with the Paperwork Reduction Act of 1995. The information collection is published in the **Federal Register** to obtain comments from the public and affected agencies. Comments are encouraged and will be accepted for sixty day until February 14, 2014.

Written comments and suggestions regarding items contained in this notice and especially with regard to the estimated public burden and associated response time should be directed to the Office of Chief Information Office, Forms Management Office, U.S. Immigrations and Customs Enforcement, 801 I Street NW., Mailstop 5800, Washington, DC 20536–5800.

Written comments and suggestions from the public and affected agencies concerning the proposed collection of information should address one or more of the following four points:

(1) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(2) Evaluate the accuracy of the agencies estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

Overview of This Information Collection

(1) *Type of Information Collection:* Extension of a currently approved information collection.

(2) *Title of the Form/Collection:* Electronic Bonds Online (eBonds) Access.

(3) *Agency form number, if any, and the applicable component of the Department of Homeland Security sponsoring the collection:* ICE Form I–352SA (Surety eBonds Access Application and Agreement); ICE Forms I–352RA (eBonds Rules of Behavior Agreement); U.S. Immigration and Customs Enforcement.

(4) *Affected public who will be asked or required to respond, as well as a brief abstract:* Primary: Individual or Households, Business or other non-profit. The information taken in this collection is necessary for ICE to grant access to eBonds and to notify the public of the duties and responsibilities associated with accessing eBonds. The I–352SA and the I–352RA are the two instruments used to collect the information associated with this collection. The I–352SA is to be completed by a Surety that currently holds a Certificate of Authority to act as a Surety on Federal bonds and details the requirements for accessing eBonds as well as the documentation, in addition to the I–352SA and I–352RA, which the Surety must submit prior to being granted access to eBonds. The I–352RA provides notification that eBonds is a Federal government computer system and as such users must abide by certain conduct guidelines to access eBonds and the consequences if such guidelines are not followed.

(5) *An estimate of the total number of respondents and the amount of time estimated for an average respondent to respond:* 100 responses at 30 minutes (.50 hours) per response.

(6) *An estimate of the total public burden (in hours) associated with the collection:* 50 annual burden hours.

Dated: December 11, 2013.

Scott Elmore,

Program Manager, Forms Management Office, Office of the Chief Information Officer, U.S. Immigration and Customs Enforcement, Department of Homeland Security.

[FR Doc. 2013–29761 Filed 12–13–13; 8:45 am]

BILLING CODE 9111–28–P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–5696–N–07]

Allocations, Waivers, and Alternative Requirements for Grantees Receiving Community Development Block Grant Disaster Recovery Funds in Response to Disasters Occurring in 2013

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice.

SUMMARY: This Notice advises the public of a $128,500,000 allocation for the purpose of assisting recovery in the most impacted and distressed areas in Colorado, Illinois and Oklahoma declared a major disaster in 2013. This is the fourth allocation of Community Development Block Grant disaster recovery (CDBG–DR) funds under the Disaster Relief Appropriations Act, 2013 (Pub. L. 113–2). Prior allocations addressed the areas most impacted by Hurricane Sandy, as well as the areas most impacted by disasters occurring in 2011 or 2012. In **Federal Register** Notices, the Department has described those allocations, relevant statutory provisions, the grant award process, criteria for Action Plan approval, eligible disaster recovery activities, and applicable waivers and alternative requirements. This Notice builds upon the requirements of the **Federal Register** Notices published by the Department on March 5, 2013 (78 FR 14329), April 19, 2013 (78 FR 23578) and August 2, 2013 (78 FR 46999), referred to collectively in this Notice as the ''Prior Notices.'' The Prior Notices are available at: *http://www.gpo.gov/fdsys/pkg/FR-2013-03-05/pdf/2013-05170.pdf http://www.gpo.gov/fdsys/pkg/FR-2013-04-19/pdf/2013-09228.pdf http://www.gpo.gov/fdsys/pkg/FR-2013-08-02/pdf/2013-18643.pdf.*

For grantees receiving an allocation under this Notice, many of the requirements described in the Prior Notices will apply, with some minor modifications.

DATES: *Effective Date:* December 23, 2013.

FOR FURTHER INFORMATION CONTACT: Stan Gimont, Director, Office of Block Grant Assistance, Department of Housing and Urban Development, 451 7th Street SW., Room 7286, Washington, DC 20410, telephone number 202–708–3587. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Relay Service at 800–877–8339. Facsimile inquiries may be sent to Mr. Gimont at 202–401–2044. (Except for the ''800'' number, these telephone numbers are not toll-free.) Email inquiries may be sent to *disaster_recovery@hud.gov.*

SUPPLEMENTARY INFORMATION:

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I. Allocation

The Disaster Relief Appropriations Act, 2013 (Pub. L. 113–2, approved January 29, 2013) (Appropriations Act) made available $16 billion in Community Development Block Grant (CDBG) funds for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 *et seq.*) (Stafford Act), due to Hurricane Sandy and other eligible events in calendar years 2011, 2012, and 2013.

