eligible for operating subsidy for all 100 units. A PHA with an inventory of 50 units with seven vacancies during its fiscal year will be eligible for operating subsidy for 48 units.

§ 990.155 Addition and deletion of units.

(a) Changes in public housing unit inventory. To generate a change to its formula amount within each one-year funding period, PHAs shall periodically (e.g., quarterly) report the following information to HUD, during the funding period:

1. New units that were added to the ACC, and occupied by a public housing-eligible family during the prior reporting period for the one-year funding period, but have not been included in the previous EUMs data; and

2. Projects, or entire buildings in a project, that are eligible to receive an asset repositioning fee in accordance with §990.190(h).

(b) Revised EUM calculation. (1) For new units, the revised calculation shall assume that all such units will be fully occupied for the balance of that funding period. The actual occupancy/vacancy status of these units will be included to calculate the PHA’s operating subsidy in the subsequent funding period after these units have one full year of a reporting cycle.

(2) Projects, or entire buildings in a project, that are eligible to receive an asset repositioning fee in accordance with the provisions of §990.190(h).

§ 990.165 Computation of project expense level (PEL).

(a) Computation of PEL. The PEL is calculated in terms of PUM cost and represents the costs associated with the project, except for utility and add-on costs. Costs associated with the PEL are administration, management fees, maintenance, protective services, leasing, occupancy, staffing, and other expenses, such as project insurance. HUD will calculate the PEL using regression analysis and benchmarking for the actual costs of Federal Housing Administration (FHA) projects to estimate costs for public housing projects. HUD will use the ten variables described in paragraph (b) of this section and their associated coefficient (i.e., values that are expressed in percentage terms) to produce a PEL.

(b) Variables. The ten variables are:

1. Size of project (number of units);