

Paperwork Reduction Act Submission

Please read the instruction before completing this form. For additional forms or assistance in completing this forms, contact your agency's Paperwork Reduction Officer. Send two copies of this form, the collection instrument to be reviewed, the Supporting Statement, and any additional documentation to: Office of Information and Regulatory Affairs, Office of Management and Budget, Docket Library, Room 10102, 725 Seventeenth St. NW, Washington, DC 20503.

1. Agency/Subagency Originating Request: U.S. Department of Housing and Urban Development HUD A/S for CPD Office of Block Grant Assistance.	2. OMB Control Number: a. 2506-0170 b. <input type="checkbox"/> None
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3. Type of information collection: (check one) a. <input type="checkbox"/> New Collection b. <input type="checkbox"/> Revision of a currently approved collection c. <input checked="" type="checkbox"/> Extension of a currently approved collection d. <input type="checkbox"/> Reinstatement, without change , of previously approved collection for which approval has expired e. <input type="checkbox"/> Reinstatement, with change , of previously approved collection for which approval has expired f. <input type="checkbox"/> Existing collection in use without an OMB control number For b-f, note item A2 of Supporting Statement instructions.	4. Type of review requested: (check one) a. <input checked="" type="checkbox"/> Regular b. <input type="checkbox"/> Emergency - Approval requested by c. <input type="checkbox"/> Delegated 5. Small entities: Will this information collection have a significant economic impact on a substantial number of small entities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 6. Requested expiration date: a. <input checked="" type="checkbox"/> Three years from approval date b. <input type="checkbox"/> Other (specify)
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7. Title: CDBG Urban County Qualification/Requalification Process
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8. Agency form number(s): (if applicable) None

9. Keywords: Housing; Grants Management; Urban County(ies)[UC(s)]; qualification; requalification; CDBG
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10. Abstract: The urban county qualification/requalification process obtains information yearly to establish the participating population used to calculate the final grant CDBG allocations for all CDBG grantees for the next fiscal year.

11. Affected public: (mark primary with "P" and all others that apply with "X") a. Individuals or households e. Farms b. Business or other for-profit f. Federal Government c. Not-for-profit institutions g. <input checked="" type="checkbox"/> State, Local or Tribal Government	12. Obligation to respond: (mark primary with "P" and all others that apply with "X") a. Voluntary b. <input checked="" type="checkbox"/> Required to obtain or retain benefits c. Mandatory
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13. Annual reporting and recordkeeping hour burden: a. Number of respondents 183 b. Total annual responses 61 Percentage of these responses collected electronically c. Total annual hours requested 3,960 d. Current OMB inventory 4,078 e. Difference (+,-) -118 f. Explanation of difference: 1. Program change: -118 2. Adjustment:	14. Annual reporting and recordkeeping cost burden: (in thousands of dollars) Do not include costs based on the hours in item 13. a. Total annualized capital/startup costs \$0 b. Total annual costs (O&M) c. Total annualized cost requested 0 d. Current OMB inventory 0 e. Difference f. Explanation of difference: 1. Program change: 2. Adjustment:
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15. Purpose of Information collection: (mark primary with "P" and all others that apply with "X") a. Application for benefits e. <input checked="" type="checkbox"/> Program planning or management b. Program evaluation f. Research c. General purpose statistics g. <input checked="" type="checkbox"/> Regulatory or compliance d. Audit	16. Frequency of recordkeeping or reporting: (check all that apply) a. <input checked="" type="checkbox"/> Recordkeeping b. <input type="checkbox"/> Third party disclosure c. <input checked="" type="checkbox"/> Reporting: 1. <input type="checkbox"/> On occasion 2. <input type="checkbox"/> Weekly 3. <input checked="" type="checkbox"/> Monthly 4. <input type="checkbox"/> Quarterly 5. <input type="checkbox"/> Semi-annually 6. <input checked="" type="checkbox"/> Annually 7. <input type="checkbox"/> Biennially 8. <input checked="" type="checkbox"/> Other (describe) triennially
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17. Statistical methods: Does this information collection employ statistical methods? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	18. Agency contact: (person who can best answer questions regarding the content of this submission) Name: Gloria Coates Phone: 202-708-1577
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19. Certification for Paperwork Reduction Act Submissions

On behalf of the U.S. Department of Housing and Urban Development, I certify that the collection of information encompassed by this request complies with 5 CFR 1320.9.

Note: The text of 5 CFR 1320.9, and the related provisions of 5 CFR 1320/8(b)(3), appear at the end of the instructions. The certification is to be made with reference to those regulatory provisions as set forth in the instructions.

