Relief (ER). We include an estimate of the local cost share from this program. To calculate this estimate, we only include 20% of non-quick release Sandy ER project estimates as of July 2013.

3. DOT, Federal Transit Administration (FTA) Transit Emergency Relief (ER). We include the 10% local cost share for these transit projects. Note, since much of the New York City transit damage is owned by a state organization, the Metropolitan Transportation Authority, New York State receives the vast majority of need from this grant. Also note that the State of New Jersey receives 66% of the local match requirement from the Port Authority's match requirement; New York State receives 34% of the Authority's match requirement.

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. This is adjusted upward by the proportion of applications that were received for a disaster that content and real property loss were not calculated 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.
- Because applications denied for poor credit or income are the most likely measure of needs requiring the type of assistance available with CDBG–DR funds, the calculated unmet business needs for each state are adjusted upwards by the proportion of total applications that were denied at the pre-process stage because of poor credit or inability to show repayment ability. 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 $30,000 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
- To obtain unmet business needs, the amount for approved SBA loans is subtracted out of the total estimated damage *Resiliency Needs.*

CDBG Disaster Recovery Funds are often used to not only support rebuilding to pre-storm conditions, but also to build back much stronger. For Sandy, HUD has required that grantees use their funds in a way that results in rebuilding back stronger so that future storms do less damage and recovery can happen faster. To calculate these resiliency costs, HUD multiplied it estimates of total repair costs for seriously damaged homes, small businesses, and infrastructure by 30 percent. Total repair costs are the repair costs including costs covered by insurance, SBA, FEMA, and other federal agencies. The resiliency estimate at 30 percent of damage is intended to reflect some of the unmet needs associated with building to higher standards such as elevating homes, voluntary buyouts, hardening, and other costs in excess of normal repair costs. Data on damage to public housing for purpose of calculating resiliency need was based on damage estimates from both FEMA and HUD's Office of Public and Indian Housing.

[FR Doc. 2013–27506 Filed 11–15–13; 8:45 am]

BILLING CODE 4210–67–P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–5738–N–01]

Statutorily Mandated Designation of Difficult Development Areas for 2014

AGENCY: Office of the Secretary, HUD.

ACTION: Notice.

SUMMARY: This notice 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). The United States Department of Housing and Urban Development (HUD) makes new DDA designations annually. In addition to announcing the 2014 DDA designations, this notice announces a change in the designation methodology for metropolitan DDAs, beginning with the 2016 designations. The revised methodology will use Small Area Fair Market Rents (SAFMRs), rather than metropolitan-area Fair Market Rents (FMRs), for designating metropolitan DDAs and was originally described in a notice published in the **Federal Register** on Thursday, October 27, 2011.

The designations of ''Qualified Census Tracts'' (QCTs) under IRC Section 42, published on April 20, 2012, remain in effect.

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, U.S. Department of Housing and Urban Development, at 451 Seventh Street SW., Room 8234, Washington, DC 20410–6000; telephone number 202–402–5878 or email address *Michael.K.Hollar@hud.gov.* For specific legal questions pertaining to Section 42, contact Branch 5, Office of the Associate Chief Counsel, Passthroughs 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, U.S. Small Business Administration, at 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 202–708–8339. (The previous are not toll-free telephone numbers.) Additional copies of this notice are available through HUD User at 800–245–2691 (this is a toll-free number) for a small fee to cover duplication and mailing costs.

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

SUPPLEMENTARY INFORMATION: 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 in this notice are based on final Fiscal Year (FY) 2013 Fair Market Rents (FMRs), FY2013 income limits, and 2010 Census population counts.

This notice also announces the adoption of a revised methodology, beginning with the 2016 metropolitan DDA designations, which will be the first to rely on the use of Small Area FMRs, estimated at the ZIP-code level and 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. This revised methodology was first described in a **Federal Register** notice published on October 27, 2011 (76 FR 66741), entitled ''Statutorily Mandated Designation of Difficult Development Areas and Qualified Census Tracts for 2012.''

2010 Census, 2000 Census, and Metropolitan Area Definitions

Data from the 2010 Census on total population of metropolitan areas and nonmetropolitan areas are used in the designation of DDAs. 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. 10–02 on December 1, 2009. FY2013 FMRs and FY2013 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 (26 U.S.C. 42), 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, nor does it purport to bind HUD, since HUD has authority to interpret or administer the IRC only in instances where it receives explicit statutory delegation.

