

SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT SUBMISSION
CDBG URBAN COUNTY QUALIFICATION/REQUALIFICATION PROCESS
OMB # 2506-0170

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 was 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. However, those New York Towns may qualify as metropolitan cities if they are able to secure the participation of all of the villages located within their boundaries. Any New York Town that is located in an urban county may choose to leave that urban county when that county is requalifying to become a

metropolitan city. That New York Town will be required to notify the urban county in advance of its decision to defer participation in the urban county's CDBG program and complete the metropolitan city qualification process.

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. Urban counties may submit these agreements in PDF format via email.

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 is at 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

- requiring respondents to report information to the agency more than quarterly; N/A
- requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it; N/A
- requiring respondents to submit more than an original and two copies of any document; N/A
- requiring respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years; N/A
- in connection with a statistical survey, that is not designed to produce valid and reliable results than can be generalized to the universe of study; N/A
- requiring the use of a statistical data classification that has not been reviewed and approved by OMB; N/A
- that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or N/A
- requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law. N/A

8. Public Consultation and Federal Register Publication

A Federal Register Notice soliciting comments was published on March 15, 2018, Vol 83, page 11554. 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

The Privacy Act of 1974 provides privacy protection to respondents. There is no promise of confidentiality. This collection has an approved Privacy Threshold Analysis (PTA) on file.

11. Collection of Information of a Sensitive Nature

No sensitive information is being collected under 24 CFR 570.307 and 24 CFR 570.308.

12. Estimates of Hour Burden for Collection of Information

Computation of reporting hours: There are currently 186 qualified urban counties participating in the CDBG program that must requalify on a triennial basis. On average, one new county qualifies each year. The burden on new counties is greater than for existing counties that requalify. The Department estimates new grantees use, on average, 105 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 has 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: 105 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. The 105-hour estimate for newly qualifying counties was derived from an evaluation of a range of urban counties nationwide to determine the average amount of time spent learning the urban county qualification process, reviewing HUD-provided guidance, preparing and mailing correspondence to units of general local government located therein, cataloguing the responses, drafting cooperation agreements, and gathering all documents and submitting them to the local HUD offices. If HUD required corrections or additions to cooperation agreements, time would be needed to make those corrections to each cooperation agreement and resubmit them to HUD. The 60 hour estimate for requalifying urban counties was derived from an evaluation of urban counties nationwide to determine the average amount of time spent preparing and mailing correspondence to units of general local government notifying them of the opportunity to continue to participate in the urban county or withdraw from the county, cataloguing the responses, making changes to cooperation agreements in response to new statutory requirements, and gathering all documents and submitting them to the local HUD offices. If corrections to the cooperation agreements were

needed, time to make those corrections and resubmit the cooperation agreements to HUD would be necessary. 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:

Information Collection	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost Per Response	Annual Cost
2506-0170	63.00	1.00	63.00	105.00	6,615.00	20.00	\$132,300.00

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:

Information Collection	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost Per Response	Annual Cost
	63.00	1.00	63.00	8.00	504.00	39.07	\$19,691.28

*One new county + 62 avg. counties requalifying. **Based on GS-12, step 1.

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 an increase in the number of new urban counties. There are now 186 qualified counties rather than 185 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.