On March 1, 2013, the President issued a sequestration order pursuant to section 251A of the Balanced Budget and Emergency Deficit Control Act, as amended (2 U.S.C. 901a), and reduced funding for CDBG–DR grants under the Appropriations Act to $15.18 billion. A total of $10.5 billion has been allocated for the areas most impacted by Hurricane Sandy. This Notice advises the public of a $128,500,000 allocation for the purpose of assisting recovery in the most impacted and distressed areas in Colorado, Illinois and Oklahoma declared a major disaster in 2013. As the Appropriations Act requires funds to be awarded directly to a State, or unit of general local government (hereinafter, local government), at the discretion of the Secretary, the term ''grantee'' refers to any jurisdiction receiving a direct award from HUD under this Notice.

To comply with statutory direction that funds be used for disaster recovery-related expenses in the most impacted and distressed areas, HUD computes allocations based on the best available data that cover all of the eligible affected areas. Based on a review of the impacts from Presidentially-declared disasters that have occurred in 2013, and estimates of remaining unmet need, this Notice provides the following awards:

TABLE 1—ALLOCATIONS FOR DISASTERS OCCURRING IN 2013

State	Grantee	Allocation
Colorado	State of Colorado	$62,800,000
Illinois	State of Illinois	3,600,000
Illinois	City of Chicago	4,300,000
Illinois	Cook County	13,900,000
Illinois	Du Page County	7,000,000
Oklahoma	State of Oklahoma	10,600,000
Oklahoma	City of Moore	26,300,000
Total		128,500,000

As outlined in Table 2, to ensure that funds provided under this Notice address unmet needs within the ''most impacted and distressed'' counties, each local government receiving a direct award under this Notice must expend its entire CDBG–DR award within its jurisdiction (e.g., Cook County must expend its entire award within Cook County, excluding the city of Chicago; the city of Chicago must expend all funds in the city of Chicago including the portions of Cook and DuPage counties located within the city's jurisdiction). The State of Oklahoma may expend funds in any county that was declared a major disaster in 2013, but must spend at least $3,220,000 within Cleveland County. The State of Illinois may expend funds in any county that was declared a major disaster in 2013. The State of Colorado must expend at least 80% of its funds in the most impacted counties of Boulder, Weld and Larimer but may expend up to $12,560,000 in other counties having a declared major disaster in 2013. A detailed explanation of HUD's allocation methodology is provided at Appendix A.

TABLE 2—MOST IMPACTED AND DISTRESSED COUNTIES WITHIN WHICH FUNDS MAY BE EXPENDED

Grantee	Most impacted and distressed counties	Minimum percentage that must be expended in most impacted and distressed counties
State of Colorado	Boulder, Weld and Larimer	80
State of Illinois	Cook and DuPage	0
City of Chicago	City of Chicago and the portions of the City of Chicago in Cook and DuPage.	100
Cook County	Cook County	100
DuPage County	DuPage	100
State of Oklahoma	Cleveland	30.4
City of Moore	City of Moore and the portions of the City of Moore in Cleveland	100

II. Use of Funds

The Appropriations Act requires funds to be used only for specific disaster recovery-related purposes. The law also requires that prior to the obligation of funds, a grantee shall submit a plan detailing the proposed use of funds, including criteria for eligibility and how the use of these funds will address disaster relief, long-term recovery, restoration of infrastructure and housing and economic revitalization in the most impacted and distressed areas. In its Action Plan for Disaster Recovery each grantee must describe uses and activities that: (1) Are authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 *et seq.*) (HCD Act), or allowed by a waiver or alternative requirement published in an applicable **Federal Register** Notice; and (2) respond to a disaster-related impact. To help meet these requirements, grantees must conduct an assessment of community impacts and unmet needs to guide the development and prioritization of planned recovery activities. Detailed information on the needs assessment, eligible CDBG–DR activities, and the development of an Action Plan is included in the Prior Notices. For grantees receiving an allocation under this Notice, the requirements described in the Prior Notices will apply, except as modified by this Notice (*see* section V of this Notice: ''Applicable Rules, Statutes, Waivers, and Alternative Requirements''). Links to the Prior Notices, the text of the Appropriations Act, and additional guidance prepared by the Department for CDBG–DR grants, are available on HUD's Web site under the Office of Community Planning and Development, Disaster Recovery Assistance (hereinafter referred to as the CPD Disaster Recovery Web site): *http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs/drsi.*

Each grantee receiving an allocation under this Notice must submit an initial Action Plan no later than 90 days after the effective date of this Notice HUD will only approve Action Plans that meet the specific criteria identified in the March 5, 2013, Notice, as modified by the April 19, 2013, Notice (*see* section V of this Notice: ''Applicable Rules, Statutes, Waivers, and Alternative Requirements'').

