more than one component maintains Privacy Act records concerning him or her, the individual may submit the request to the Senior Agency Official for Privacy, HUD, 451 Seventh Street SW, Room 10139, Washington, DC 20410.

EXEMPTIONS PROMULGATED FOR THE SYSTEM:

None.

HISTORY:

EDM SORN was originally published in: DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT [Docket No. FR–6009–N–02] Privacy Act of 1974: Enterprise Data Management (EDM) System of Records.

Dated: August 26, 2019.

John G. Bravacos,

Senior Agency Official for Privacy.

[FR Doc. 2019–19713 Filed 9–11–19; 8:45 am]

BILLING CODE 4210–67–P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–6170–N–01]

Notice of Neighborhood Stabilization Program; Changes to Closeout Requirements Related to Program Income Amendment

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

ACTION: Notice.

SUMMARY: This notice describes changes to closeout requirements applied to, and additional regulations waived for, grantees receiving grants in the three rounds of funding under the Neighborhood Stabilization Program, who are also grantees in the Community Development Block Grant (CDBG) program.

DATES: Applicable Date: September 12, 2019.

FOR FURTHER INFORMATION CONTACT: Jessie Handforth Kome, Acting Director, Office of Block Grant Assistance, Office of Community Planning and Development, Department of Housing and Urban Development, 451 Seventh Street SW, Room 7282, Washington, DC 20410; telephone number 202–708–3587 (this is not a toll-free number). Persons with hearing or speech impairments may access this number via TTY by calling the Federal Relay at 800–877–8339 (this is a toll-free number).

SUPPLEMENTARY INFORMATION:

I. Background

The Neighborhood Stabilization Program (NSP) was established by Division B, Title III of the Housing and Economic Recovery Act of 2008 (HERA) (Pub. L. 110–289, approved July 30, 2008), for the stabilization of communities that have suffered from residential foreclosures and abandonment. As established by HERA, NSP provided grants to all states and selected local governments on a formula basis. The American Recovery and Reinvestment Act of 2009 (Recovery Act) (division A, title XII of Pub. L. 111–5, approved February 17, 2009) authorized additional NSP grants to be awarded to states, local governments, nonprofits and a consortium of nonprofit entities, but on a competitive basis. The Recovery Act also authorized funding for national and local technical assistance providers to support NSP grantees. The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) (Pub. L. 111–203, approved July 21, 2010) authorized a third round of NSP grants to all states and select units of general local governments (UGLG) on a formula basis.

The purpose of the funds awarded under the three rounds of NSP is to target the stabilization of neighborhoods negatively affected by residential properties that have been foreclosed upon or abandoned. *The Notice of Formula Allocations and Program Requirements for Neighborhood Stabilization Program Formula Grants,* published October 19, 2010 (75 FR 64322) (''Unified NSP Notice''), as amended, provides further background for these programs, the program principles, and the objectives and outcomes of the NSP program. The Notice of Neighborhood Stabilization Program; Closeout Requirements and Recapture (Closeout Notice), published November 27, 2012 (77 FR 70799), as amended, amended the Unified NSP Notice by adding grant closeout and related provisions. In addition, the Notice of Funding Availability (NOFA) for the Neighborhood Stabilization Program 2 Under the American Recovery and Reinvestment Act, 2009, 74 FR 21377 (May 7, 2009), as amended by subsequent notices (''NSP2 NOFA''), includes requirements specific to the competitive round of funding under the Recovery Act.

II. This Notice

The primary purpose of this Notice is to hasten the expenditure of remaining grant funds to facilitate closeout of all open NSP grants, given that most originally planned program activities are at or near completion. To facilitate that purpose, this notice eliminates the requirement that NSP2 and NSP3 grantees must use the HUD Foreclosure Need website to identify new target areas before using NSP funds. It also provides additional guidance related to NSP program income, as well as encourages the use of existing Community Development Block Grant formula funds to leverage investments in targeted areas.

