

**Office of Public and Indian Housing**

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**Explanation of Calendar Year (CY) 2024 Public Housing Operating Subsidy Obligations for January and two-three weeks of February****Initial Estimate of Project Eligibility Levels for CY 2024**

The Department is in the process of obligating Operating Subsidy grants for the months of January and two-three weeks of February 2024, in accordance with the information below. At the beginning of the year, before Operating Subsidy forms are processed and current year eligibility determined, HUD normally estimates eligibility based upon the data we use to prepopulate the Operating Subsidy tools. January and two-three weeks for February obligations are based on the selected elements of final 2023 Operating Fund eligibility and 2024 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 November 17, 2023. The next round of funding is expected to be made available in eLOCCS no later than February 1, 2024. Obligation Letters and project level Detailed Calculation Reports will be available on the FMD website for 2024:

[Calendar Year \(CY\) 2024 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 2024 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 2024, 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 2023 or before, that is not eligible for funding.

**Estimate Proration Levels for CY 2024 using an Interim Eligibility**

The Department undertakes a conservative methodology in determining proration levels prior to a determination based on actual eligibility and an Appropriation Act. For the January/February funding, the Department considered the lowest of the current Congressional Legislative bodies (House of Representatives and Senate) 2024 Budget Proposals and 2024 estimated eligibility to provide for an interim proration level of approximately 87%. The final proration will reflect the difference in the amount of the final approved PHA eligibility and the 2024 Appropriation Act.