

CHAPTER 1: PURPOSE AND SCOPE

- 1-1. PURPOSE. The purpose of this handbook is to provide the policies, procedures and instructions to be used in issuing fund assignments to Regional Offices, the subsequent issuance of fund subassignments to Field Offices and reservations (commitments) of funding authority, as appropriate. These procedures are designed to be followed by the Department in the assignment and allocation of HUD's assisted housing funds, as well as for processing and advertising expenses.

The fund assignments issued are for various categories of program funding authority, such as Section 8 budget authority and contract authority, Section 202 loan authority, Grant Authority and funds for processing activities and advertising expenses. The fund assignment system is designed to transfer program funding authority to the field as well as for control purposes. These procedures enable field office managers to initiate actions which will lead to the obligation of the program funding authority appropriated by Congress each fiscal year and subsequently allotted to the Assistant Secretary for Housing for allocation to the Regions. The fund assignment system provides uniformity in the preparation and distribution processes and establishes a single source of information for fund assignments and subassignments in both Headquarters and the Regional Offices. These procedures are not to be used to reserve and obligate funding authority for those programs where approval authority has not been delegated to the Regional Administrator.

The goals of the assisted housing allocation process are (1) to provide for the equitable distribution of available budget authority consistent with each Field Office and allocation area on a "fair share" basis of relative housing needs; and (2) to monitor and provide for the distribution of all budget authority maintained in the Central Office reserve account and those funds assigned on an as-needed basis not relative to "fair share". In certain instances, depending on the size of the program and the funds made available, the allocation areas will be at HUD jurisdictional levels above those of Field Offices. In each Field Office, the allocation of budget authority and the delivery of housing units are accomplished each fiscal year through the establishment of allocation areas. Allocation plans developed by each Field Office provide the coordinating mechanism between the localities' assisted housing needs and goals and the development of assisted housing units in those localities. Please refer to Chapter 5 regarding more detailed information on allocation areas.

- 1-2. APPLICABILITY. The procedures established in this handbook apply to the Section 8, Section 202 (including Housing for the Elderly and Handicapped), Housing Counseling, and Flexible Subsidy programs. The procedures also apply to the allocation of funds for Processing and Advertising Expenses, as well as the conversion of Section 23 leased

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housing projects to the Section 8 Existing Program. These procedures do not apply to the allocation of funds for Public Housing or Indian Housing Development, Modernization or Operating Subsidy Assistance.

- 1-3. STATUTORY AND REGULATORY REQUIREMENTS. The policies and procedures described in this handbook are based on applicable statutory and regulatory requirements. Relevant statutes include the United States Housing Act of 1937; Section 202 of the Housing Act of 1959; Section 213(d) of the Housing and Community Development Act of 1974; the Housing and Urban-Rural Recovery Act of 1983; and Section 441 of the Stewart B. McKinney Homeless Assistance Act of 1987. Housing assistance funds which are subject to Section 213(d) are allocated in accordance with 24 CFR Part 791, Subparts A and D. Allocations for each fiscal year are subject to requirements in the annual authorization and appropriation legislation, as well as to any limitations under the Office of Management and Budget (OMB) Apportionment.

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