DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Agency Information Collection Activities: Prior Disclosure


ACTION: 60-Day Notice and request for comments; Extension of an existing information collection: 1651–0074.

SUMMARY: As part of its continuing effort to reduce paperwork and respondent burden, CBP invites the general public and other Federal agencies to comment on an information collection requirement concerning Prior Disclosure. This request for comment is being made pursuant to the Paperwork Reduction Act of 1995 (Pub. L. 104–13).

DATES: Written comments should be received on or before December 27, 2011, to be assured of consideration.


FOR FURTHER INFORMATION CONTACT: Requests for additional information and requests for comments concerning the following information collection should be directed to Tracey Denning, U.S. Customs and Border Protection, Regulations and Rulings, Office of International Trade, 799 9th Street, NW., 5th Floor, Washington, DC 20229–1177.

SUPPLEMENTARY INFORMATION: CBP invites the general public and other Federal agencies to comment on proposed and/or continuing information collections pursuant to the Paperwork Reduction Act of 1995 (Pub. L. 104–13). The comments should address: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency’s estimates of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden including the use of automated collection techniques or the use of other forms of information technology; and (e) the annual cost burden to respondents or record keepers from the collection of information (total capital/startup costs and operations and maintenance costs). The comments that are submitted will become a matter of public record.

In this document CBP is soliciting comments concerning the following information collection:

Title: Prior Disclosure.

OMB Number: 1651–0074.

Form Number: None.

Abstract: The Prior Disclosure program establishes a method for a potential violator to disclose to CBP that they have committed an error or a violation with respect to the legal requirements of entering merchandise into the United States, such as underpaid tariffs or duties or misclassified merchandise. The procedure for making a prior disclosure is set forth in 19 CFR 162.74 which requires that respondents submit information about the merchandise involved, a specification of the false statements or omissions, and what the true and accurate information should be. A valid prior disclosure will entitle the disclosing party to the reduced penalties pursuant to 19 U.S.C. 1592(c)(4).

Current Actions: CBP proposes to extend the expiration date of this information collection with no change to the burden hours or to the information being collected.

Type of Review: Extension (without change).

Affected Public: Businesses.

CBP Form 3461

Estimated Number of Respondents: 6,529.

Estimated Number of Responses per Respondent: 1,411.

Estimated Total Annual Responses: 9,210,160.

Estimated Time per Response: 15 minutes.

Estimated Total Annual Burden Hours: 2,302,540.

CBP Form 3461 ALT

Estimated Number of Respondents: 6,795.

Estimated Number of Responses per Respondent: 1,390.

Estimated Total Annual Responses: 9,444,069.

Estimated Time per Response: 3 minutes.

Estimated Total Annual Burden Hours: 472,203.

Dated: October 24, 2011.

Tracey Denning,
Agency Clearance Officer, U.S. Customs and Border Protection.

[FR Doc. 2011–27876 Filed 10–26–11; 8:45 am]

BILLING CODE 9111–14–P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[DOcket No. FR–5575–N–01]

Statutorily Mandated Designation of Difficult Development Areas and Qualified Census Tracts for 2012

AGENCY: Office of the Assistant Secretary for Policy Development and Research, HUD.

ACTION: Notice.

SUMMARY: This document designates “Difficult Development Areas” (DDAs) for purposes of the Low-Income Housing Tax Credit (LIHTC) under Section 42 of the Internal Revenue Code...
of 1986 (IRC) (26 U.S.C. 42). The United States Department of Housing and Urban Development (HUD) makes new DDA designations annually. The designations of “Qualified Census Tracts” (QCTs) under IRC Section 42 published October 6, 2009, remain in effect.

In addition to announcing the 2012 DDA designations, HUD seeks public comment on whether it should use Small Area Fair Market Rents (FMRs), rather than metropolitan-area FMRs, in future designations of metropolitan DDAs.

DATES: Comment Due Date: December 27, 2011.

