

Supporting Statement for Paperwork Reduction Act Submissions
CDBG Urban County Qualification/Requalification Process
OMB # 2506-0170

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

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. Indicate how, by whom and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

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. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

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. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

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

5. If the collection of information impacts small businesses or other small entities describe any methods used to minimize burden.

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. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing 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. Explain any special circumstances that would cause an information collection to be conducted in a manner:
 - 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. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.
 - Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping disclosure, or reporting format (if any) and the data elements to be recorded, disclosed, or reported. N/A
 - Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years -- even if the collection of

information activity is the same as in prior periods. There may be circumstances that preclude consultation in a specific situation. These circumstances should be explained.

A Federal Register Notice soliciting comments was published on September 1, 2021, page 49044, vol 86 , No. 167. No comments were received.

9. Explain any decision to provide any payment or gift to respondents, other than reenumeration of contractors or grantees.

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

10. Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation or agency policy.

Information of a confidential nature is not collected. 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. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

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

12. Provide estimates of the hour burden of the collection of information. The statement should:
 - indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices;
 - if this request covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I; and
 - provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead this cost should be included in Item 13.

Computation of reporting hours: There are currently 192 qualified urban counties participating in the CDBG program that must requalify on a triennial basis. On average, two 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, 115 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, 63 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: 115 hours for a newly qualified grantee, and 63 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 115-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 63 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 | 1 | 63 | 8 | 504.00 | 41.78 | \$21,057.12 |
| Total | 63 | 1 | 63 | 8 | 504.00 | 41.78 | \$21,057.12 |

*Based on GS-12, step 1.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information (do not include the cost of any hour burden shown in Items 12 and 14).
- The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s) and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities;
 - If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10) utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.
 - generally, estimates should not include purchases of equipment or services, or portions thereof made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

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. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

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 |
|-------------------------------|------------------------------|------------------------------|----------------------------|---------------------------------|----------------------------|----------------------------------|--------------------|
| 2506-0170 | 63 | 1 | 63 | 8 | 504.00 | 41.78 | \$21,057.12 |
| Total | 63 | 1 | 63 | 8 | 504.00 | 41.78 | \$21,057.12 |

*Based on GS-12, step 1.

15. Explain the reasons for any program changes or adjustments reported in Items 13 and 14 of the OMB Form 83-I.

This is a reinstatement of a previous approved collection. 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 192 qualified counties rather than 186 counties.

16. For collection of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

Information collected is not published.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

N/A

18. Explain each exception to the certification statement identified in item 19.

There are no exceptions to Certification Statement, Item 19.