
CHAPTER 1. INTRODUCTION

- 1-1. PURPOSE. The United States Housing Act of 1937 (Act) authorizes the Department of Housing and Urban Development (HUD) to provide financial and technical assistance to public housing agencies (PHAs) for the development and operation of low-income housing projects. These projects, herein called public housing, are financed by loans and annual contributions provided under Sections 4, 5, and 9 of the Act. The public housing development regulation is published at 24 CFR 841 (Appendix 1). This Handbook provides instructions, guidelines, and processing procedures for use by HUD Area Offices, Multifamily Service Offices, and Regional Offices, PHAs, and other participants involved in the development of a public housing project.
- 1-2. SCOPE. The policies and procedures in this Handbook apply to the public housing processing activities from application submission to construction completion, occupancy, and issuance of an actual development cost certificate for a project. These procedures do not apply to the other types of housing assisted under the Act, such as Section 23, Section 8 and Indian housing projects, and do not apply to applications for public housing homeownership projects, modernization of existing projects, or operating subsidy assistance.
- 1-3. PHA RESPONSIBILITY. The PHA, which is a local governmental agency, functions as a developer, owner, and manager of public housing projects. In its capacity as a developer, the PHA is responsible for obtaining and maintaining local cooperation, project planning, and submitting the application and the housing proposal. This includes selecting sites or properties to be acquired, contracting with builders to construct or rehabilitate housing, contracting with developers for the purchase of completed (newly constructed or rehabilitated) housing, and purchasing existing housing which may require minor repairs. The PHA is responsible for carrying out its functions in compliance with all HUD requirements, contracts with HUD, and applicable Federal, State and local laws.
- 1-4. HUD RESPONSIBILITY. HUD is responsible for providing financial and technical assistance to PHAs to facilitate the timely development under the public housing program of modest housing that is decent, safe, and sanitary. In this capacity, HUD is responsible for assuring that PHA activities comply with Federal laws, regulations, and administrative procedures relating to the development of public housing projects.

1-5. HUD AREA OFFICE RESPONSIBILITY. The following is a summary of the key Area Office (including Multifamily Service Office) staff responsibilities:

- a. Area Manager. The Area Manager is responsible for administering all aspects of the public housing program within the jurisdiction of the Area Office. The Area Manager, to make best use of available staff and eliminate processing backlogs, may modify the review responsibilities set forth in this Handbook. These modifications may be made provided that processing steps are not eliminated and that qualified technical specialists perform the reviews.
- b. Housing Division Director (Housing Director). The term Housing Director, as used in this Handbook, also refers to the Multifamily Service Office Supervisor. The Housing Director is responsible for ensuring that public housing projects are developed in accordance with established policies and procedures. The Housing Director, with the assistance of the Deputy Director for Housing Development, establishes production priorities, maintains quality control over all housing operations, and assigns staff to project reviews to ensure timely processing actions and achievement of current production goals. Under the circumstances described above for the Area Manager, the Housing Director may modify the review responsibilities assigned to the Branches in the Housing Division.
- c. Multifamily Housing Programs Branch Chief (MHP Chief). The MHP Chief, with the assistance of the Multifamily Housing Representative (MHR), is the primary point of contact for a PHA and its representatives during public housing project development. The MHP Chief is responsible for establishing public housing project processing schedules to ensure that production goals are achieved, coordinating technical reviews and approval actions in accordance with established policies and procedures, monitoring PHA and Area Office activities to ensure accomplishment of scheduled processing actions within established standard processing times, and providing assistance, or arranging for technical assistance, to PHAs needing guidance from Area Office staff.
- d. Processing Control and Reports Unit Supervisor (PCR Supervisor). The PCR Supervisor is responsible for recording and controlling all processing documents relating to the review and approval of all public housing projects by Area Office staff. This includes establishing and maintaining production control records and project files, forwarding processing documents, establishing review deadline dates, and following-up on

processing reviews, preparing production reports and reporting information for the automated data systems. The reporting requirements for the public housing program are contained in Chapter 7 of the Records Control Handbook (HB 4050.1).

- e. Architectural and Engineering Branch Chief (AE Chief). The AE Chief is responsible for technical reviews of public housing projects and related determinations on such matters as land planning, project design, utility systems, and project construction.
- f. Valuation Branch Chief (Valuation Chief). The Valuation Chief is responsible for technical reviews of public housing projects and related determinations on such matters as acceptability of sites, environmental clearance, reasonableness of the turnkey developer's price, reasonableness of the total development cost, and the appraisal and acquisition of real property, including coordination with the CPD Division on environmental, Uniform Act and related requirements.
- g. Cost Branch Chief (Cost Chief). The Cost Chief is responsible for technical reviews of public housing projects and related determinations on such matters as the reasonableness of construction, rehabilitation and acquisition costs; maintaining a current cost data base; and initiating recommendations for prototype dwelling construction and equipment costs for areas within the jurisdiction of the Area Office.
- h. Mortgage Credit Branch Chief (Mortgage Credit Chief). The Mortgage Credit Chief is responsible for technical reviews and related determinations on such matters as the evaluation of development cost budgets, requisitions for advances of development funds, and issues relating to public housing project financing and closing.
- i. Assisted Housing Management Branch Chief (AHM Chief). The AHM Chief is responsible for all housing management functions affecting the development of public housing projects such as the review of PHA administrative capability, PHA insurance and fidelity bond coverage, and the financial feasibility of proposed projects.
- j. Legal Division (Area Counsel). The Area Counsel is responsible for all legal determinations relating to public housing project development including such matters as the resolution of legal issues raised by the Area Office staff, review of legal documents and the preparation of all contracts.

- k. Economic and Market Analysis Division Director (EMAD Director). The EMAD Director is responsible for making determinations relating to housing needs, including the review of public housing applications for market feasibility and consistency with a community's Housing Assistance Plan (HAP) goals; deconcentration of low-income persons; establishing allocation areas; developing statistical data for allocating housing assistance funds; computing "fair share" funding allocations; and recommending the proposed distribution of units by housing type and household type based on HAP goals or, in the absence of HAPs, housing needs data available from other sources.
 - l. Fair Housing and Equal Opportunity Division Director (FHEO Director). The FHEO Director is responsible for all civil rights and equal opportunity reviews, including the provision of assistance to PHAs on such matters, and review of the suitability of proposed sites for furthering fair housing and equal opportunity requirements and the deconcentration of minority persons.
 - m. Community Planning and Development Division Director (CPD Director). The CPD Director is responsible for administering the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act) and for monitoring and providing assistance to PHAs and to developers with respect to displacements resulting from turnkey development.
 - n. Labor Relations Staff. The Labor Relations Staff is responsible for providing appropriate and timely construction wage rate determinations, performing labor standards compliance reviews and ensuring PHA enforcement of the labor standards, including the provision of assistance to PHAs on such matters.
- 1-6. HUD REGIONAL OFFICE RESPONSIBILITY. Regional Offices, headed by Regional Administrators, supervise Area Offices and monitor and evaluate program performance and general management of the Area Offices. The Regional Office functions related to public housing development include: (a) ensuring that program goals are met; (b) redistributing funds among Area Offices; (c) allocating administrative resources to Area Offices; (d) coordinating HUD activities with other Federal agencies; (e) providing administrative support activities within the Region; (f) acting on appeals relating to Area Office program decisions; (g) coordinating private market financing of public housing projects with Headquarters staff; and (h) providing Departmental forms and issuances.