The following is a summary of the topics, regarding the proposed collections of information, that the certification covers:

- (a) It is necessary for the proper performance of agency functions;
- (b) It avoids unnecessary duplication;
- (c) It reduces burden on small entities;
- (d) It uses plain, coherent, and unambiguous terminology that is understandable to respondents;
- (e) Its implementation will be consistent and compatible with current reporting and recordkeeping practices;
- (f) It indicates the retention periods for recordkeeping requirements;
- (g) It informs respondents of the information called for under 5 CFR 1320.8(b)(3):
 - (i) Why the information is being collected;
 - (ii) Use of the information;
 - (iii) Burden estimate;
 - (iv) Nature of response (voluntary, required for a benefit, or mandatory);
 - (v) Nature and extent of confidentiality; and
 - (vi) Need to display currently valid OMB control number;
- (h) It was developed by an office that has planned and allocated resources for the efficient and effective management and use of the information to collected (see note in item 19 of the instructions);
- (i) It uses effective and efficient statistical survey methodology; and
- (j) It makes appropriate use of information technology.

If you are unable to certify compliance with any of these provisions, identify the item below and explain the reason in item 18 of the Supporting Statement.

Signature of Program Official:

X

Date:

Signature of Senior Officer or Designee:

X

Date:

SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT SUBMISSION
Attachment to OMB 83-I
2506-0170

CDBG URBAN COUNTY QUALIFICATION/REQUALIFICATION PROCESS

Justification

1. Legal and administrative requirements

The Housing and Community Development Act of 1974, as amended (the Act), authorizes the Secretary to make Community Development Block Grant (CDBG) funds available to states and units of general local government, which includes “urban counties” as defined in the Act. Based on the provisions in the Act, HUD has established an urban county qualification/ requalification process that is conducted each year.

One of the provisions on which this process is based is Section 102(e) of the Act, which provides that “any county seeking qualification as an urban county, including any urban county seeking to continue such qualification, shall notify, . . . , each unit of general local government, which is included therein and is eligible to elect to have its population excluded from that of an urban county . . . of its opportunity to make such an election. Such notification shall, at a time and manner prescribed by the Secretary, be provided so as to provide a reasonable period for response prior to the period for which such qualification is sought. The population of any unit of general local government which is provided such notification and which does not inform, at a time and in a manner prescribed by the Secretary, the county of its election to exclude its population from that of the county shall, if the county qualifies as an urban county, be included in the population of such urban county as provided in subsection (d).”

Section 102(d) of the Act provides that any unit of general local government that is included in an urban county “shall be included in the population of such urban county for three program years.”

Based on these provisions, the urban county qualification/requalification process is conducted annually. Once qualified, an urban county must requalify on a triennial cycle. However, in the two intervening years of the cycle, a county may contact non-participating communities and advise them of their opportunity to be included as part of the county for the remaining one or two years of the period of qualification.

New York Towns undertook a similar requalification process every three years. However, after consultation with program counsel, it has been determined that a requalification process for New York Towns is unnecessary because the units of general local government in New York towns do not have the same statutory notice rights (under Section 102(e) of the Act as units of general local government participating in an urban county. In addition, each New York town has automatic renewing agreements with the incorporated units of general local governments contained within their boundaries. Therefore, it is presumed that all incorporated units of general local government will continue to participate in the New York towns in which they are located unless HUD Headquarters is notified to the contrary.

2. Purpose and use of information

The information obtained each year from the urban county qualification/requalification process establishes the participating population that is used by HUD in calculating the final CDBG grant allocations for all entitlement (which includes metro cities and urban counties) and state CDBG grantees for the next fiscal year, in accordance with section 106 of the Act.

3. Automated or Electronic Collection of Information

The process for urban county qualification and requalification is not automated because the information collected is based on written agreements that must be executed by the county and each unit of general local government that chooses to participate in the urban county program. These agreements are subject to interpretation and application of state and local laws governing the essential powers of these units of general local government. They vary greatly from state to state and may even vary from county to county within a given state. These agreements are drafted by legal counsel for the counties and local governments participating in the urban county program. As a result, HUD cannot provide one agreement that fits all situations and must review each on an individual basis to ensure that they address pertinent issues and are in compliance with HUD requirements, as well as state and local law. HUD compiles limited statistical data with respect to these submissions.

4. Duplication

The Department is not aware of any duplication of information collection requirements based on a review of the Act and existing program rules.

5. Impacts on Small Businesses or Other Small Entities

Units of general local government in which an urban county does not have essential community development and housing assistance powers must enter into cooperation agreements with the county if they wish to participate in the CDBG program as part of the urban county. Some of these jurisdictions may be classified as small towns (entities); however, the information collection described here does not have a negative impact on these small towns (entities). Small businesses do not participate in the program.