CDBG–DR funds may be used as a matching requirement, share, or contribution for any other Federal program when used to carry out an eligible CDBG–DR activity. This includes programs or activities administered by the Federal Emergency Management Agency (FEMA) or the U.S. Army Corps of Engineers (USACE) (as provided at 42 U.S.C. 5305). Note, the amount of CDBG–DR as matching funds for USACE-funded projects may not exceed $250,000. However, the Appropriations Act prohibits CDBG–DR funds being used for expenses reimbursable by, or for which funds are made available by, either FEMA or USACE.

III. Timely Expenditure of Funds and Prevention of Waste, Fraud, Abuse, and Duplication of Benefits

Section 904(c) under Title IX of the Appropriations Act requires that all funds be expended within two years of the date HUD obligates funds to a grantee (funds are obligated to a grantee upon HUD's signing of the grantee's CDBG–DR grant agreement). Action Plans must demonstrate how funds will be fully expended within two years of obligation. HUD must obligate all funds not later than September 30, 2017. For any funds that the grantee believes will not be expended by the deadline and that it desires to retain, the grantee must submit a letter to HUD not less than 30 days in advance justifying why it is necessary to extend the deadline for a specific portion of funds. The letter must detail the compelling legal, policy, or operational challenges for any such waiver, and must also identify the date by when the specified portion of funds will be expended. The Office of Management and Budget has provided HUD with authority to act on grantee waiver requests but grantees are cautioned that such waivers may not be approved. Approved waivers will be published in the **Federal Register**. Funds remaining in the grantee's line of credit at the time of its expenditure deadline will be returned to the U.S. Treasury or, if before September 30, 2017, will be recaptured by HUD.

The Appropriations Act requires the Secretary to certify, in advance of signing a grant agreement, that the grantee has in place proficient financial controls and procurement processes and has established adequate procedures to prevent any duplication of benefits as defined by section 312 of the Stafford Act, ensure timely expenditure of funds, maintain comprehensive Web sites regarding all disaster recovery activities assisted with these funds, and detect and prevent waste, fraud, and abuse of funds. Departmental guidance to assist in preventing a duplication of benefits is provided in a notice published in the **Federal Register** on November 16, 2011 (76 FR 71060). The Department has also issued guidance that addresses the duplication of benefits and disaster recovery assistance provided by the U.S. Small Business Administration. That guidance is available at: *http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs/dri.* To provide a basis for the Secretary to make the certification, each grantee must submit documentation to the Department demonstrating its compliance with the above requirements. Grantees must submit the required documentation listed in paragraph A.1.i. under section VI of the March 5, 2013, Notice. Additional information is available in section III of the March 5, 2013, Notice and on HUD's CPD Disaster Recovery Web site (see ''Guide for Review of Financial Management'' and ''Certification Checklist'').

All grantees must comply with the reporting, procedural, and monitoring requirements described in section VI. A. Grant Administration, in the March 5, 2013, Notice. HUD requires grantees to submit a projection of expenditures and outcomes to ensure funds are expended in a timely manner, and to track proposed versus actual performance (guidance on the preparation of the projections is available on HUD's CPD Disaster Recovery Web site). Grantees are also required to ensure all contracts (with subrecipients, recipients, and contractors) clearly stipulate the period of performance or the date of completion. Finally, grantees must enter expected completion dates for each activity in HUD's Disaster Recovery Grant Reporting (DRGR) system. When target dates are not met, grantees are required to explain why in the activity narrative. The Department will institute risk analysis and on-site monitoring of grantee management as well as collaborate with the HUD Office of Inspector General to plan and implement oversight of these funds.

IV. Overview of Grant Process

To begin expenditure of CDBG–DR funds, the following expedited steps are necessary:

- Grantee adopts citizen participation plan for disaster recovery in accordance with the requirements of this Notice and the March 5, 2013, Notice;
- Grantee consults with stakeholders, including required consultation with affected local governments and public housing authorities;
- Within 30 days of the effective date of this Notice (or when the grantee submits its Action Plan, whichever is sooner), grantee submits evidence that it has in place proficient financial controls and procurement processes and has established adequate procedures to prevent any duplication of benefits as defined by section 312 of the Stafford Act, ensure timely expenditure of funds, maintain comprehensive Web sites regarding all disaster recovery activities assisted with these funds, and detect and prevent waste, fraud, and abuse of funds;
- Grantee publishes its Action Plan for Disaster Recovery on the grantee's official Web site for no less than 7 calendar days to solicit public comment;
- Grantee responds to public comment and submits its Action Plan (which includes Standard Form 424 (SF–424) and certifications) to HUD no later than 90 days after the effective date of this Notice;
- HUD expedites review of Action Plan (allotted 45 days from date of receipt; however, completion of review is anticipated much sooner) and approves the Plan according to criteria identified in the March 5, 2013, Notice;
- HUD sends an Action Plan approval letter, grant conditions, and unsigned grant agreement to the grantee. If the Action Plan is not approved, a letter will be sent identifying its deficiencies; the grantee must then re-submit the