ADDRESSES: Interested persons are invited to submit comments regarding this rule to the Regulations Division, Office of General Counsel, 451 7th Street, SW., Room 10276, Department of Housing and Urban Development, 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 http://www.regulations.gov. HUD strongly encourages commenters to submit comments electronically. Electronic submission of comments allows the commenter maximum time to prepare and submit comments, ensures timely receipt by HUD, and enables HUD to make them immediately available to the public. Comments submitted electronically through the http://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. eastern time 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 through TTY by calling the Federal Relay Service at 800–877–8339. Copies of all comments submitted are available for inspection and downloading at http://www.regulations.gov.

FOR FURTHER INFORMATION CONTACT: For questions on how areas are designated and on geographic definitions, contact Michael K. Hollar, Senior Economist, Economic Development and Public Finance Division, Office of Policy Development and Research, Department of Housing and Urban Development, 451 Seventh Street, SW., Room 8234, Washington, DC 20410–6000; telephone number 202–402–5878, or send an email to Michael.K.Hollar@hud.gov. For specific legal questions pertaining to Section 42, contact Branch 5, Office of the Associate Chief Counsel, Passthroughts and Special Industries, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC 20224; telephone number 202–622–3040; fax number 202–622–4753. For questions about the “HUB Zones” program, contact Mariana Pardo, Assistant Administrator for Procurement Policy, Office of Government Contracting, Small Business Administration, 409 Third Street, SW., Suite 8800, Washington, DC 20416; telephone number 202–205–8885, fax number 202–205–7167, or send an email to hubzone@sba.gov. A text telephone is available for persons with hearing or speech impairments at 202–708–3393. (These are not toll-free telephone numbers.) Additional copies of this notice are available through HUD User at 800–245–2691 for a small fee to cover duplication and mailing costs.

Copies Available Electronically: This notice and additional information about DDAs and QCTs are available electronically on the Internet at http://www.huduser.org/datasets/qct.html.

SUPPLEMENTARY INFORMATION:

This Document

This notice designates DDAs for each of the 50 states, the District of Columbia, Puerto Rico, American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands. The designations of DDAs on this notice are based on Final Fiscal Year (FY) 2011 Fair Market Rents (FMRs), FY 2011 income limits, 2000 Decennial Census population counts for nonmetropolitan areas, and 2010 Decennial Census population counts for metropolitan areas, as explained below.

This notice also seeks public comment on whether HUD should change the methodology for determining metropolitan DDAs to use Small Area FMRs (SAFMRs), estimated at the ZIP-Code level based on the relationship of ZIP-Code rents to metropolitan area rents, as the housing cost component of the DDA formula rather than metropolitan-area FMRs. Such a change would more widely distribute DDAs to metropolitan areas around the country than the current methodology, and encourage the development of LIHTC and tax-exempt bond-financed housing in neighborhoods with potentially greater opportunities for resident employment and education.

2000 and 2010 Census

Data from the 2010 census on total population of metropolitan areas and from the 2000 census for nonmetropolitan areas are used in the designation of DDAs. Population totals from the 2000 census are used for the designation of nonmetropolitan areas because 2010 population totals are not uniformly available for all nonmetropolitan areas, specifically Guam and the Virgin Islands. The Office of Management and Budget (OMB) first published new metropolitan area definitions incorporating 2000 census data in OMB Bulletin No. 03–04 on June 6, 2003, and updated them periodically through OMB Bulletin No. 09–01 on November 20, 2008. The FY 2011 FMRs and FY 2011 income limits used to designate DDAs are based on these metropolitan statistical area (MSA) definitions, with modifications to account for substantial differences in rental housing markets (and, in some cases, median income levels) within MSAs.

Background

The U.S. Department of the Treasury (Treasury) and its Internal Revenue Service (IRS) are authorized to interpret and enforce the provisions of the IRC, including the LIHTC found at Section 42. The Secretary of HUD is required to designate DDAs and QCTs by IRC Section 42(d)(5)(B). In order to assist in understanding HUD’s mandated designation of DDAs and QCTs for use in administering IRC Section 42, a summary of the section is provided. The following summary does not purport to bind Treasury or the IRS in any way. It purport to bind HUD, since HUD has authority to interpret or administer the IRC only in instances
Summary of the Low-Income Housing Tax Credit

