

Explanation of Initial Calendar Year (CY) 2014 Obligation (January and February)

Public Housing Operating Fund

The Department has obligated initial funding for Operating Fund subsidies for the months of January and February 2014 (under the Continuing Resolution ending in January), in accordance with the information below. The first round of funding is expected to be available in eLOCCS not later than January 1, 2014. The second round of 2014 funding will be provided by March 1, 2014 and planned to be based on HUD-52723 submission eligibility.

Estimated Project Eligibility Levels for CY 2014

The CY 2014 project prepopulated formula data and CY 2013 HUD-52723 data were used as the basis for the CY 2014 estimate. In determining CY 2014 estimated project eligibility, the Financial Management Division (FMD) incorporated the following data when available:

- Prepopulated Unit Status Category data for 2014 HUD-52723;
- 2014 Project Expense Levels (PELs) and in certain cases such as new project a PHA average PEL may have been used;
- 2013 Utility Expense Levels (UELs) and in certain cases a national average UEL may have been used;
- Add-on amounts from the prepopulated data for PILOT and Audit. Asset Management Fees, Information Technology, and Resident Participation funding were based in prepopulated unit status data. Asset Repositioning Fees in CY 2014 was based on the prepopulated amounts in the HUD-52723;
- Stop Loss/Transition Funding to reflect 2014 prepopulated amount time 2014 unit status data;
- Formula income used the 2014 prepopulated data or in certain cases the national average; and,
- For certain projects where the 2014 estimated eligibility exceeded the 2013 eligibility by 20% the estimate was programmed to default to the 2013 eligibility as the basis for the estimate's January and February funding.

Where a PHA finds that the estimate does not reflect its actual eligibility to be reported on the 2014 HUD-52723, the PHA is expected to refrain from drawing any excess funds. If a PHA received funding for a project that is ineligible for funding in CY 2014, the PHA should notify its Field Office by January 7, 2014.

Once approved 2014 HUD-52723 PHA eligibility submissions are processed, the prorated eligibility will cumulatively be applied to the next funding, in certain project(s) providing increases or decreases in funding as needed. If needed, PHAs may utilize reserves to supplement the estimate funding.

Interim Proration Levels for CY 2014

The Department's undertakes a conservative methodology in determining proration levels during Continuing Resolutions. For the January/February funding, the Department considered the lowest of the current Congressional Legislative bodies (House of Representatives and Senate) 2014 Budget Proposals and 2013 approved eligibility to provide for an interim proration level of approximately 85%. The final proration will adjust this interim proration level either up or down once HUD's Operating Fund Program Appropriation bill is passed. Additionally, the final proration may be lower than estimated eligibility based on actual PHA subsidy requests.