Action Plan within 45 days of the notification letter;

- Grantee ensures that the HUD-approved Action Plan is posted on its official Web site;
- Grantee signs and returns the fully executed grant agreement;
- HUD signs the grant agreement and establishes the proper amount in a line of credit for the grantee;
- Grantee requests and receives DRGR system access (if the grantee does not already have it);
- If it has not already done so, grantee enters the activities from its published Action Plan into DRGR and submits it to HUD within the system (funds can be drawn from the line of credit only for activities that are established in DRGR);
- The grantee may draw down funds from the line of credit after the Responsible Entity completes applicable environmental review(s) pursuant to 24 CFR part 58 and, as applicable, under the clarifying note in paragraph 20 in the March 5, 2013, Notice, receives from HUD or the State an approved Request for Release of Funds and certification;
- Grantee begins to draw down funds within 60 days of obligation (funds are obligated when HUD signs the grant agreement);
- Grantee amends its published Action Plan to include its projection of expenditures and outcomes within 90 days of the Action Plan approval; and
- Grantee updates its full consolidated plan to reflect disaster-related needs no later than its Fiscal Year 2015 consolidated plan update.

V. Applicable Rules, Statutes, Waivers, and Alternative Requirements

The Appropriations Act authorizes the Secretary to waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary or the use by the recipient of these funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment). Waivers and alternative requirements are based upon a determination by the Secretary that good cause exists and that the waiver or alternative requirement is not inconsistent with the overall purposes of title I of the HCD Act. Regulatory waiver authority is also provided by 24 CFR 5.110, 91.600, and 570.5.

This section describes the rules, statutes, waivers, and alternative requirements that apply to grantees receiving an allocation under this Notice. Grantees may request additional waivers and alternative requirements from the Department as needed to address specific needs related to their recovery activities. The Appropriations Act requires that regulatory waivers be published in the **Federal Register** no later than five days before the effective date of such waiver.

1. *Incorporation of waivers, alternative requirements, and statutory changes previously described.* The waivers and alternative requirements provided in the March 5, 2013, Notice, as clarified or modified by the April 19, 2013, Notice, apply to each grantee receiving an allocation of funds under this Notice, except as modified herein. These waivers and alternative requirements provide additional flexibility in program design and implementation to support full recovery following the disasters of 2013, while also ensuring that statutory requirements unique to the Appropriations Act are met. The following clarifications or modifications apply to grantees in receipt of an allocation under this Notice:

a. All submission deadlines regarding the Secretary's certification or the Action Plan, referenced in this Notice or previous notices, are triggered by the effective date of this Notice.

b. Paragraph VI.A.1.a.(1) of the March 5, 2013, Notice is hereby amended by striking the contacts listed for other Federal agencies at 78 FR 14333. Grantees seeking updated information about assistance provided by other Federal agencies or remaining unmet needs should contact their CPD Representative.

c. Paragraph VI.A.1.a.(6) of the March 5, 2013, Notice, at 78 FR 14334, is hereby amended by deleting that paragraph and replacing it in its entirety with the following: A description of how the grantee will identify and address (if needed) the rehabilitation (as defined at 24 CFR 570.202), reconstruction, and replacement of the following types of housing affected by the disaster: public housing (including administrative offices), HUD-assisted housing (defined at subparagraph (1) of the March 5, 2013, Notice, at 78 FR 14332), McKinney-Vento-funded shelters and housing for the homeless—including emergency shelters and transitional and permanent housing for the homeless, and private market units receiving project-based assistance or with tenants that participate in the Section 8 Housing Choice Voucher Program. As part of this requirement, each grantee must work with any impacted Public Housing Authority (PHA), located within its jurisdiction, to identify the unmet needs of damaged public housing. If unmet needs exist once funding under this Notice becomes available to the grantee, the grantee must work directly with the impacted PHA(s) to identify necessary costs, and ensure adequate funding is dedicated to the recovery of the damaged public housing. Grantees are reminded that public housing is eligible for FEMA Public Assistance; thus, they must ensure that there is no duplication of benefits when using CDBG–DR funds to assist public housing.

d. Paragraph VI.A.1.(j) of the March 5, 2013, Notice, at 78 FR 14337, is hereby amended. The disbursement of grant funds must begin within 60 days after funds have been obligated. Funds are obligated the day HUD signs the grant agreement.

e. Any waiver or alternative requirement (described in the March 5, 2013, or April 19, 2013, Notices) that is restricted to one or more grantees cited by the waiver or alternative requirement, is only applicable to the cited grantee(s).