The LIHTC is a tax incentive intended to increase the availability of low-income housing. IRC Section 42 provides an income tax credit to owners of newly constructed or substantially rehabilitated low-income rental housing projects. The dollar amount of the LIHTC available for allocation by each state (credit ceiling) is limited by population. Each state is allowed a credit ceiling based on a statutory formula indicated at IRC Section 42(h)(3). States may carry forward unallocated credits derived from the credit ceiling for one year; however, to the extent such unallocated credits are not used by then, the credits go into a national pool to be redistributed to states as additional credit. State and local housing agencies allocate the state’s credit ceiling among low-income housing projects whose owners have applied for the credit. Besides IRC Section 42 credits derived from the credit ceiling, states may also provide IRC Section 42 credits to owners of buildings based on the percentage of certain building costs financed by tax-exempt bond proceeds. Credits provided under the tax-exempt bond “volume cap” do not reduce the credits available from the credit ceiling.

The credits allocated to a building are based on the cost of units placed in service as low-income units under particular minimum occupancy and maximum rent criteria. In general, a building must meet one of two thresholds to be eligible for the LIHTC: (1) 20 percent of the units must be rent-restricted and occupied by tenants with incomes no higher than 50 percent of the Area Median Gross Income (AMGI), or (2) 40 percent of the units must be rent-restricted and occupied by tenants with incomes no higher than 60 percent of AMGI. The term “rent-restricted” means that gross rent, including an allowance for tenant-paid utilities, cannot exceed 30 percent of the tenant’s imputed income limitation (i.e., 50 percent or 60 percent of AMGI). The rent and occupancy thresholds remain in effect for at least 15 years, and building owners are required to enter into agreements to maintain the low-income character of the building for at least an additional 15 years.

The LIHTC reduces income tax liability dollar-for-dollar. It is taken annually for a term of 10 years and is intended to yield a present value of either: (1) 70 percent of the “qualified basis” for new construction or substantial rehabilitation expenditures that are not federally subsidized (as defined in Section 42(ii)(2)), or (2) 30 percent of the qualified basis for the cost of acquiring certain existing buildings or projects that are federally subsidized. The actual credit rates are adjusted monthly for projects placed in service after 1987 under procedures specified in IRC Section 42. Individuals can use the credits up to a deduction equivalent of $25,000 (the actual maximum amount of credit that an individual can claim depends on the individual’s marginal tax rate). For buildings placed in service after December 31, 2007, individuals can use the credits against the alternative minimum tax. Corporations, other than S or personal service corporations, can use the credits against ordinary income tax, and, for buildings placed in service after December 31, 2007, against the alternative minimum tax. These corporations also can deduct losses from the project.

The qualified basis represents the product of the building’s “applicable fraction” and its “eligible basis.” The applicable fraction is based on the number of low-income units in the building as a percentage of the total number of units, or based on the floor space of low-income units as a percentage of the total floor space of residential units in the building. The eligible basis is the adjusted basis attributable to acquisition, rehabilitation, or new construction costs (depending on the type of LIHTC involved). These costs include amounts chargeable to a capital account that are incurred prior to the end of the first taxable year in which the qualified low-income building is placed in service or, at the election of the taxpayer, the end of the succeeding taxable year. In the case of buildings located in designated DDAs or designated QCTs, eligible basis can be increased up to 130 percent from what it would otherwise be. This means that the available credits also can be increased by up to 30 percent. For example, if a 70-percent credit is available, it effectively could be increased to as much as 91 percent.

IRC Section 42 defines a DDA as any area designated by the Secretary of HUD as an area that has high construction, land, and utility costs relative to the AMGI. All designated DDAs in metropolitan areas (taken together) may not contain more than 20 percent of the aggregate population of all metropolitan areas, and all designated areas not in metropolitan areas may not contain more than 20 percent of the aggregate population of all nonmetropolitan areas. IRC Section 42 also allows states to award an increase in basis up to 30 percent to buildings located outside of federally designated DDAs and QCTs if the increase is necessary to make the building financially feasible. This state discretion applies only to buildings allocated credits under the state housing credit ceiling and is not permitted for buildings receiving credits in connection with tax-exempt bonds. Rules for such designations shall be set forth in the LIHTC-allocating agencies’ qualified allocation plans (QAPs).

