

U.S. Department of Housing and Urban Development

Office of Public and Indian Housing

---

Special Attention of: NOTICE PIH 2001-36 (HA)

Public Housing Agencies; Issued: October 22, 2001

Secretary's Representatives;  
State/Area Coordinators; Expires: August 31, 2002

Directors, Public Housing

Divisions; Resident Management

Corporations (RMCs)

---

Cross Reference:

Notice PIH 2001-32 (HA)

---

**SUBJECT:** Submission of Operating Subsidy Eligibility Requests

**Purpose:** The purpose of this Notice is to provide Public Housing Agencies (PHAs) that have not yet submitted their operating subsidy eligibility requests for their fiscal years ending 12/31/01, 3/31/02, 6/30/02, and 9/30/02 with information on when and where to submit these requests to the Department of Housing and Urban Development (HUD).

**Background:** On August 24, 2001, HUD published Notice PIH 2001-32, which described a schedule for the submission, review, and approval of subsidy calculations that would be completed before the end of the Federal fiscal year (FFY) on September 30, 2001. Subsequent to the publication of that Notice and following a review of the submission procedures, HUD recognized that many PHAs would have problems with the timetable outlined in the Notice. On September 7, 2001, HUD Headquarters staff informed its Field Office and Troubled Agency Recovery Center (TARC) staff that the deadline for submission of operating subsidy eligibility requests would be changed to an October date and asked that this information be shared with PHAs. In lieu of trying to approve subsidy requests before September 30, 2001, HUD stated that it would initiate actions to directly obligate FFY 2001 appropriated funds to PHAs. These changes would permit HUD to obligate its appropriated FFY 2001 operating subsidy funds in a timely manner, give additional time to PHAs to prepare and submit their operating subsidy eligibility requests, and involve Field Office and TARC staff in the review and approval of budget and operating subsidy submissions.

HUD has been successful in directly obligating FFY 2001 funds to PHAs. Notification letters have been sent to PHAs informing them of the amounts obligated and scheduled for disbursement. The letters noted that the funds being provided are subject to adjustment after HUD review and action on submissions by PHAs of their operating subsidy eligibility requests.

**New Schedule for Submission of Subsidy Calculation:** Submissions should be made as soon as possible, but no later than ten days following the issuance date of this Notice. It is recognized that some PHAs still need to complete their Allowable Expense Level (AEL) comparisons with HUD-provided data on average operating costs for multifamily housing projects insured by the Federal Housing Administration (referred to as the FHAEL) before they can complete and transmit their subsidy packages. Please make your submission to your local Field Office or, if required, to your TARC. A PHA that already has submitted its subsidy request to HUD's contractor Johnson, Bassin & Shaw, Inc. as called for in Notice PIH 2001-32, does not need to submit a new package to its Field Office.

**Submission of Operating Budgets and Subsidy Calculations for PHAs With Turnkey III or Mutual Help Homeownership Programs:** PHAs operating and administering Turnkey III or Mutual Help Homeownership programs will submit Operating Budgets and subsidy calculations for these programs to their local Field Office or, if required, to their TARC.

**Additional Information:** HUD will post responses to frequently asked questions (FAQs) raised with regard to this Notice on the following website:  
[www.hud.gov/offices/pih/divisions/ffmd](http://www.hud.gov/offices/pih/divisions/ffmd).

\_\_\_\_\_/s/\_\_\_\_\_  
Michael Liu, Assistant Secretary for  
Public and Indian Housing