2. *Modifications to the notice published May 29, 2013 (78 FR 32262)—for grantees in receipt of CDBG–DR funds for disasters that occurred in 2011 or 2012.*

a. In regards to Table 2—Counties and Parishes Eligible for CDBG–DR Assistance, Wyoming County is added as a most impacted and distressed county within the Commonwealth of Pennsylvania. The reference to Newton County is deleted.

b. In regards to Table 1—Allocations for Disasters Occurring in 2011 or 2012, the State of Louisiana's grant is reduced to $64,379,084, while the award to St. Tammany Parish is increased to $10,914,916. As a result, Table 2—Counties and Parishes Eligible for CDBG–DR Assistance, is modified to require the State to spend a minimum of $43,023,484 in the parishes determined to be the most impacted and distressed.

VI. Duration of Funding

The Appropriations Act requires that HUD obligate all funds provided under Chapter 9, Community Development Fund, not later than September 30, 2017. Concurrently, section 904(c) of the Appropriations Act requires that all funds be expended within two years of the date HUD obligates funds. Therefore, each grantee must expend all funds within two years of the date HUD signs the grant agreement with the grantee. Note that if a grantee amends its Action Plan to program additional funds that HUD has allocated to it, the grant agreement must also be revised. The requirement for each grantee to expend funds within two years is triggered by each amendment to the grant agreement meaning that each grant amendment has its own expenditure deadline.

VII. Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance number for the disaster recovery grants under this Notice is as follows: 14.269.

VIII. Finding of No Significant Impact

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for public inspection between 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW., Room 10276, Washington, DC 20410–0500. Due to security measures at the HUD Headquarters building, an advance appointment to review the docket file must be scheduled by calling the Regulations Division at 202–708–3055 (this is not a toll-free number). Hearing or speech-impaired individuals may access this number through TTY by calling the toll-free Federal Relay Service at 800–877–8339.

Dated: December 9, 2013.

Mark Johnston,

Deputy Assistant Secretary for Special Needs Programs.

Appendix A—Allocation Methodology

Background

Public Law 113–2 states:

For an additional amount . . . for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) due to Hurricane Sandy and other eligible events in calendar years 2011, 2012, and 2013, for activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.):

Provided, *That funds shall be awarded directly to the State or unit of general local government as a grantee at the discretion of the Secretary of Housing and Urban Development:*

Provided further, *That the Secretary shall allocate to grantees not less than 33 percent of the funds provided under this heading within 60 days after the enactment of this division based on the best available data:*

Provided further, *That prior to the obligation of funds, a grantee shall submit a plan to the Secretary for approval detailing the proposed use of all funds, including criteria for eligibility and how the use of these funds will address long-term recovery and restoration of infrastructure and housing and economic revitalization in the most impacted and distressed areas. . . .*

The legislation further specifies that the funds are not to be used for activities reimbursable by or for which funds are made available by FEMA or the Corps of Engineers.

The language also calls for HUD to use ''best available'' data to make its allocation. For this allocation, similar to prior allocations, HUD made a determination of unmet needs by estimating unmet needs related to the main intended uses of the funds:

- ''restoration of . . . housing''. HUD made an estimate with best available data on the amount of housing damage not likely to be covered by insurance, SBA disaster loans, or FEMA housing assistance (see below for more details).
- ''economic revitalization''. HUD made an estimate with best available data on the amount of damage to businesses declined for an SBA loan, usually because of inadequate credit or income to support the needed loan amount (see below for more details).
- ''restoration of infrastructure''. HUD calculated infrastructure need as the match required to address the FEMA estimates for repair of permanent infrastructure in the FEMA Public Assistance program (see below for more details).
- ''in the most impacted and distressed areas''. To target the funds to the most impacted and distressed areas, HUD limited its calculation to ''severe needs in areas of concentrated damage'':
  - Severe Needs: Only homes and businesses categorized as severe or major-high damage were included in the calculation (see below for more details).
  - Concentration: Only counties and parishes with greater than $10 million in severe housing and business needs were included for the calculation.

HUD's calculates the CDBG–DR grants in this Notice by summing an estimate of severe unmet needs in the most impacted and distressed communities using ''best available data''. The final allocation is equal to 70% of the grantee's total estimate of severe ''unmet needs,'' a proportion similar to other grantees funded through PL 113–2.