Explanation of HUD Designation Methodology

A. Difficult Development Areas

In developing the list of DDAs, HUD compared housing costs with incomes. HUD used 2010 census population for metropolitan areas, 2000 census population data for nonmetropolitan areas, and the MSA definitions, as published in OMB Bulletin No. 09–01 on November 20, 2008, with modifications, as described below. In keeping with past practice of basing the coming year’s DDA designations on data from the preceding year, the basis for these comparisons is the FY 2011 HUD income limits for very low-income households (very low-income limits, or VLILs), which are based on 50 percent of AMGI, and final FY 2011 FMRs used for the Housing Choice Voucher (HCV) program. In formulating the FY 2011 FMRs and VLILs, HUD modified the current OMB definitions of MSAs to account for substantial differences in rents among areas within each MSA that were in different FMR areas under definitions used in prior years. HUD formed these “HUD Metro FMR Areas” (HMFAs) in cases where one or more of the parts of newly defined MSAs that previously were in separate FMR areas had 2000 census-based 40th-percentile recent-mover rents that differed, by 5 percent or more, from the same statistic calculated at the MSA level. In addition, a few HMFAs were formed on the basis of very large differences in AMGI among the MSA parts. All HMFAs are contained entirely within MSAs. All nonmetropolitan counties are outside of MSAs and are not broken up by HUD for purposes of setting FMRs and VLILs. (Complete details on HUD’s process for determining FY 2011 FMR areas and FMRs are available at http://www.huduser.org/portal/datasets/fmr/fmr/ docsyst.html&data=fmr11. Complete details on HUD’s process for determining FY 2011 income limits are available at http://www.huduser.org/ portal/datasets/if/i11/index.html.) HUD’s unit of analysis for designating metropolitan DDAs, therefore, consists
of: entire MSAs, in cases where these were not broken up into HMFs for purposes of computing FMRs and VLILs; and HMFs within the MSAs that were broken up for such purposes. Hereafter in this notice, the unit of analysis for designating metropolitan DDAs will be called the HMFA, and the unit of analysis for nonmetropolitan DDAs will be the nonmetropolitan county or county equivalent area. The procedure used in making the DDA calculations follows:

1. For each HMFA and each nonmetropolitan county, a ratio was calculated. This calculation used the final FY 2011 two-bedroom FMR and the FY 2011 four-person VLIL.
   a. The numerator of the ratio, representing the development cost of housing, was the area’s final FY 2011 FMR. In general, the FMR is based on the 40th-percentile gross rent paid by recent movers to live in a two-bedroom apartment. In metropolitan areas granted a FMR based on the 50th-percentile rent for purposes of improving the administration of HUD’s HCV program (see 76 FR 52058), the 40th-percentile rent was used to ensure nationwide consistency of comparisons.
   b. The denominator of the ratio, representing the maximum income of eligible tenants, was the monthly LIHTC income-based rent limit, which was calculated as 1/12 of 30 percent of 120 percent of the area’s VLIL (where the VLIL was rounded to the nearest $50 and not allowed to exceed 80 percent of the AMGI in areas where the VLIL is adjusted upward from its 50 percent-of-AMGI base).
   2. The ratios of the FMR to the LIHTC income-based rent limit were arrayed in descending order, separately, for HMFAs and for nonmetropolitan counties.
   3. The DDAs are those with the highest ratios cumulative to 20 percent of the 2010 population of all metropolitan areas and 2000 population of all nonmetropolitan areas. Population totals from the 2000 census are used for the designation of nonmetropolitan areas; 2010 population totals are not uniformly available for all nonmetropolitan areas, specifically Guam and the Virgin Islands.
   