6. Technical or Legal Obstacles to Reducing the Burden

The collection requirement has been reduced to the minimum required by the Act. The information obtained through this qualification/requalification process is used in calculating the annual grant allocations under the CDBG program. Obtaining information for this purpose less frequently would be inconsistent with the Act. It may also result in incorrect grant amounts, since the data is collected for the purpose of confirming those communities as part of urban counties and, thereby, the population of those entities that will be used as part of the formula to determine the amount of CDBG funds each grantee receives annually.

7. Special Circumstances for Information Collection

None.

8. Public Consultation and Federal Register Publication

A Federal Register Notice soliciting comments was published December 7, 2011 (Vol. 76, page 76431) (copy attached). No comments were received.

9. Payment of Gift to Respondents

There is no payment of gifts to respondents associated with this information collection.

10. Assurance of Confidentiality Provided to Respondents

Information of a confidential nature is not collected.

11. Collection of Information of a Sensitive Nature

No sensitive information is being collected under 24 CFR Part 570.

12. Estimates of Hour Burden for Collection of Information

Computation of reporting hours: There are currently 183 qualified urban counties participating in the CDBG program that must requalify on a triennial basis. On average, three new counties qualify each year. The burden on new counties is greater than for existing counties that requalify. The Department estimates new grantees use, on average, 100 hours to: review instructions, contact communities in the county, prepare and review agreements (the county must enter into cooperation agreements with those communities that want to participate but in which the county does not have essential powers), obtain legal opinions, have agreements executed at the local and county level, and prepare and transmit copies of required documents to HUD. It had been estimated that counties that are requalifying use, on average, 60 hours to complete these actions. The timesaving on requalification is primarily because of a county's ability to use cooperation agreements with no specified end date. Although not all counties use this type of agreement, the use of "renewable" agreements enables a county to merely notify affected participating units of government in writing that their agreement will automatically be renewed unless the unit of government terminates the agreement in writing, rather than executing a new agreement every three years.

No comments on the Notice were received; however, the Department has determined it is appropriate to continue to use these estimates to calculate the time spent on the qualification process: 100 hours for a newly qualified grantee, and 60 hours for a grantee that is requalifying. The wide variance of factors that affect the amount of time it may take each county to complete the process make it difficult to accurately estimate this reporting burden. However, HUD believes these estimates are reasonable based on a thorough review and consideration of the number of participating jurisdictions an urban county may have to contact to determine the interest of each in participating in, or remaining a part of, the urban county for purposes of receiving CDBG funds. This number varies among counties from those that have very few communities to contact, to those counties that have as many as 125 communities to contact. This current estimate reflects an increase from the previous information collection approval only because of an increase in the number of urban county grantees. The computation of annual reporting hours using these estimates is as follows:

	<u>No. of Respondents</u>	<u>No. of Responses Per Year</u>	<u>Hours Per Response</u>	<u>Total Annual Hours</u>
Average no. of new urban counties that qualify per year	3	3	100	300
No. of grantees that requalify on a triennial basis	183	61	60	3,660
Total combined hours:				3,960

Annualized cost to respondents:

$$3,960 \text{ (hours)} \times \$18.00/\text{hour} = \$71,280$$

13. Estimate of Annual Cost Burden for Collection/Recordkeeping of Information

Grantees are required to maintain records on CDBG activities for four years. However, there are no annual costs not already covered by Items 12 or 14.

14. Estimates of Annualized Cost to the Federal Government

Legal review for determinations of essential community development and housing assistance powers; staff review and legal review/certification of acceptability of cooperation agreements; and staff review/completion of worksheets sent to HUD Headquarters:

$$\begin{aligned} 8 \text{ hrs.} \times 64.0 \text{ (3 new counties + 61 avg. counties requalifying)} &= 512 \\ 512 \times \$29.00/\text{hr.} &= \$14,848 \end{aligned}$$

15. Reasons for Program Changes or Adjustments

The requested collection hours for the Urban County Qualification/Requalification process reflects the same number of hours estimated to be required to comply with program guidelines. However, the overall estimates have increased because of a larger increase in the number of new urban counties than previously estimated. There are now 183 qualified counties rather than 175 counties.

16. Publication of Collected Information

Information collected is not published.

17. Display of OMB Approval Date of Paperwork Reduction

OMB Approval Date of Paperwork Reduction is provided in the annual Notice of Instructions for Urban County Qualification for Participation in the CDBG Program.

18. Exceptions to Certification Statement, Item 19

There are no exceptions to Certification Statement, Item 19.

19. Certification Requirement for Paperwork Reduction Act Submissions

Attached following this page.

CERTIFICATION REQUIREMENT FOR PAPERWORK REDUCTION ACT
OMB Control Number 2506-0170

CDBG Urban County Qualification/Requalification Process

5 CFR 1320.8 (b)(3) requires that each collection of information informs and provides reasonable notice to the potential persons to whom the collection of information applies with regard to the following information:

(i) the reasons the information is planned to be and/or has been collected.