Methodology for Calculating Unmet Needs

Available Data

The ''best available'' data HUD staff have identified as being available to calculate unmet needs at this time for the targeted disasters come from the following data sources:

- FEMA Individual Assistance program data on housing unit damage;
- SBA for management of its disaster assistance loan program for housing repair and replacement;
- SBA for management of its disaster assistance loan program for business real estate repair and replacement as well as content loss;
- FEMA Public Assistance data and preliminary infrastructure assessments for Oklahoma by HUD staff.

Calculating Unmet Housing Needs

The core data on housing damage for both the unmet housing needs calculation and the concentrated damage are based on home inspection data for FEMA's Individual Assistance program. For unmet housing needs, the FEMA data are supplemented by Small Business Administration data from its Disaster Loan Program. HUD calculates ''unmet housing needs'' as the number of housing units with unmet needs times the estimated cost to repair those units less repair funds already provided by FEMA, where:

- Each of the FEMA-inspected owner units are categorized by HUD into one of five categories:
  - Minor-Low: Less than $3,000 of FEMA-inspected *real property* damage
  - Minor-High: $3,000 to $7,999 of FEMA-inspected *real property* damage
  - Major-Low: $8,000 to $14,999 of FEMA-inspected *real property* damage
  - Major-High: $15,000 to $28,800 of FEMA-inspected *real property* damage and/or 4 to 6 feet of flooding on the first floor.
  - Severe: Greater than $28,800 of FEMA-inspected *real property* damage or determined destroyed and/or 6 or more feet of flooding on the first floor.
  - *Note, if a FEMA-inspected unit only had basement flooding and $15,000 or more of FEMA-inspected real property damage, the unit is categorized as Major-Low damage*

To meet the statutory requirement of ''most impacted'' in this legislative language, homes are determined to have a high level of damage if they have damage of ''major-high'' or ''severe''. That is, the homeowner has real property FEMA-inspected damage of $15,000 or flooding over 4 feet. Furthermore, a homeowner is determined to have unmet needs if s/he has received a FEMA grant to make home repairs. For homeowners with a FEMA grant and insurance for the covered event, HUD assumes that the unmet need ''gap'' is 20 percent of the difference between total damage and the FEMA grant.

Since data for the Colorado disaster was preliminary at the time of this allocation, assumptions are made about the likely percent of damage not covered by insurance for homeowners with pending FEMA applications. This is assumed to increase by severity of damage to the home. The assumptions applied to ascertain the range of allocations were 50 percent for homes with major-high damage; and 70 percent for homes with severe damage in Colorado.

- FEMA does not inspect rental units for real property damage so personal property damage is used as a proxy for unit damage. Each of the FEMA-inspected renter units are categorized by HUD into one of five categories:
  - Minor-Low: Less than $1,000 of FEMA-inspected *personal property* damage
  - Minor-High: $1,000 to $1,999 of FEMA-inspected *personal property* damage
  - Major-Low: $2,000 to $3,499 of FEMA-inspected *personal property* damage (if basement flooding only, damage categorization is capped at major-low)
  - Major-High: $3,500 to $7,499 of FEMA-inspected *personal property* damage or 4 to 6 feet of flooding on the first floor.

○ Severe: Greater than $7,500 of FEMA-inspected *personal property* damage or determined destroyed and/or 6 or more feet of flooding on the first floor.

○ *Note, if a FEMA-inspected unit only had basement flooding and $3,500 or more of FEMA-inspected personal property damage, the unit is categorized as Major-Low damage.*

For rental properties, to meet the statutory requirement of ''most impacted'' in this legislative language, homes are determined to have a high level of damage if they have damage of ''major-high'' or ''severe''. That is, they have a FEMA personal property damage assessment of $3,500 or greater or flooding over 4 feet. Furthermore, landlords are presumed to have adequate insurance coverage unless the unit is occupied by a renter with income of $30,000 or less. Units that are occupied by a tenant with income less than $30,000 are used to calculate likely unmet needs for affordable rental housing. For those units occupied by tenants with incomes under $30,000, HUD estimates unmet needs as 75 percent of the estimated repair cost.

• The average cost to fully repair a home for a specific disaster *to code* within each of the damage categories noted above is calculated using the average real property damage repair costs determined by the Small Business Administration for its disaster loan program for the subset of homes inspected by both SBA and FEMA. Because SBA is inspecting for full repair costs up to what is required in existing local building codes, it is presumed to reflect the full cost to repair the home, which is generally more than the FEMA estimates on the cost to make the home habitable. Note that SBA estimates do not cover resiliency costs above and beyond what is required in existing local building codes. If fewer than 100 SBA inspections are made for homes within a FEMA damage category, the estimated damage amount in the category for that disaster has a cap applied at the 75th percentile of all damaged units for that category for all disasters and has a floor applied at the 25th percentile.