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 buildings 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. A unit is ''rent-restricted'' if the gross rent, including an allowance for tenant-paid utilities, does not exceed 30 percent of the imputed income limitation (i.e., 50 percent or 60 percent of AMGI) applicable to that unit. 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 (1) 70 percent of the ''qualified basis'' for new construction or substantial rehabilitation expenditures that are not federally subsidized (as defined in IRC Section 42(i)(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 an area designated by the Secretary of HUD 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(d)(5)(B)(v) 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. 2014 Difficult Development Areas

In developing the list of DDAs, HUD compared housing costs with incomes. HUD used the 2010 Census population for metropolitan and nonmetropolitan areas, and the MSA definitions, as published in OMB Bulletin No. 10–02 on December 1, 2009, 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 FY2013 HUD income limits for very low-income households (very low-income limits, or VLILs), which are based on 50 percent of AMGI, and metropolitan FMRs based on the Final FY2013 FMRs used for the Housing Choice Voucher (HCV) program.

In formulating the FY2013 FMRs and VLILs, HUD modified the current OMB definitions of MSAs to account for substantial differences in rents among areas within each current 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 AMGIs 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 FY2013 FMR areas and FMRs are available at *http://www.huduser.org/portal/datasets/fmr/fmrs/docsys.html&data=fmr13.* Complete details on HUD's process for determining FY2013 income limits are available at *http://www.huduser.org/portal/datasets/il/il13/index.html.*)

HUD's unit of analysis for designating metropolitan DDAs consists of: Entire MSAs, in cases where these were not broken up into HMFAs for purposes of computing FMRs and VLILs; and HMFAs 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 metropolitan HMFA and each nonmetropolitan county, HUD calculated a ratio. HUD used the final FY2013 two-bedroom FMR and the FY2013 four-person VLIL for this calculation.

a. The numerator of the ratio, representing the development cost of housing, was the area's final FY2013 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 an FMR based on the 50th-percentile rent for purposes of improving the administration of HUD's HCV program (see 76 FR 52058), HUD used the 40th-percentile rent 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 Census Bureau population of all metropolitan areas and all nonmetropolitan areas.

B. Application of Population Caps to DDA Determinations

In identifying DDAs, HUD applied caps, or limitations, as noted above. The cumulative population of metropolitan DDAs cannot exceed 20 percent of the cumulative population of all metropolitan areas. The cumulative population of nonmetropolitan DDAs cannot exceed 20 percent of the cumulative population of all nonmetropolitan areas.

In applying these 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 U.S. Census Bureau 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 10–02, defining metropolitan areas:

> ''OMB establishes and maintains the definitions of Metropolitan . . . Statistical Areas, . . . solely for statistical purposes. . . . OMB does not take into account or attempt to anticipate any nonstatistical uses that may be made of the definitions[.] In cases where . . . an 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 that 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 FY2013 FMRs and income limits 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 FMR and income limit estimation procedure is the CBSA Metropolitan Areas (referred to as Metropolitan Statistical Areas or MSAs) and CBSA Non-Metropolitan Counties (nonmetropolitan counties include the county components of Micropolitan CBSAs where the counties are generally assigned separate FMRs). The HUD-modified CBSA definitions allow for subarea FMRs within MSAs based on the boundaries of ''Old FMR Areas'' (OFAs) within the boundaries of new MSAs. (OFAs are the FMR areas defined for the FY2005 FMRs. Collectively, they include the June 30, 1999, OMB definitions of MSAs and Primary MSAs (old definition MSAs/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 and Income Limits when the subarea 2000 Census Base FMR differs significantly from the MSA 2000 Census base FMR (or, in some cases, where 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 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), HMFAs are defined according to county subdivisions or minor civil divisions (MCDs), rather than county boundaries. However, since no part of an HMFA is outside an OMB-defined, county-based MSA, all New England nonmetropolitan counties are kept intact for purposes of designating nonmetropolitan DDAs.

For the convenience of readers of this notice, the geographical definitions of designated metropolitan DDAs are included in the list of DDAs.