Targeting New Areas of Need

For all three rounds of NSP, HERA required that grantees give priority emphasis to geographic areas of greatest need. To implement this requirement, HUD developed a Foreclosure Need website and mapping tools and required NSP2 and NSP3 grantees to use the HUD data to identify target areas with an individual or average combined index score of not less than lesser of 17 or the 20th percentile most needy score in an individual state. NSP1 grantees were encouraged, but not required, to use the HUD data. Because the program has expended 98% of the $8.639 billion in grant funds and program income, HUD is no longer updating the Foreclosure Need websites and mapping tools. Moreover, HUD has observed that grantees have largely served their identified areas of greatest need.

In identifying new target areas, HUD supports the ability of NSP grantees to use these funds in Opportunity Zones. Created by the 2017 Tax Cut and Jobs Act, the Opportunity Zone tax incentives are designed to stimulate private investment in designated, low-income census tracts and allows individuals and companies to invest equity in real estate projects or in businesses in these communities. It does so by enabling them to temporarily defer and reduce their tax liability on investments in privately- or publicly managed Qualified Opportunity Funds. These Qualified Opportunity Funds must invest funds in real estate projects or businesses located in designated Opportunity Zones. Moreover, if investors leave their investments in these funds long-term, the profits they make on their Qualified Opportunity Fund investments will not be taxed. Since the passage of the law, Opportunity Zones (OZ) have been designated in all 50 states, the District of Columbia, Puerto Rico, and in Insular Areas. The number of census tracts in a State that were eligible for designation as Opportunity Zones could not have exceeded 25 percent of the number of census tracts in the State that are ''low-income communities'' (LIC).

Census tracts were eligible for designation as Opportunity Zones if they satisfied the definition of a ''low-income community'' per § 45D(e) of the Internal Revenue Code. The term ''low-income community'' means any population census tract where: (a) The poverty rate for such tract is at least 20 percent, or (b)(i) in the case of a tract not located within a metropolitan area, the median family income for such tract does not exceed 80 percent of statewide median family income, or (b)(ii) in the case of a tract located within a metropolitan area, the median family income for such tract does not exceed 80 percent of the greater of statewide median family income or the metropolitan area median family income. For grantees who are familiar with using New Market Tax Credits (NMTC) as a source for community development finance, these eligibility criteria are the same as the requirements necessary to qualify for NMTC. It is worth noting that some non-LIC tracts were also eligible for Opportunity Zone designation if certain additional criteria were met.

HUD notes that, with the target area changes allowed by this Notice, grantees have a unique chance to leverage Qualified Opportunity Zone Fund capital with NSP funds, along with other HUD funding including CDBG formula funds and Section 108 Loan Guarantees, to accelerate activities in Opportunity Zones. HUD will publish further guidance which will provide additional information related to how program funds can be combined to reinforce these strategies.

In the interim, when considering strategies to facilitate the use of NSP and CDBG funds in Opportunity Zones, HUD encourages grantees to explore whether these zones would also qualify as Neighborhood Revitalization Strategy Areas (NRSAs) under CPD Notice 16–16. Through the designation of NRSAs, compliance with certain HUD requirements can be streamlined to make it more feasible for grantees and their partners to leverage CDBG and Section 108 funds more quickly in Opportunity Zones.

To effectuate these changes, HUD is amending the Unified NSP Notice and the NSP2 NOFA to eliminate the requirement that NSP2 and NSP3 grantees use the HUD Foreclosure Need website. Instead, HUD is requiring that grantees meet the statutory requirement to give priority emphasis and consideration to areas with the greatest need when distributing NSP funds. Given that HERA only requires priority emphasis and consideration and HUD's observation that grantees have largely served their areas of greatest need, HUD presumes that most, if not all, grantees will now be able to serve other areas within their jurisdiction.

NSP1 and NSP3 grantees amending their NSP Action Plan substantial amendments or abbreviated plans or NSP2 grantees amending their NSP2 applications to serve areas other than those that were previously identified as areas of greatest need must describe the nature and extent of the need for neighborhood stabilization in the amendment, as set forth in the requirements below. NSP grantees may identify new target areas using local data such as vacancies, home sales, employment, assessments of single and multi-family housing needs, realtor information, etc. The amendment should identify the factors used to select the new target area and the grantee should retain in its files all the raw data used to identify the new target area. NSP1 and NSP3 grantees must amend their plans in accordance with 24 CFR part 91. NSP2 grantees must submit any amendments to the field office to forward to HUD Headquarters for review and approval.