The information obtained each year from the urban county qualification/requalification process establishes the participating population that is used by HUD in calculating the final grant allocations of Community Development Block Grant (CDBG) funds for all entitlement (which includes metro cities and urban counties) and State CDBG grantees for the next fiscal year, in accordance with section 106 of the Housing and Community Development Act of 1974, as amended (the Act).

The New York Towns qualification/requalification process will no longer be an annual activity. HUD program counsel has determined that a requalification process for New York Towns is unnecessary because the units of general local government in New York towns do not have the same statutory notice rights (under Section 102(e) of the Act as units of general local government participating in an urban county. In addition, each New York town has automatic renewing agreements with the incorporated units of general local governments contained within their boundaries. Therefore, it is presumed that all incorporated units of general local government will continue to participate in the New York towns in which they are located unless HUD Headquarters is notified to the contrary.

(ii) the way such information is planned to be and/or has been used to further the proper performance of the functions of the agency.

The Act authorizes the Secretary to make CDBG funds available to states and units of general local government, which includes “urban counties” as defined in the statute. Based on the provisions in the statute, HUD has established an annual urban county qualification/ requalification process. As stated above, there will no longer be an annual qualification/requalification process for New York Towns. As noted above, HUD must determine the urban county participating populations before calculating final grant allocations for all CDBG grantees for the next federal fiscal year.

(iii) an estimate, to the extent practicable, of the average burden of the collection (together with a request that the public direct to the agency any comments concerning the accuracy of this burden estimate and any suggestions for reducing this burden).

Computation of reporting hours: There are currently 183 qualified urban counties participating in the CDBG program that must requalify on a triennial basis. On average, three new counties qualify each year. The burden on new counties is greater than for existing counties that requalify. The Department estimates that new grantees use, on average, 100 hours to: review instructions, contact communities in the county, prepare and review agreements (the county must enter into cooperation agreements with communities that want to participate in which the county does not have essential community development and housing assistance powers), obtain legal opinions, have agreements executed at the local and county level, and prepare and transmit copies of required documents to HUD. It has been estimated that counties requalifying use, on average, 60 hours to complete these actions. The timesaving on requalification is primarily because of a county’s ability to use cooperation agreements with no specified end date. Although not all counties use this type of agreement, the use of “renewable” agreements enables a county to merely notify affected participating units of government in

writing that their agreement will automatically be renewed unless the unit of government terminates the agreement in writing, rather than executing a new agreement every three years.

No comments on the Notice were received, but based upon previous informal comments and further review, the Department has determined it is appropriate to continue to use these estimates to calculate the time spent on the qualification process: 100 hours for a newly qualified grantee, and 60 hours for a grantee that is requalifying. The variance of factors that affect the amount of time it may take each county to complete the process make it difficult to accurately estimate this reporting burden. However, HUD believes these estimates are reasonable based on a thorough review and consideration of the number of participating units of general local government an urban county may have to contact to determine the interest of each in participating in, or remaining a part of, the urban county for purposes of receiving CDBG funds. This number varies among counties from those that have very few communities to contact, to those counties that have as many as 100 communities to contact. The reporting hours shown below reflect an increase from the information collection approved on February 9, 2009, because there has been an increase in the number of grantees subject to the qualification/requalification process:

Average of 3 new urban Counties qualify per year:	3 x 100 hrs.=	300 hrs.
183 grantees requalify on a triennial basis; avg. annual number of responses: 61	61 x 60 hrs.=	<u>3,660</u> hrs.
Total hours		3,960

Comments concerning the accuracy of this burden estimate and any suggestions for reducing this burden should be forwarded to:

COLLETTE POLLARD
DEPARTMENTAL PAPERWORK REDUCTION ACT OFFICER
DEPARTMENT OF HOUSING & URBAN DEVELOPMENT
451 7th Street, SW, Room 4160
Washington, DC 20410

(iv) whether responses to the collection of information are voluntary, required to obtain or retain a benefit (citing authority), or mandatory (citing authority).

The response to the information collection is required to obtain and/or retain a benefit. In addition, the information obtained each year from the urban county qualification/requalification processes establishes the participating population that is used by HUD in calculating the final grant allocations of CDBG funds for all entitlement (which includes metro cities and urban counties) and state CDBG program grantees for the next federal fiscal year, in accordance with section 106 of the Act.

(v) the nature and extent of confidentiality to be provided, if any (citing authority).

Not applicable.

(vi) the fact that an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The currently valid OMB Control Number 2506-0170 expires in February 2012. This supports a requested renewal for three years.