Future Designations

HUD will designate metropolitan DDAs according to current policy for 2015. Beginning with the 2016 metropolitan area designations, HUD will use SAFMRs defined at the ZIP Code level within metropolitan areas as the measure of ''construction, land, and utility costs relative to area median gross income'' rather than FMRs established for HMFAs. 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 is available at *http://www.huduser.org/portal/datasets/fmr/fmr2013f/FY13_SAFMR_Notice.pdf.*

HUD's unit of analysis for designating metropolitan ZIP Code level small DDAs (SDDAs) will consist of Census-defined 5-digit ZIP Code Tabulation Areas (ZCTAs) that closely correspond to U.S. Postal Service-established 5-digit ZIP codes. In cases where ZCTAs span metropolitan area boundaries, the ZCTA will be separated into two areas in order to calculate the SAFMR. Similarly, ZCTAs located on the boundary of a metropolitan and nonmetropolitan area will be split since nonmetropolitan DDAs will be designated separately at the full county level. As in current DDA policy, nonmetropolitan counties would not be broken along ZCTA or any other lines under the SDDA policy. ZCTAs that span more than one metropolitan CBSA would have different FMRs in each CBSA as they do under current metropolitan FMR policy, so that the part of a ZCTA in one metropolitan area may be a DDA while the other part of a ZCTA in another metropolitan area (or nonmetropolitan county) is not. Nonmetropolitan DDAs will continue to be designated by nonmetropolitan county or county equivalent area.

HUD is providing, for reference purposes only, the list of ZIP codes that would qualify as SDDAs in 2014 if this methodology were in place.[1] The hypothetical 2014 SDDAs rely on FY2013 SAFMRs that are based on the FY2013 metropolitan FMRs and 2006–2010 American Community Survey (ACS) ZIP code median rent data to estimate the intrametropolitan rent relationships among ZCTAs. HUD will update the hypothetical SDDAs in 2015 to account for changes in metropolitan-level FMRs and VLILs, and will update the metropolitan VLILs and the metropolitan component of the SAFMRs for purposes of designating SDDAs for 2016. The 2017 SDDAs will remain unchanged from the 2016 SDDAs. For 2018, SDDAs will be redesignated using updated rent relationships from the 2011–2015 ACS and to incorporate updated metropolitan area definitions. Thereafter, HUD will redesignate SDDAs every 5 years, as established for QCT designation.

The procedure used in making 2014 hypothetical SDDA calculations follows:

1. For each metropolitan ZCTA, a ratio was calculated using the final FY2013 two-bedroom SAFMR and the FY2013 four-person VLIL.[2]

a. The numerator of the ratio, representing the development cost of housing, was the area's final FY2013 SAFMR. In general, the SAFMR 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), SAFMRs are calculated based on the 40th percentile rents because ZCTAs are too small to meet the regulatory requirements for 50th percentile FMR status.

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 SAFMR to the LIHTC income-based rent limit were arrayed in descending order.

3. The hypothetical SDDAs are those with the highest ratios cumulative to 20 percent of the 2010 population of all metropolitan ZCTAs.

Effective Date

The 2014 lists of DDAs are effective:

(1) for allocations of credit after December 31, 2013; 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, 2013.

If an area is not on a subsequent list of DDAs, the 2014 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.

An application is deemed to be submitted on the date it is filed if the application is determined to be complete by the credit-allocating or bond-issuing agency. A ''complete application'' means that no more than *de minimis* clarification of the application is required for the agency to make a decision about the allocation of tax credits or issuance of bonds requested in the application.

In the case of a ''multiphase project,'' the DDA or QCT status of the site of the project that applies for all phases of the project is that which applied when the project received its first allocation of LIHTC. For purposes of IRC Section 42(h)(4), the DDA or QCT status of the site of the project that applies for all phases of the project is that which applied when the first of the following occurred: (a) the building(s) in the first phase were placed in service or (b) the bonds were issued.

[1] Hypothetical 2014 SDDAs, illustrating the methodology, are available at *http://qct.huduser.org/.*

[2] Note that the VLIL is measured at the metropolitan level, while the SAFMR is at the ZCTA level.

For purposes of this notice, a ''multiphase project'' is defined as a set of buildings to be constructed or rehabilitated under the rules of the LIHTC and meeting the following criteria:

(1) The multiphase composition of the project (i.e., total number of buildings and phases in the project, with a description of how many buildings are to be built in each phase and when each phase is to be completed, and any other information required by the agency) is 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 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.