Calculating Unmet Infrastructure Needs

• To best proxy unmet infrastructure needs, HUD uses data from FEMA's Public Assistance program on the state match requirement (usually 25 percent of the estimated public assistance needs). This allocation uses only a subset of the Public Assistance damage estimates reflecting the categories of activities most likely to require CDBG funding above the Public Assistance and state match requirement. Those activities are categories: C—Roads and Bridges; D—Water Control Facilities; E—Public Buildings; F—Public Utilities; and G—Recreational—Other. Categories A (Debris Removal) and B (Protective Measures) are largely expended immediately after a disaster and reflect interim recovery measures rather than the long-term recovery measures for which CDBG funds are generally used.

• Because Public Assistance damage estimates are available only statewide (and not at the county level), estimates of unmet infrastructure needs were sub-allocated to counties and local jurisdictions based on each jurisdiction's proportion of unmet housing and business needs.

• At the time of this allocation, data from the FEMA Public Assistance program were not yet available for Oklahoma. Therefore, this allocation relies on early HUD field staff estimates for total damages to infrastructure, equipment, parks, and public buildings. We then assume insurance coverage of 60% (roughly the same coverage as seen in FEMA assisted owner-occupants in this disaster) and a state match requirement of 25% from the FEMA Public Assistance program.

Calculating Economic Revitalization Needs

• Based on SBA disaster loans to businesses, HUD used the sum of real property and real content loss of small businesses not receiving an SBA disaster loan. Because applications denied for poor credit or income are the most likely measure of requiring the type of assistance available with CDBG recovery funds, the calculated unmet business needs for each state are adjusted upwards by the proportion of applications that were received for a disaster for which SBA did not calculate content and real property loss because the applicant had inadequate credit or income. For example, if a state had 160 applications for assistance, 150 had calculated needs and 10 were denied in the pre-processing stage for not enough income or poor credit, the estimated unmet need calculation would be increased as (1 + 10/160) * calculated unmet real content loss.

• Similar to housing, estimated damage is used to determine what unmet needs will be counted as severe unmet needs. Only properties with total real estate and content loss in excess of $65,000 are considered severe damage for purposes of identifying the most impacted areas.

○ Category 1: real estate + content loss = below 12,000

○ Category 2: real estate + content loss = 12,000—30,000

○ Category 3: real estate + content loss = 30,000—65,000

○ Category 4: real estate + content loss = 65,000—150,000

○ Category 5: real estate + content loss = above 150,000

• Since SBA business needs are best measured at the county level, HUD estimates the distribution of needs to local entitlement jurisdictions based on the distribution of unmet housing needs, when necessary.

• Since data for the Colorado disaster was preliminary at the time of this allocation, HUD deflates the estimate of unmet business needs by 15% to account for expected SBA denial rates.

Methodology for Determining the Amount a Grantee Must Expend in Most Impacted and Distressed Counties

To ensure that funds are dedicated to the most impacted and distressed areas, 80 percent of the combined total of all the funds awarded within a state (this includes funds awarded directly to a State as well as those funds awarded directly to local governments) must be spent in the ''most impacted and distressed'' counties (i.e., those identified by HUD as having more than $10 million in estimated unmet severe housing and business needs). Since a local government receiving a direct grant allocation must spend the entirety of its grant within its jurisdiction, HUD has identified the remaining amount of each grant awarded directly to a State that must be expended within its ''most impacted'' counties in order to reach the 80 percent threshold. Oklahoma must spend a minimum of $3,220,000 within Cleveland County to ensure 80 percent of the combined total of all the funds awarded within the state is spent in the ''most impacted'' county. The State of Colorado must spend a minimum of $50,240,000 within Boulder, Weld, and Larimer Counties to meet this requirement. Because of the large grant to entitlement communities in Illinois relative to the State grant, there is no minimum requirement for the State of Illinois.

The principle behind the 80 percent rule is that each State received its allocation based on the estimated unmet needs in the most impacted counties (i.e., those counties with more than $10 million in severe unmet housing and business needs) and, thus, HUD is requiring that each State direct these limited resources toward those most impacted counties. Nonetheless, HUD recognizes that there may be circumstances where data regarding damage estimates are subsequently revised, highly localized damage may occur outside of the most impacted counties, or overall recovery would otherwise benefit from expenditures outside of those most impacted counties. As a result, HUD is permitting States to spend the portion of its award in excess of the 80 percent threshold to address recovery needs outside of its ''most impacted'' counties. However, these funds must still be spent within counties that received a Presidential disaster declaration in 2013. See the below table for further explanation:

State	Direct/state grantee designation	CDBG–DR Allocation	Minimum % spent in most impacted county(ies)	Minimum $ spent in most impacted county(ies)
CO	State Grant	62,800,000	80	$50,240,000
	Total	62,800,000		50,240,000
IL	Direct Grantees	25,200,000	100	25,200,000

State	Direct/state grantee designation	CDBG–DR Allocation	Minimum % spent in most impacted county(ies)	Minimum $ spent in most impacted county(ies)
	State Grant	3,600,000	0	0
	Total	28,800,000		25,200,000
OK	Direct Grantees	26,300,000	100	26,300,000
	State Grant	10,600,000	30.4	3,220,000
	Total	36,900,000		29,520,000

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–5747–N–01]

Public Housing Assessment System (PHAS) Capital Fund Interim Scoring Notice: Reinstitution of Five Points for Occupancy Sub-Indicator and Request for Comment

AGENCY: Office of the Assistant Secretary for Public and Indian Housing, HUD.