NSP Program Income Transfers

This Notice also informs grantees of HUD's authority to cancel unexpended grant balances and permits NSP grantees to transfer streams of program income, including future streams of program income, from NSP to the CDBG program with a single written HUD-approved request.

There are 195 NSP1 grantees and 152 NSP3 grantees that have unexpended grant funds totaling over $150 million in their lines of credit. This occurred because program income must be spent prior to using grant funds, and many communities earned significant amounts of program income. With few exceptions, grantees met their expenditure deadlines and have expended an additional $1.8B in program income. An additional $240,000,000 in program income has not yet been expended. These communities do not wish to return the NSP funds because needs still remain, often outside the areas identified as areas of greatest need using HUD data. HUD urges grantees to complete eligible NSP activities and close out the remainder of their grants but recognizes that grantees have few or no properties that are eligible to be assisted with NSP funds in their identified target areas.

On June 14, 2016, HUD amended the Closeout Notice to allow the transfer of NSP program income to an open CDBG formula entitlement grant or a unit of general local government recipient of a grant from a state. HUD made this allowance to enable grantees to expend remaining grant funds by moving program income out of the NSP program. The June 14, 2016 Notice permitted transfers of program income on hand. This Notice expands that flexibility to include transfers of a future stream of program income from an activity, eliminating the need for multiple written requests to transfer program income that is anticipated but has not yet been received.

Potential for Recapture of Unused Grant Funds

In addition, to ensure that NSP grantees expend their grant balances expeditiously, HUD is reminding them that failure to draw funds from the line of credit (whether obligated or unobligated) for two consecutive fiscal years may result in HUD determining that need for the funds no longer exists, cancelling the line of credit, and proceeding to grant closeout in accordance with 31 U.S.C. 1555.

Except as described in this notice and previous notices governing NSP, statutory and regulatory provisions governing the CDBG program, including those at 24 CFR part 570 subpart I for states or, for CDBG units of general local government, including those at 24 CFR part 570 subparts A, C, D, J, K, and 0, as appropriate, apply to the use of these funds. The State of Hawaii was allocated funds and will be subject to part 570, subpart I, as modified by this notice and previous notices governing NSP.

III. Alternative Requirement and Regulatory Waivers

1. Section II of the Unified NSP Notice is amended to eliminate paragraphs II.B.2.a.i and II.B.2.a.ii, including the undesignated paragraph added to that section by **Federal Register** Notice, at 78 FR 29771–29772, and Paragraph II.B.2.b.iii is revised to read:

"b. Information by activity describing how the grantee will use the funds, identifying:

i. The areas of greatest need addressed by the activity or activities or if addressing other areas, the nature and extent for neighborhood stabilization, including the local housing market, credit, and employment needs contributing to the decline, in the other areas;"

Section II of the NSP2 NOFA is amended to eliminate paragraph II.B.8 and all references that paragraph. Paragraph IV.A.1.a. is revised to read:

"You must identify the specific geography in which you will carry out your NSP2 Program, giving priority emphasis and consideration to areas of greatest need. If you are carrying out NSP2 activities in other areas, you must identify the nature and extent of need for neighborhood stabilization in the other areas. At a minimum, the narrative for this factor must address local housing market, credit, and employment needs that are contributing to decline of the targeted geography.''

2. Section N of the Unified NSP Notice and section N of Appendix I of the NSP2 NOFA are amended by revising paragraph 4 of each to read as follows:

''4. *Transfer of Program Income Before Closeout.* With the exception of a nonprofit NSP grantee, an NSP grantee may transfer un-obligated NSP program income at any time before closeout to its annual CDBG program, or, if it is an UGLG that is also a State CDBG grant recipient with an open grant, to its State CDBG program using a single written request to HUD. In addition, a State grantee may transfer un-obligated NSP program income before closeout to any annual CDBG-funded activities carried out by a UGLG or Indian tribe within the State using a single written request to HUD.

