

CHAPTER 6. FIELD OFFICE ALLOCATION PROCEDURES

- 6-1. GENERAL. This Chapter provides Field Office allocation planning and allocation area establishment procedures that reflect the statutory requirements of the HUD Reform Act of 1989 and the regulatory requirements set forth in 24 CFR Part 791, Subpart D. The allocation planning process set forth below is to provide for the equitable distribution of all budget authority subject to fair share, consistent with the relative housing needs of each allocation area within the Field Office's jurisdiction. 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.
- 6-2. ESTABLISHMENT OF ALLOCATION AREAS. To allocate housing assistance funds subject to fair share, allocation areas are to be established within the Field Office jurisdiction. Currently, Field Office allocation areas are established by the Headquarters Economic Market and Analysis Division (EMAD), after consultation with the respective Regional and Field Office Economists. Separate EMAD instructions are issued in this regard.
- A. Establishing Allocation Areas. Allocation areas, consisting of one or more counties or independent cities, are established by the Field Office in accordance with the following criteria:
1. Each allocation area is to be to the smallest practicable area, but of sufficient size so that at least three eligible entities are viable competitors for funds in the allocation area, and so that all applicable statutory requirements can be met. (It is expected that in many instances individual Metropolitan Statistical Areas (MSAs) will be established as metropolitan allocation areas.)
 2. Each allocation area must also be of sufficient size, in terms of population and housing need, that the amount of budget authority being allocated to the area will support at least one feasible program or project.
 3. In establishing allocation areas, counties and independent cities within (MSAs should not be combined with counties that are not in MSAs.

- 6-3. FIELD RESPONSIBILITIES IN THE PROCESS FOR ESTABLISHING ALLOCATION AREAS. The following division of responsibilities in the allocation area establishment are suggested:
- A. Regional Administrators (Co-Located Offices) and Field Office Managers approve allocation areas, providing them to the Field Economists for transmission to Headquarters.

B. Economists are to review allocation area computer printouts produced by Headquarters EMAD; coordinate the overall Field Office portion of the allocation planning process; prepare recommendations on the EMAD-produced allocation areas to Regional Administrators and Field Office Managers; and transmit the determinations to headquarters.

6-4. DISTRIBUTION OF METROPOLITAN AND NONMETROPOLITAN BUDGET AUTHORITY. The division of budget authority between metropolitan and nonmetropolitan areas applies only to the combined amounts of budget authority for fair shared program categories. In general, fair share categories are unit categories, where the units are (1) provided as a result of Regional or National competition, (e.g. Section 202 Elderly, Moderate Rehabilitation - Single Room Occupancy), or (2) are provided to a Field Office based on its proportionate need relative to all other Field Offices (e.g. Vouchers, Certificates). Subassignments under each of these fair shared categories to each Field Office usually reflect the EMAD-calculated proportion of metropolitan and nonmetropolitan lower-income housing needs within the Field Office jurisdiction relative to that respective fair share category nationwide. To comply with the statutory and regulatory guidelines (24 CFR 791, Part 4), budget authority subassigned to metropolitan areas is to be used only in those areas, and authority assigned to nonmetropolitan areas must be used only in nonmetropolitan areas. However, Field Office Managers may submit written requests to their Regional Administrators for transfer of the Section 8 subassignments for nonmetropolitan areas for use in metropolitan areas or vice versa. To the extent that such transfers offset each other within the Region, they may be authorized by the Regional Administrator and accomplished by revising forms HUD-185.1. In all other cases, the Regional Administrator must submit the requests for consideration to: Assistant Secretary for Housing, Attention: Director, Funding Control Division. Such transfers may only be accomplished by revising forms HUD-185 and HUD-185.1.