



July 20, 2023

PH PROGRAM NEWS

PIH Issues Operating Fund Shortfall Funding Notice

Yesterday HUD’s Office of Public and Indian Housing ([PIH](#)) issued Notice [PIH 2023-18](#) titled “Implementation of Public Housing Operating Fund Shortfall Funding from Federal Fiscal Year (FFY) 2023 Appropriations.” The 2023 Appropriations Act set aside \$25 million to assist PHAs experiencing or at risk of financial shortfalls. The notice provides guidance regarding eligibility, the application process, and other requirements for participation in the program. Compared to Notice [PIH 2022-17](#) on the same subject, this notice includes the following changes and additions:

- Changes to the Moving to Work (MTW) funding flexibility calculation to include transfers out (Line 10020) in the total grants transferred out. PHAs that use their MTW flexibility in a manner that diminishes their public housing reserves are not eligible for shortfall funding. With this change, HUD more accurately captures funds that the PHA transferred out of their public housing program.
- If a PHA has more than one active shortfall grant from different fiscal years, it is only required to submit one budget for all applicable years.
- Initial budgets are now due on the first day of the next fiscal year after the initial deadline for the improvement plan.
- Tier 2 Grant 1 now depends only on the PHA’s submission of a shortfall improvement plan (SIP), instead of submission of the SIP and the initial budget.
- The field office regional director (or their designee) is now identified as the person responsible for approving PHA’s budgets and SIP.

On the [2023 Operating Fund Shortfall Funding](#) webpage, HUD will publish a list of eligible PHAs and the amount they are eligible to receive. PHAs included on the list may apply for shortfall funding through the [OpFund web portal](#) by 5:00 p.m. Eastern time on **August 17, 2023**.

PIH Posts Explanation of August and September Obligations

HUD’s Office of Public and Indian Housing ([PIH](#)) has [posted](#) a [document](#) explaining public housing operating fund obligations for August and September 2023. According to the document, August and September 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 eight twelfths of prorated eligibility

For the August and September funding, the Department considered 2023 interim eligibility to provide an interim proration level of approximately 92.97%. The final proration will reflect the difference in the amount of the actual eligibility for final approved PHA subsidy requests and the Appropriation Act. HUD plans to make this round of funding available through eLOCCS no later than August 1, 2023. The next round of funding is expected to be available in eLOCCS no later than October 1, 2023.



For help with your PIH Alert subscription, email [Laurie Durrett](#). For questions and comments on content, email [Olga Vélez](#). To view or post job announcements at our website, click [here](#). To view our seminar calendar, click [here](#). To read the NMA blog, click [here](#).