Transferred NSP program income will become CDBG program income upon receipt in the Integrated Disbursement and Information System (IDIS). Prior to carrying out a transfer, the grantee must submit a written request for approval to the local HUD field office to transfer un-obligated NSP funds to CDBG, as prescribed by HUD. Grantees may transfer: (1) The amount of unobligated program income on hand; (2) amounts of any expected un-obligated NSP program income to be received; (3) an unknown amount of future program income from a specific NSP activity or activities; or (4) a combination of the above. The grantee must also provide the grant number and activity number associated with the NSP activity(ies) that generated or will generate the program income and the name(s) of the CDBG program grantee (or UGLG recipient, if appropriate) to which the funds will transfer. The request must include: (a) Proof that the grantee has reconciled its own financial records with the Disaster Recovery Grant Reporting system (DRGR) and (b) an analysis documenting compliance or expected compliance, as established by HUD, with the requirement at subparagraph E.2.e of the Unified NSP Notice, 75 FR 64331, for NSP1 and NSP3 grantees, and subparagraph E.2.e of Appendix I of the NSP2 NOFA for NSP2 grantees, which requires not less than 25 percent of any NSP funds to be used to house individuals or families with incomes at or below 50 percent of area median income (LH25).

HUD will review the request for approval and documentation provided against the records in DRGR to ensure that the grantee is only transferring un-obligated (on-hand) program income or program income expected to be received from identified NSP activities, and that the LH25 requirement has been or will be met.

After HUD approval, if NSP program income funds have already been receipted in DRGR, the grantee must first revise the DRGR submission to subtract the amounts receipted there prior to receipting any transferred amounts in IDIS.

Further, the grantee must print and maintain a record of the transfer(s). Finally, the grantee is to email its local HUD field office notifying it that transfer has been completed and provide the IDIS program income receipt. The transferred NSP program income funds are not considered to be CDBG funds until they have been documented in IDIS.

Upon transfer, all program income must be used and reported on in accordance with CDBG program requirements. In addition, the grantee must note in its current NSP quarterly or annual (if grant has been closed out) performance report the following information:

- HUD approval of the transfer;
- Date of the approval;
- Amount of program income on hand and amount of any expected program income to be received that will be transferred; and
- Activity number that generated or will generate the NSP program income. Any NSP program income that is not transferred and receipted in IDIS will retain its NSP characteristics and requirements in accordance with published notices governing NSP.

3. Section X of the Unified NSP Notice is amended to add the following language at the end of the paragraph:

''Note that NSP I and NSP3 grant funds are subject to 31 U.S.C. 1555, which states, ''An appropriation account available for obligation for an indefinite period shall be closed, and any remaining balance (whether obligated or unobligated) in that account shall be canceled and thereafter shall not be available for obligation or expenditure for any purpose, if (1) the head of the agency concerned or the President determines that the purposes for which the appropriation was made have been carried out; and (2) no disbursement has been made against the appropriation for two consecutive fiscal years.''

4. Under the ''Background'' subheading in section Z of the Unified NSP Notice, the *Program Income* paragraphs are amended to read as follows:

''*Program Income.* NSP program income received at the time of or after closeout may be transferred to an annual CDBG program as provided in section N and transferred funds will become CDBG program income upon receipt in IDIS (such receipt in IDIS will be subsequent to edits to remove receipt of the funds in DRGR, if such receipt was already entered). Upon transfer, CDBG program income will be subject to all CDBG statutory and regulatory requirements for program income.

