

**Office of Public and Indian Housing**

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**Explanation of Calendar Year (CY) 2023 Public Housing Operating Subsidy Obligations for May****Initial Estimate of Project Eligibility Levels for CY 2023**

The Department is in the process of obligating Operating Subsidy grants for the month of May 2023, in accordance with the information below. May obligations are based on the interim eligibility determined after processing the 2023 Operating Subsidy forms. All Operating Subsidy obligations are cumulative, meaning that public housing projects are provided funding in the amount of five twelfths of prorated eligibility. For PHAs that have not submitted their Operating Subsidy forms as of April 10, 2023, their eligibility will be an estimated eligibility based upon the data we use to prepopulate the Operating Subsidy forms. This data includes selected elements of final 2022 Operating Fund eligibility and 2023 HUD-52723 Prepopulated Data. PHAs are advised that once HUD can utilize HUD-52723 data for eligibility, funding for individual projects may fluctuate significantly. PHAs should be conservative in budgeting the receipt and expenditure of Operating Funds during this period. PHAs may consider the use of Operating Reserves to manage fluctuations in the receipt of Operating Subsidy during this period.

All Operating Subsidy obligations are cumulative. As such, to the extent that excess amounts were cumulatively obligated to a project previously, its next obligation (and possibly future obligations depending upon the amount of the overfunding) will reflect a relative decrease. To the extent that insufficient amounts were cumulatively obligated to a project previously, its next obligation will reflect a relative increase. This round of funding is expected to be available in eLOCCS no later than May 1, 2023. The next round of funding is expected to be made available in eLOCCS no later than June 1, 2023. Obligation Letters and project level Detailed Calculation Reports will be available on the FMD website for 2023:

[Calendar Year \(CY\) 2023 Operating Fund Grant Processing | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](#)

Where a PHA finds that the estimate funding does not reflect its actual eligibility to be reported on the 2023 HUD-52723, the PHA is expected to refrain from drawing any excess funds and notify the HUD Field Office. If a PHA received an obligation for a project that is ineligible for funding in CY 2023, the PHA shall notify its Field Office immediately. PHAs should not draw funding for any project that fully converted to RAD, with a HAP effective date in 2022 or before, that is not eligible for funding.

**Proration Levels for CY 2023 using an Interim and Estimate Eligibility**

For the May funding, the Department considered 2023 interim and estimated eligibility to provide for a proration level of approximately 92.19%. The proration reflects the difference in

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the amount of the actual eligibility for final approved HUD-52723 subsidy requests and the available Appropriations.

<b>CY 2023 Interim Proration Calculation May</b>		
<b>#</b>	<b>Description</b>	<b>Amount</b>
1	CY 2023 Appropriation	\$5,109,000,000
2	RAD Reapportionment	(\$61,949,878)
3	<b>Amount Available for Distributions</b>	\$5,047,050,122
4	2023 Hybrid Actual/Estimated Eligibility	\$5,434,458,191
5	Add: Reserve for Revision and Appeals	\$40,000,000
6	<b>Total Eligibility (4 through 6)</b>	\$5,474,458,191
7	<b>Proration (3) / (6)</b>	<b>92.19%</b>