B. Application of Population Caps to DDA Determinations
   IRC Section 42 requires the application of caps, or limitations, as noted above. The cumulative population of metropolitan DDAs cannot exceed 20 percent of the cumulative population of all nonmetropolitan areas, and the cumulative population of nonmetropolitan DDAs cannot exceed 20 percent of the cumulative population of all nonmetropolitan areas.
   In applying caps, HUD established procedures to deal with how to treat small overruns of the caps. The remainder of this section explains those procedures. In general, HUD stops selecting areas when it is impossible to choose another area without exceeding the applicable cap. The only exceptions to this policy are when the next eligible excluded area contains either a large absolute population or a large percentage of the total population, or the next excluded area’s ranking ratio, as described above, was identical (to four decimal places) to the last area selected, and its inclusion resulted in only a minor overrun of the cap. Thus, for both the designated metropolitan and nonmetropolitan DDAs, there may be minimal overruns of the cap. HUD believes the designation of additional areas in the above examples of minimal overruns is consistent with the intent of the IRC. As long as the apparent excess is small due to measurement errors, some latitude is justifiable, because it is impossible to determine whether the 20 percent cap has been exceeded. Despite the care and effort involved in a Decennial Census, the Bureau of the Census and all users of the data recognize that the population counts for a given area and for the entire country are not precise. Therefore, the extent of the measurement error is unknown. There can be errors in both the numerator and denominator of the ratio of populations used in applying a 20 percent cap. In circumstances where a strict application of a 20 percent cap results in an anomalous situation, recognition of the unavoidable imprecision in the census data justifies accepting small variances above the 20 percent limit.

C. Exceptions to OMB Definitions of MSAs and Other Geographic Matters
   As stated in OMB Bulletin 09-01, defining metropolitan areas:

   OMB establishes and maintains the definitions of Metropolitan * * * Statistical Areas. * * * OMB does not take into account or attempt to anticipate any non-statistical uses that may be made of the definitions. In cases where * * * agency elects to use the Metropolitan * * * Area definitions in nonstatistical programs, it is the sponsoring agency’s responsibility to ensure that the definitions are appropriate for such use. An agency using the statistical definitions in a nonstatistical program may modify the definitions, but only for the purposes of the program. In such cases, any modifications should be clearly identified as deviations from the OMB statistical area definitions in order to avoid confusion with OMB’s official definitions of Metropolitan * * * Statistical Areas.
   Following OMB guidance, the estimation procedure for the FY 2011 FMRs incorporates the current OMB definitions of metropolitan areas based on the Core-Based Statistical Area (CBSA) standards, as implemented with 2000 Census data, but makes adjustments to the definitions, in order to separate subparts of these areas in cases where FMRs (and in a few cases, VLILs) would otherwise change significantly if the new area definitions were used without modification. In CBSAs where subareas are established, it is HUD’s view that the geographic extent of the housing markets are not yet the same as the geographic extent of the CBSAs, but may approach becoming so as the social and economic integration of the CBSA component areas increases.
   The geographic baseline for the new estimation procedure is the CBSA Metropolitan Areas (referred to as Metropolitan Statistical Areas or MSAs) and CBSA NonMetropolitan Counties (nonmetropolitan counties include the county components of Micropolitan CBSSAs where the counties are generally assigned separate FMRs). The HUD-modified CBSA definitions allow for subareas FMRs within MSAs based on the boundaries of “Old FMR Areas” (OFAs) within the boundaries of new MSAs. (OFA s are the FMR areas defined for the FY 2005 FMRs. Collectively, they include the June 30, 1999, OMB definitions of MSAs and primary MSAs (old definition MSAs/primary metropolitan statistical areas (PMSAs), metropolitan counties deleted from old definition MSAs/PMSAs by HUD for FMR-setting purposes, and counties and county parts outside of old definition MSAs/PMSAs referred to as nonmetropolitan counties). Subareas of MSAs are assigned their own FMRs when the subarea 2000 census base FMR differs significantly from the MSA 2000 census base FMR (or, in some cases, the 2000 census base AMGI differs significantly from the MSA 2000 census base AMGI). MSA subareas, and the remaining portions of MSAs after subareas have been determined, are referred to as “HNUMetro FMR Areas (HMFAs).” to distinguish such areas from OMB’s official definition of MSAs.
   In the New England states (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont), HMFA s are defined according to county subdivisions or minor civil divisions (MCDs) within county boundaries. However, since no part of an HMFA is outside an OMB-defined,
Future Designations

DDAs are designated annually as updated income and FMR data are made public. QCTs are designated periodically as new data become available, or as metropolitan area definitions change. QCTs are not redesignated for 2012 because household income distribution and poverty data is not available for 2010 census tract boundaries. The most recent data for which household income by tract is available is from the 2005–2009, 5-year American Community Survey (ACS). This data, however, was released using the 2000 census tract boundaries, while the 2010 decennial census population counts were released using the 2010 census tract boundaries. The geography of the population counts does not match the geography of the income and poverty rate information. This makes the most recent data incompatible for QCT designation, meaning HUD cannot designate QCTs in accordance with statute.

