs that encounter financial hardship as a direct result of the operating reserve offset. The process for applying for this funding, as well as the qualification criteria, will be published shortly by HUD.

Sincerely,

David A. Vargas, MSA CPA
Deputy Assistant Secretary,
Real Estate Assessment Center