Members of the public are hereby reminded that the Secretary of the U.S. Department of Housing and Urban Development, or the Secretary's designee, has legal authority to designate DDAs and QCTs, by publishing lists of geographic entities as defined by, in the case of DDAs, the U.S. Census Bureau, the several states and the governments of the insular areas of the United States and, in the case of QCTs, by the U.S. Census Bureau; and to establish the effective dates of such lists. The Secretary of the U.S. Treasury Department, through the IRS thereof, has sole legal authority to interpret, and to determine and enforce compliance with the IRC and associated regulations, including **Federal Register** notices published by HUD for purposes of designating DDAs and QCTs. Representations made by any other entity as to the content of HUD notices designating DDAs and QCTs that do not precisely match the language published by HUD should not be relied upon by taxpayers in determining what actions are necessary to comply with HUD notices.

The 2013 designations of QCTs under IRC Section 42 published April 20, 2012 (77 FR 23735) remain in effect. The above language regarding 2014 and subsequent designations of DDAs also applies to the designations of QCTs published April 20, 2012, and to subsequent designations of QCTs.

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 2014 DDA that is not a designated DDA in 2015. A complete application for tax credits for Project A is filed with the allocating agency on November 15, 2014. Credits are allocated to Project A on October 30, 2015. Project A is eligible for the increase in basis accorded a project in a 2014 DDA because the application was filed before January 1, 2015 (the assumed effective date for the 2015 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 2014 DDA that is not a designated DDA in 2015 or 2016. A complete application for tax credits for Project B is filed with the allocating agency on December 1, 2014. Credits are allocated to Project B on March 30, 2016. Project B is NOT eligible for the increase in basis accorded a project in a 2014 DDA because, although the application for an allocation of tax credits was filed before January 1, 2015 (the assumed effective date of the 2015 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 2014 DDA that was not a DDA in 2013. Project C was placed in service on November 15, 2013. A complete application for tax-exempt bond financing for Project C is filed with the bond-issuing agency on January 15, 2014. The bonds that will support the permanent financing of Project C are issued on September 30, 2014. Project C is NOT eligible for the increase in basis otherwise accorded a project in a 2014 DDA, because the project was placed in service before January 1, 2014.

(Case D) Project D is located in an area that is a DDA in 2014, but is not a DDA in 2015. A complete application for tax-exempt bond financing for Project D is filed with the bond-issuing agency on October 30, 2014. Bonds are issued for Project D on April 30, 2015, but Project D is not placed in service until January 30, 2016. Project D is eligible for the increase in basis available to projects located in 2014 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, 2015, 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 2014 DDA that is not a designated DDA in 2015. The first phase of Project E received an allocation of credits in 2014, pursuant to an application filed March 15, 2014, which describes the multiphase composition of the project. An application for tax credits for the second phase of Project E is filed with the allocating agency by the same entity on March 15, 2015. 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, 2015. 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 2014 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 2014 DDA that is not a designated DDA in 2015. The first phase of Project F received an allocation of credits in 2014, pursuant to an application filed March 15, 2014, which does not describe 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, 2016. Credits are allocated to the second phase of Project F on October 30, 2016. 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. The second phase of Project F is, therefore, not eligible for the increase in basis accorded a project in a 2014 DDA, since it does not meet all of the conditions for a multiphase project, as defined in this notice. The original application for credits for the first phase did not describe the multiphase composition of the project. Also, the application for credits for the second phase of Project F was not made in the

year immediately following the first phase application year.

Findings and Certifications

Environmental Impact

This notice involves the establishment of fiscal requirements or procedures that are related to rate and cost determinations and do not constitute a development decision affecting the physical condition of specific project areas or building sites. Accordingly, under 40 CFR 1508.4 of the regulations of the Council on Environmental Quality and 24 CFR 50.19(c)(6) of HUD's regulations, this notice is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321).

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 IRC, as amended, for 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 order.

Dated: November 11, 2013.

Shaun Donovan,

Secretary.

[FR Doc. 2013–27505 Filed 11–15–13; 8:45 am]

BILLING CODE 4210–67–P

DEPARTMENT OF THE INTERIOR

Bureau of Safety and Environmental Enforcement

[Docket ID BSEE–2013–0012; OMB Control Number 1014–0022; 134E1700D2 EEEE500000 ET1SF0000.DAQ000]

Information Collection Activities: General; Proposed Collection; Comment Request

ACTION: 60-day Notice.

