

## **Appeals under the Operating Fund Program for Calendar Year 2011**

The submission deadline for appeals under the definitions for "streamlined", "specific local conditions", and "substitute actual project cost data" has been extended to **July 15, 2011**, all submission must be post marked by that date and submitted to the address below. The PHA must also provide a copy of the appeal to their local Public Housing Field Office Director.

HUD Office of Public and Indian Housing  
Real Estate Assessment Center  
Financial Management Division  
550 12th Street, SW, Washington, DC 20410  
Attn: Appeals Coordinator

### **Streamline, Special Local Conditions, and Actual Cost Data**

- a. Streamlined appeal: This appeal requires the PHA to demonstrate a blatant and objective flaw in the application of a specific Operating Fund formula component. For example, a geographic coefficient is identified with Springfield, IL, when it should be Springfield, MA.
- b. Appeal for specific local conditions: This appeal requires the PHA to demonstrate that the model-generated project expense levels (PELs) fail to reflect specific local conditions. To be eligible, the affected PHA must demonstrate, by means of an independent cost assessment, that the model-generated PEL is not accurate for comparable properties in the PHA's market area, with a variance of ten percent or greater.
- c. Appeal to substitute actual project cost data: A PHA may appeal PELs based on actual project cost data under an asset management period of at least two years as outlined in subpart H. For this type of appeal, the PHA must also submit an independent cost

The submission deadline for appeals under the definitions for "economic hardship" and "changing market conditions" must be postmarked by May 13, 2011, and submitted to the your local field office.

### **Economic Hardship and Changing Market condition are sent to your local Field Office**

- d. Appeal of formula income for economic hardship: This appeal is no longer applicable since the frozen formula income provisions of 24 CFR 990.195 have expired.
- e. Appeal for changing market conditions: A PHA may appeal to receive operating subsidy for vacant units due to changing market conditions after the PHA has taken aggressive marketing and outreach measures to rent these units. The vacancies cannot be the result of action or inaction by PHA management. For example, a PHA located in an area experiencing extreme population loss or economic dislocations may have a shortage of applicants, even with PHA aggressive marketing and outreach. Changing market conditions will be process and approved in conjunction with the HUD-52723 submission schedule as in previous years.