The next release of census tract-level data from the ACS, which will be the 2006–2010, 5-year data using 2010 Decennial Census boundaries, is scheduled for December 2011. At this point, all data needed to designate QCTs in accordance with statute will be tabulated to compatible geographies. Since the LIHTC program, for which QCTs are designated, operates on a calendar-year annual allocation cycle, HUD’s standing practice is to designate QCTs in the fall prior to the effective date, which coincides with the calendar year. This provides lead time for the LIHTC developers and administrators to adjust plans in accordance with the revised designations. Thus, the next scheduled designation of QCTs using data released in December 2011 is the fall of 2012, for an effective date of January 1, 2013.

Effective Date

The 2012 lists of DDAs are effective: (1) For allocations of credit after December 31, 2011; or (2) For purposes of IRC Section 42(h)(4), if the bonds are issued and the building is placed in service after December 31, 2011.

If an area is not on a subsequent list of DDAs, the 2012 lists are effective for the area if:

(1) The allocation of credit to an applicant is made no later than the end of the 365-day period after the applicant submits a complete application to the LIHTC-allocating agency, and the submission is made before the effective date of the subsequent lists; or

(2) For purposes of IRC Section 42(h)(4), if:
   (a) The bonds are issued or the building is placed in service no later than the end of the 365-day period after the applicant submits a complete application to the bond-issuing agency, and
   (b) The submission is made before the effective date of the subsequent lists, provided that both the issuance of the bonds and the placement in service of the building occur after the application is submitted.

All applications for LIHTC for buildings on the site must be made known by the applicant in the first application of credit for any building in the project, and that applicant identifies the buildings in the project for which credit is (or will be) sought;

(2) The aggregate amount of LIHTC applied for on behalf of, or that would eventually be allocated to the buildings on the site exceeds the one-year limitation on credits per applicant, as defined in the Qualified Allocation Plan (QAP) of the LIHTC-allocating agency, or the annual per-capita credit authority of the LIHTC allocating agency, and is the reason the applicant must request multiple allocations over 2 or more years; and

(3) All applications for LIHTC for buildings on the site are made in immediately consecutive years.

Interpretive Examples of Effective Date

For the convenience of readers of this notice, interpretive examples are provided below to illustrate the consequences of the effective date in areas that gain or lose DDA status. The examples covering DDAs are equally applicable to QCT designations.

(Case A)

Project A is located in a 2012 DDA that is NOT a designated DDA in 2013. A complete application for tax credits for Project A is filed with the allocating agency on November 15, 2012. Credits are allocated to Project A on October 30, 2013. Project A is eligible for the increase in basis accorded a project in a 2012 DDA because the application was filed BEFORE January 1, 2013 (the assumed effective date for the 2013 DDA lists), and because tax credits were
allocated no later than the end of the 365-day period after the filing of the complete application for an allocation of tax credits.

(Case B)

Project B is located in a 2012 DDA that is NOT a designated DDA in 2013 or 2014. A complete application for tax credits for Project B is filed with the allocating agency on December 1, 2012. Credits are allocated to Project B on March 30, 2014. Project B is not eligible for the increase in basis accorded a project in a 2012 DDA because, although the application for an allocation of tax credits was filed before January 1, 2013 (the assumed effective date of the 2013 DDA lists), the tax credits were allocated later than the end of the 365-day period after the filing of the complete application.

(Case C)

Project C is located in a 2012 DDA that was not a DDA in 2011. Project C was placed in service on November 15, 2011. A complete application for tax-exempt bond financing for Project C is filed with the bond-issuing agency on January 15, 2012. The bonds that will support the permanent financing of Project C are issued on September 30, 2012. Project C is not eligible for the increase in basis otherwise accorded a project in a 2012 DDA, because the project was placed in service before January 1, 2012.