ACTION: Notice.

SUMMARY: This notice advises public housing agencies (PHAs), as well as members of the public, that HUD intends to reinstitute, temporarily, the award of 5 points for the occupancy sub-indicator of the Capital Fund Program Indicator to all PHAs for the PHAS Capital Fund Program Indicator. This award of points is provided as regulatory relief from a non-statutory element of PHAS and intended to help lessen the impact of decreases in funding in recent appropriations acts. Adding automatic points for the occupancy sub-indicator will allow PHAs to focus on the statutory criteria for assessing performance under the Capital Fund Indicator, which is timely obligation of the Capital Funds and will in no way limit HUD's oversight and monitoring of PHAs.

HUD welcomes public comment on the scoring adjustment HUD intends to make as provided in this notice.

DATES: *Effective Date:* December 16, 2013.

Comment due date: January 15, 2014.

ADDRESSES: Interested persons are invited to submit comments regarding this notice to the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW., Room 10276, Washington, DC 20410–0500. Communications must refer to the above docket number and title. There are two methods for submitting public comments. All submissions must refer to the above docket number and title.

1. *Submission of Comments by Mail.* Comments may be submitted by mail to the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW., Room 10276, Washington, DC 20410–0500.

2. *Electronic Submission of Comments.* Interested persons may submit comments electronically through the Federal eRulemaking Portal at *www.regulations.gov.* HUD strongly encourages commenters to submit comments electronically. Electronic submission of comments allows the commenter maximum time to prepare and submit a comment, ensures timely receipt by HUD, and enables HUD to make them immediately available to the public. Comments submitted electronically through the *www.regulations.gov* Web site can be viewed by other commenters and interested members of the public. Commenters should follow the instructions provided on that site to submit comments electronically.

Note: To receive consideration as public comments, comments must be submitted through one of the two methods specified above. Again, all submissions must refer to the docket number and title of the rule. *No Facsimile Comments.* Facsimile (FAX) comments are not acceptable.

Public Inspection of Public Comments. All properly submitted comments and communications submitted to HUD will be available for public inspection and copying between 8 a.m. and 5 p.m. weekdays at the above address. Due to security measures at the HUD Headquarters building, an advance appointment to review the public comments must be scheduled by calling the Regulations Division at (202) 708–3055 (this is not a toll-free number). Individuals with speech or hearing impairments may access this number via TTY by calling the Federal Relay Service at 1–800–877–8339. Copies of all comments submitted are available for inspection and downloading at *www.regulations.gov.*

FOR FURTHER INFORMATION CONTACT: Claudia J. Yarus, Real Estate Assessment Center (REAC), Office of Public and Indian Housing, Department of Housing and Urban Development, 550 12th Street SW., Suite 100, Washington, DC 20410, telephone 202–475–8830 (this is not a toll-free number). Persons with hearing or speech impairments may access this number through TTY by calling the toll-free Federal Relay Service at 800–877–8339. Additional information is available from the REAC Internet site at *http://www.hud.gov/offices/reac/.*

SUPPLEMENTARY INFORMATION:

I. Background

The purpose of PHAS is to provide a management tool for measuring the performance of a PHA in essential housing operations of projects, on a program-wide basis and individual project basis. PHAS measures a PHA's performance through four indicators: physical condition, financial condition, management operations and performance under the Capital Fund Program. Each of these indicators contains subindicators, and the scores for the subindicators are used to determine a single score for each of these PHAS indicators. The PHAS regulations, codified at 24 CFR part 902, were revised and updated by an interim rule published on February 23, 2011, at 76 FR 10136.

The Capital Fund Program Indicator consists of two subindicators. One subindicator required by statute focuses on the time taken by a PHA to obligate Capital Funds (see 42 U.S.C. 1437g(j)). The other subindicator, which is regulatory, focuses on a PHA's occupancy rate as of the end of a PHA's fiscal year. Each subindicator is worth up to 5 points for a total possible score of 10 points for the Capital Fund Program Indicator. (See 24 CFR 902.50.) In addition to measuring a PHA's occupancy rate under the Capital Fund Program Indicator, a PHA's occupancy