Any NSP program income not transferred to CDBG shall, subject to the de minimis exception provided for in section Y of the NSP Closeout Notice, continue to be used in accordance with NSP requirements. If annual NSP program income does not exceed $25,000, the funds shall be used for general administrative costs related to ensuring continued affordability of NSP units or added to the grantee's CDBG program income receipts and the CDBG requirements at 24 CFR 570.500(a)(4) shall apply, which may exclude such amounts from the definition of program income. Funds not transferred to CDBG will retain NSP characteristics and be subject to NSP requirements, so the additional flexibility created by the legislation for the creation of financing mechanisms, development of new housing, operation of land banks, and service of families up to 120 percent of Area Median Income (AMI), will remain in place. However, HUD notes that continued acquisition of new land bank property after closeout with NSP program income could undermine the urgency of finding uses for the properties already acquired. Grantees will be required to allocate not less than 25 percent of NSP program income to housing for families with incomes at or below 50 percent of AMI when the amount of annual program income received by a grantee is sufficient to make application of this requirement reasonable. HUD has defined this amount as $250,000 in section Y of the NSP Closeout Notice.

After grant closeout, former NSP grantees that are CDBG entitlements or States will report at least annually as provided for by HUD on the receipt and use of NSP program income, and on the disposition of land-banked properties. These grantees must also include NSP program income in the annual CDBG Action Plan or substantial amendment in accordance with CDBG requirements. All former NSP grantees, including nonprofits and non-entitlement units of general local government receiving funds directly from HUD, must report at least annually in a form acceptable to the Secretary regarding enforcement of any NSP continuing affordability restrictions. Reporting will continue over the course of the minimum period of affordability set forth in HOME program standards at 24 CFR 92.252 (e) and 92.254(a)(4).

Finally, most program income will be received by CDBG entitlement cities and counties, and by states, which have systems and procedures to manage NSP revenues, which are treated in most respects like CDBG revenues. However, NSP2 nonprofit grantees and/or nonprofit consortium members in NSP2 grant consortia that receive revenues generated by NSP projects will not have access to the state and municipal CDBG tracking systems. Further, the CDBG regulations and Office of Management and Budget (OMB) circular implemented at 24 CFR 84.24(e) or 2 CFR 200.307(f), as applicable, do not require that nonprofit grantees continue to treat revenues generated from use of NSP funds and received after grant closeout as federal funds unless HUD regulations or the terms and conditions of the award provide otherwise. Thus, for NSP2 grantees that are not direct formula CDBG grantees (nonprofits and non-entitlement local governments, including those that are part of a consortium), HUD is requiring that revenues generated by projects funded before closeout but received within 5 years after grant closeout must be used for NSP-eligible activities and meet NSP benefit requirements, but no other federal requirements would apply. With the exception of income earned from the sale of NSP-assisted real property or loans, any income earned by such post-closeout use of funds would not be governed by any NSP requirements and would be miscellaneous revenues, although HUD encourages such grantees to apply NSP principles to subsequent uses of the funds.

5. The paragraphs in section Z under the ''Requirements'' subheading, are amended to read as follows:

''*Transfer of Program Income After Closeout.*

1. Program Income. Gross revenues received by NSP grantees after closeout will be governed by the following requirements:

i. After requesting approval from the local HUD field office in writing, as set forth in paragraph N.4, and receiving prior written approval, the grantee may receipt the amounts to IDIS (after first revising any DRGR entries related to the funds) and add them to the grantee's CDBG program income receipts and all relevant CDBG program income requirements shall then apply. HUD will review and approve or deny a transfer consistent with paragraph N.4. Grantees must also provide proof of the program income transfer and submit information in their performance report as set forth in paragraph N.4.

ii. If the amounts are not receipted in IDIS, annual amounts of program income in excess of $25,000 shall be used in accordance with all NSP requirements for eligible NSP properties, uses, and activities, including new construction, financing mechanisms, and management and disposition of land bank property.

b. If annual NSP program income does not exceed $25,000, the funds shall be used for general administrative costs related to ensuring continued affordability of NSP units or added to the grantee's CDBG program income receipts and the CDBG requirements at 24 CFR 570.500(a)(4) shall apply, which may exclude such amounts from the definition of program income.

c. NSP program income may provide benefit to individuals and families with incomes up to 120 percent of AMI as permitted in NSP under section II.E;

d. If a grantee's annual NSP program income exceeds $250,000 (after any transfer of program income to CDBG), 25 percent of the program income shall be used to house individuals or families at or below 50 percent of AMI; in instances in which a grantee's annual NSP program income does not exceed $250,000, the requirements of paragraph II.E.2.e do not apply.