(Case D)

Project D is located in an area that is a DDA in 2012, but is not a DDA in 2013. A complete application for tax-exempt bond financing for Project D is filed with the bond-issuing agency on October 30, 2012. Bonds are issued for Project D on April 30, 2013, but Project D is not placed in service until January 30, 2014. Project D is eligible for the increase in basis available to projects located in 2012 DDAs because: (1) One of the two events necessary for triggering the effective date for buildings described in Section 42(h)(4)(B) of the IRC (the two events being bonds issued and buildings placed in service) took place on April 30, 2013, within the 365-day period after a complete application for tax-exempt bond financing was filed; (2) the application was filed during a time when the location of Project D was in a DDA; and (3) both the issuance of the bonds and placement in service of Project D occurred after the application was submitted.

(Case E)

Project E is a multiphase project located in a 2012 DDA that is not a designated DDA in 2013. The first phase of Project E received an allocation of credits in 2012, pursuant to an application filed March 15, 2012, which describes the multiphase composition of the project. An application for tax credits for the second phase Project E is filed with the allocating agency by the same entity on March 15, 2013. The second phase of Project E is located on a contiguous site. Credits are allocated to the second phase of Project E on October 30, 2013. The aggregate amount of credits allocated to the two phases of Project E exceeds the amount of credits that may be allocated to an applicant in one year under the allocating agency’s QAP and is the reason that applications were made in multiple phases. The second phase of Project E is, therefore, eligible for the increase in basis accorded a project in a 2012 DDA, because it meets all of the conditions to be a part of a multiphase project.

(Case F)

Project F is a multiphase project located in a 2012 DDA that is not a designated DDA in 2013. The first phase of Project F received an allocation of credits in 2012, pursuant to an application filed March 15, 2012, which describes the multiphase composition of the project. An application for tax credits for the second phase of Project F is filed with the allocating agency by the same entity on March 15, 2013. The aggregate amount of credits allocated to the two phases of Project F exceeds the amount of credits that may be allocated to an applicant in one year under the allocating agency’s QAP and is the reason that applications were made in multiple phases. The second phase of Project F is, therefore, eligible for the increase in basis accorded a project in a 2012 DDA, because it meets all of the conditions to be a part of a multiphase project.

HUD would use “Small Area FMRs” (SAFMRs) defined at the ZIP Code level within metropolitan areas. In general, HUD estimates SAFMRs by multiplying the ratio of ZIP–Code area to metropolitan-area median gross rent by the metropolitan-area FMRs (a complete description of how SAFMRs are estimated was published in a Federal Register notice at 75 FR 27808–12 (May 18, 2010) and is available at: http://www.huduser.org/portal/datasets/_fmr2010f/Small_Area_FMRs.pdf). HUD would use the same income measure as used in the current metropolitan DDA designation method, the HUD income limits for very low-income households, or VLLIs, estimated at the HUD Metropolitan FMR Area level, which are used to determine LIHTC and tax-exempt bond-financed project maximum rents and tenant income limits.

HUD would otherwise designate Small Area Difficult Development Areas (SADDAs) in the same way as it designates metropolitan DDAs as described above in this notice, except that the unit of analysis is the metropolitan ZIP Code instead of the HUD Metropolitan FMR Area. Thus, the population-weighted 20 percent of ZIP Codes with the highest ratios of SAFMR to metropolitan VLLIs would be designated as DDAs.

HUD has available an evaluative list of the 2,118 metropolitan ZIP Codes that would be designated Small Area DDAs based on the data available to HUD at the time of this publication. The main piece of currently missing data that HUD would have for a 2013 designation of SADDAs is the 2010 Decennial Census population counts for ZIP Codes. Thus, HUD used the ZIP Code-to-metropolitan area rent relationships and ZIP Code populations from the 2000 Decennial Census to create the evaluative list of SADDAs. In general, the metropolitan areas designated DDAs in this notice have many, but not all, ZIP Codes designated as SADDAs, while a number of metropolitan areas that have never been DDAs in the history of the program get one or more SADDAs. Under SADDAs, the additional subsidy available under section 42 would be limited to the higher opportunity areas of high-cost rental markets, and to the highest opportunity areas of otherwise lower-cost rental markets.

