

## **Explanation of Calendar Year (CY) 2015 Estimated Obligation (March)**

### **Public Housing Operating Fund**

The Department has obligated funds for operating subsidies for the month of March, 2015 in accordance with the information below. Where 2015 Op Sub tools had been processed at the time HUD created its funding package, those amounts were used for the purpose of determining the March obligation amount. Where 2015 Op Sub tools had not yet been fully processed, an estimate of 2015 eligibility was used to determine the March obligation Amount. The fourth round of funding is expected to be made available in eLOCCS no later than April 1, 2015, and will be based upon eligibility derived from processed Op Sub tools.

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

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

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

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

**Proration Levels**

The Department undertakes a conservative methodology in determining proration levels prior to establishing initial eligibility for all projects. For March funding, the Department considered estimated 2015 eligibility based upon recent budget estimates, deriving an interim proration level of approximately 82.35%. The proration rate for April will be determined utilizing initial eligibility based upon processed Op Sub tools. The proration rate will continue to fluctuate during the year based upon the submission of new and revised Op Sub tools, until the final proration rate is determined with the final obligation.

For April funding, and for the remainder of the year, prorated eligibility (based upon processed Op Sub tools) will be applied cumulatively so that funding for each project will either increase or decrease depending on the level of eligibility established and the amount previously obligated to the project.