e. NSP2 grantees that are not CDBG entitlement communities or States must use post-closeout revenues generated from NSP-assisted activities that were funded before closeout for NSP purposes. If the grantee does not have another ongoing CDBG grant received directly from HUD at the time of closeout, then in accordance with 24 CFR 570.504(b)(5), income received after closeout from the disposition of real property or from loans outstanding at the time of closeout shall not be governed by NSP or CDBG rules, except that such income shall be used for activities that meet one of the national objectives in 24 CFR 570.208 and the eligibility requirements described in section 105 of the HCD Act. The provisions of 24 CFR 570.504(b)(5) are waived to limit its application to income received within 5 years of grant closeout. Any income received 5 years after grant closeout, as well as program income from funds outlaid after the date of the closeout agreement may be used without restriction. Such grantees are encouraged to use such funds in accordance with the principles above.

f. States may continue to act directly to implement NSP activities post-closeout.

g. HUD will provide direction to grantees by the date of closeout on procedures for reporting and tracking NSP program income revenues. Tracking will continue in DRGR until IDIS enhancements to allow NSP property registry and program income tracking are developed and released.''

Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance numbers for grants made under NSP are as follows: 14.218; 14.225; and 14.228.

Paperwork Reduction Act

HUD has approval from OMB for information collection requirements in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520). OMB approval is under OMB control number 2506–0165, 2506–0185, 2506–0117, and 2506–0193. In accordance with the Paperwork Reduction Act, HUD may not conduct, or sponsor and a person is not required to respond to, a collection of information, unless the collection displays a valid control number.

Environmental Review

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 the hours of 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 Seventh Street SW, Room 10276, Washington, DC 20410. Due to security measures at the HUD Headquarters building, please schedule an appointment to review the FONSI 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 at 800–877–8339 (this is a toll-free number).

Dated: August 30, 2019.

David C. Woll, Jr.,

Principal Deputy Assistant Secretary for Community Planning and Development.

[FR Doc. 2019–19708 Filed 9–11–19; 8:45 am]

BILLING CODE 4210–67–P

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

[Docket No. FWS–R4–ES–2019–0087; FXES11130400000EA–123–FF04EF1000]

Receipt of Incidental Take Permit Application and Proposed Habitat Conservation Plan for the Scrub-Jay, Volusia County, FL; Categorical Exclusion

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Notice of availability; request for comment and information.

SUMMARY: We, the Fish and Wildlife Service (Service), announce receipt of an application from KBC Development (applicant) for an incidental take permit (ITP) under the Endangered Species Act. The applicant requests the ITP to take the federally listed scrub-jay incidental to construction in Volusia County, Florida. We request public comment on the application, which includes the applicant's proposed habitat conservation plan (HCP), and the Service's preliminary determination that this HCP qualifies as ''low-effect,'' categorically excluded, under the National Environmental Policy Act. To make this determination, we used our environmental action statement and low-effect screening form, both of which are also available for public review.

DATES: We must receive your written comments on or before October 15, 2019.

ADDRESSES:

Obtaining Documents: You may obtain copies of the documents online in Docket No. FWS–R4–ES–2019–0087 at *http://www.regulations.gov.*

Submitting Comments: If you wish to submit comments on any of the documents, you may do so in writing by any of the following methods:

- *Online: http://www.regulations.gov.* Follow the instructions for submitting comments on Docket No. FWS–R4–ES–2019–0087.
- *U.S. mail or hand-delivery:* Public Comments Processing, Attn: Docket No. FWS–R4–ES–2019–0087; U.S. Fish and Wildlife Service, MS: JAO/1N, 5275 Leesburg Pike, Falls Church, VA 22041–3803.

FOR FURTHER INFORMATION CONTACT: Erin M. Gawera, by telephone at 904–731–3121 or via email at *erin_gawera@fws.gov.*

SUPPLEMENTARY INFORMATION: We, the Fish and Wildlife Service (Service), announce receipt of an application from KBC Development for an incidental take permit (ITP) under the Endangered