HUD seeks comments on the relative merits of SADDAs versus existing metropolitan DDA policy in advancing HUD’s goals of meeting the need for quality affordable rental homes and utilizing housing as a platform for improving quality of life.
Findings and Certifications

Environmental Impact

In accordance with 40 CFR 1508.4 of the regulations of the Council on Environmental Quality and 24 CFR 50.19(c)(6) of HUD’s regulations, the policies and procedures contained in this notice provide for the establishment of fiscal requirements or procedures that do not constitute a development decision affecting the physical condition of specific project areas or building sites. Therefore, they are categorically excluded from the requirements of the National Environmental Policy Act, except for extraordinary circumstances, and no Finding of No Significant Impact is required.

Federalism Impact

Executive Order 13132 (entitled “Federalism”) prohibits an agency from publishing any policy document that has federalism implications if the document either imposes substantial direct compliance costs on state and local governments and is not required by statute, or the document preempts state law, unless the agency meets the consultation and funding requirements of section 6 of the executive order. This notice merely designates DDAs as required under Section 42 of the IRA, as amended, for the use by political subdivisions of the states in allocating the LIHTC. This notice also details the technical methodology used in making such designations. As a result, this notice is not subject to review under the Federalism Impact.

DATES: The Final EIS will be distributed and made available to the public for a minimum of 30 days following the publication of a Notice of Availability in the Federal Register by the Environmental Protection Agency (EPA). As the decision maker in this matter, the Secretary of the Interior will not issue a final decision on the proposal for a minimum of 30 days after the date that the EPA publishes this notice in the Federal Register.


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SUPPLEMENTARY INFORMATION: On July 21, 2009, the U.S. Department of the Interior published notice of a proposal to withdraw (Proposed Withdrawal) approximately 1 million acres of Federal locatable minerals in northern Arizona from location and entry under the Mining Law of 1872, (30 U.S.C. 22–54) (Mining Law), subject to valid existing rights, by the Secretary of the Interior (Secretary).

Under Section 204 of FLPMA, publication of the Federal Register notice of the Proposed Withdrawal had the effect of segregating the lands involved for up to 2 years from the location and entry of new mining claims, subject to valid existing rights. For detailed information pertaining to the location of the Proposed Withdrawal, refer to the map dated August 11, 2011, posted on the Internet at: http://www.blm.gov/az/st/en/prog/mining/timeout.html. This map is also on file at the Arizona Strip District Office at the address above and can be viewed there upon request. Detailed legal descriptions of each withdrawal alternative are included as Appendix C in the Northern Arizona Proposed Withdrawal Final EIS. On June 27, 2011, the Secretary published a Public Land Order withdrawing, under the Secretary’s emergency withdrawal authority in Section 204(e) of FLPMA, the same Federal lands from location and entry under the Mining Law, subject to valid existing rights. The emergency withdrawal was effective on July 21, 2011, and expires on January 20, 2012. The BLM has completed an Environmental Analysis of the Proposed Withdrawal in accordance with NEPA.

The Proposed Action analyzed in the Final EIS is the withdrawal of 1,006,545 acres of Federal lands near Grand Canyon National Park from location and entry under the Mining Law for a period of 20 years. This has also been selected as the Preferred Alternative. The purpose of the action is to protect the natural, cultural, and social resources in the Grand Canyon watershed from the possible adverse effects of the reasonably foreseeable locatable mineral exploration and mining that could occur in the area proposed for withdrawal.

The need for action is based on a history of hardrock mining activities in the Grand Canyon watershed dating back to the 1860s. In some cases, these mining activities have left lasting impacts within the watershed, primarily associated with older copper and uranium mines. These historical impacts and the recent increase in the number and extent of mining claims located in the area, particularly for uranium, have raised concerns that future hardrock mining activities in the Grand Canyon watershed could result in adverse effects to resources.

Public scoping for this project began on August 26, 2009 (74 FR 43152), with publication of a Notice of Intent in the Federal Register, and closed on October 30, 2009. During that time, 83,525 comment letters were received. Important issues identified during scoping include:

• Change in geologic conditions and availability of uranium resources;
• Dewatering of perched aquifers and changes in water availability in deep aquifers;
• Contamination of both ground and surface water;