SUMMARY: To comply with the Paperwork Reduction Act of 1995 (PRA), Bureau of Safety and Environmental Enforcement (BSEE) is inviting comments on a collection of information that we will resubmit to the Office of Management and Budget (OMB) for review and approval. The resubmission of this information collection request (ICR) is necessary to include a form that we developed to clarify and facilitate submission of certain voluntary paperwork requirements in the regulations under Subpart A, General. The new form is BSEE–0011 and entails no additional information collection burden to that already approved by OMB for the Subpart A regulations.

DATES: You must submit comments by January 17, 2014.

ADDRESSES: You may submit comments by either of the following methods listed below.

- Electronically: go to *http://www.regulations.gov.* In the Search box, enter BSEE–2013–0012 then click search. Follow the instructions to submit public comments and view all related materials. We will post all comments.
- *Email cheryl.blundon@bsee.gov.* Mail or hand-carry comments to the Department of the Interior; BSEE; Regulations and Standards Branch; Attention: Cheryl Blundon; 381 Elden Street HE3313; Herndon, Virginia 20170–4817. Please reference ICR 1014–0022 in your comment and include your name and return address.

FOR FURTHER INFORMATION CONTACT: Cheryl Blundon, Regulations and Standards Branch at (703) 787–1607 to request additional information about this ICR.

SUPPLEMENTARY INFORMATION:

Title: 30 CFR 250, Subpart A, General.

OMB Control Number: 1014–0022.

Form(s): BSEE–0011.

Abstract: The Outer Continental Shelf (OCS) Lands Act, as amended (43 U.S.C. 1331 *et seq.* and 43 U.S.C. 1801 *et seq.*), authorizes the Secretary of the Interior to prescribe rules and regulations necessary for the administration of the leasing provisions of the Act related to mineral resources on the OCS. Such rules and regulations will apply to all operations conducted under a lease, right-of-way, or a right-of-use and easement. Operations on the OCS must preserve, protect, and develop oil and natural gas resources in a manner that is consistent with the need to make such resources available to meet the Nation's energy needs as rapidly as possible; to balance orderly energy resource development with protection of human, marine, and coastal environments; to ensure the public a fair and equitable return on the resources of the OCS; and to preserve and maintain free enterprise competition. Section 1332(6) states that ''operations in the [O]uter Continental Shelf should be conducted in a safe manner by well trained personnel using technology, precautions, and other techniques sufficient to prevent or minimize the likelihood of blowouts, loss of well control, fires, spillages, physical obstructions to other users of the waters or subsoil and seabed, or other occurrences which may cause damage to the environment or to property or endanger life or health.''

In addition to the general rulemaking authority of the OCSLA at 43 U.S.C. 1334, section 301(a) of the Federal Oil and Gas Royalty Management Act (FOGRMA), 30 U.S.C. 1751(a), grants authority to the Secretary to prescribe such rules and regulations as are reasonably necessary to carry out FOGRMA's provisions. While the majority of FOGRMA is directed to royalty collection and enforcement, some provisions apply to offshore operations. For example, section 108 of FOGRMA, 30 U.S.C. 1718, grants the Secretary broad authority to inspect lease sites for the purpose of determining whether there is compliance with the mineral leasing laws. Section 109(c)(2) and (d)(1), 30 U.S.C. 1719(c)(2) and (d)(1), impose substantial civil penalties for failure to permit lawful inspections and for knowing or willful preparation or submission of false, inaccurate, or misleading reports, records, or other information. Because the Secretary has delegated some of the authority under FOGRMA to BSEE, 30 U.S.C. 1751 is included as additional authority for these requirements.

These authorities and responsibilities are among those delegated to the Bureau of Safety and Environmental Enforcement (BSEE). The regulations at 30 CFR 250, Subpart A, concern the general regulatory requirements of the oil, gas, and sulphur operations on the OCS. This specific collection pertains to a new form, BSEE–0011, iSEE, Internet-Based Safety and Environmental Enforcement Reporting System, that was created to clarify what information is needed when someone reports an apparent violation. Regulations governing reports and investigations of possible violations are covered under § 250.193 and are for the most part,

(a) Any person may report to BSEE any hazardous or unsafe working condition on any facility engaged in OCS activities, and any possible violation or failure to comply with:

(1) Any provision of the Act,

(2) any provision of a lease, approved plan, or permit issued under the Act,

(3) any provision of any regulation or order issued under the Act, or