

Welcome to the U.S. Department of Housing and Urban Development's presentation titled The Urban County Qualification Process - Requirements, Procedures and Deadlines

Urban counties are a type of entitlement community that has met certain population thresholds to qualify to receive a direct entitlement allocation of CDBG funds.

This presentation will cover how to maintain your Urban County status, stay in compliance, and for newly eligible areas, how to qualify for the first time as an Urban County.

First, let's talk about how to maintain your urban county status. Then, we'll talk about the responsibilities that come with the designation.

Urban counties must submit materials to HUD every three years to requalify as an entitlement.

The process of requalification begins the year before the urban county designation expires.

This is so HUD can determine which counties will qualify before the new federal fiscal year begins. HUD factors this into CDBG allocations.

The basic steps to requalify as an Urban County are: HUD notifies the county it's eligible for requalification; the county determines which communities will and will not participate in the Urban County; the county renews or signs agreements with those that join the urban county. the county submits documentation to HUD for approval, and HUD notifies the county of status.

There are specific dates by which eligible counties must complete each step. Annually HUD releases a CPD Notice with the specific deadline dates an urban county grantee must meet in order to remain compliant. The exact dates change from year to year, but in general, here is what the timeline looks like:

Immediately after HUD notifies the county that they are eligible, the county must inform communities of their rights to be included or excluded by mid-May.

This means contacting split places, metropolitan cities, and participating communities that opt in to the Urban County, and non-participating communities that opt out .

By the end of May, counties that have executed cooperation agreements with communities that do not have an end date must notify them that the agreement automatically will be renewed unless they notify the county in writing that they wish to terminate the agreement.

The third deadline is mid-July.

By then participating communities wishing to withdraw from the urban county must respond to the county, and also to HUD, with their decision.

Also, by this date any new metropolitan cities must decide whether they will stay with the Urban County or accept entitlement status independently.

By mid-July any non-participating communities that would like to participate in the urban county for the remainder of the qualification period must notify the county and HUD.

By late July, the county submits documentation to HUD, including its cooperation agreements with participating communities. Cooperation agreements will be reviewed for sufficiency by local Field Counsel.

Remember to refer to the annual CPD Notice for all specific deadline dates an urban county grantee must meet in order to remain compliant.

Just before the beginning of the federal fiscal year, HUD notifies the county of its status and estimated allocation amount for planning purposes.

Once requalified, the county must submit a consolidated plan and action plan no later than August 16 of the following year.

Now, let's pause for a minute and talk about the documents the county needs to submit to HUD to requalify.

Along with its application for requalification, the county must submit: copies of all notices sent to communities, letters from communities indicating whether they'd like to participate in the urban county or not, copies of cooperation agreements or documentation that the agreement is still in effect, and joint requests for the inclusion of a metropolitan city, if applicable.

Urban Counties must meet certain standards for their cooperation agreements with participating communities. Requirements include: Agreement must be authorized by the county's and community's governing bodies. Legal counsel must determine that the terms and provisions of the agreement are authorized by state and local law and that it provides full legal authority to the county. Agreement must state that it covers the CDBG program and participants in the Urban County may not seek funds under the state CDBG program. Agreement also covers the HOME and ESG programs and participating communities will receive HOME and ESG funds through a formula allocation only through the Urban County. Agreement must specify the qualification period. If the agreement will automatically renew, it must contain provisions that require each party to adopt amendments to meet requirements for future Urban County qualification. Agreement must remain in effect until CDBG, HOME and ESG funds and program income are expended and activities complete. Agreement must state that the county and community cooperate to undertake, or assist in undertaking, community renewal and lower-income housing assistance activities. Agreement must include provisions that the County and community comply with several federal laws as specified in the annual notice. Agreement may not contain a provision for a veto that would obstruct implementation of the Consolidated Plan. Agreement must state that participating communities are subject to the same requirements as subrecipients, and the Agreement must include a provision that communities may not sell, trade or transfer any HUD funds provided through the Urban County. Refer to the annual CPD Notice for additional information.

In addition to the standards above for cooperation agreements, Each qualifying urban county must also have the authority to take on community renewal and lower-income housing assistance activities. This authority is called Essential Powers and covers activities such as acquiring property, rehabilitating housing, disposing of land and condemning property for reuse as affordable housing.

When requalifying as an Urban County, your local HUD Field Office counsel may rely on previous determinations that the county possesses essential powers, unless there is evidence to the contrary. For urban counties that have automatically renewing agreements, a submitted legal opinion from its counsel that the terms and conditions of the agreement continue to be authorized is required.

As part of the requalification process, counties must balance community participation and non-participation and the potential impacts for the county, such as meeting the population threshold and maximizing grant amounts.

Communities can join the county, but none may withdraw until the urban county requalifies for the next three year period. When new communities join the urban county, the county's entitlement grant is adjusted to reflect the addition.

Counties seeking requalification which are also part of a HOME consortium may want to align the HOME and CDBG cycles. To do this HOME consortiums can specify a qualification period of less than three years to align with the CDBG cycle.

Once qualified, the Urban County designation stands for three years, even if there are changes within the county. For example, if a county's population or boundaries change, the qualification stands or if a participating community is eligible to become an entitlement, it must defer that status until the end of the qualification period.

Once designated an urban county, county governments must monitor and oversee the implementation of all participating communities' programs, offer technical assistance, and maintain a direct relationship with HUD.

The County is responsible for preparing the Consolidated Plan and the action plan, as well as meeting the requirements of the Affirmatively Furthering Fair Housing final rule published by HUD on July 16, 2015. Grantees are required to conduct an Assessment of Fair Housing (AFH); however, these AFHs are not due immediately. The due date for an AFH is based on each program participant's Consolidated Plan cycle and some grantees have additional time to prepare the AFH. The County also must determine how to allocate funds among its own programs as well as participating communities.

The County must ensure that participating communities are complying with CDBG and cross-cutting regulations. Yet, direct control of program implementation lies with the participating communities.

For counties considering qualification as an urban county for the first time, there are several opportunities and responsibilities to consider.

One of the benefits of an Urban county designation is that Instead of competing against each other in the State CDBG Program, participating communities can join forces to plan, access funds, and implement CDBG programs for the benefit of the county population as a whole, while maintaining a measure of local autonomy.

By working together, communities can pool staff and financial resources to address issues across jurisdictions and create economies of scale.

Urban counties often support activities that benefit from regional cooperation and an urban county organizing structure, such as economic development, affordable housing development, and infrastructure improvements. Urban counties also support activities that address homelessness, and emergency services such as housing rehabilitation, demolition and code enforcement.

Communities are considered subrecipients to the county. The county and participating communities collaborate on the Consolidated Plan and action plan. Once priorities are identified, activity funds are awarded by formula or competition across the participating communities.

While there are many advantages of being an Urban County Entitlement, remember, there are also responsibilities. We discussed these previously. When considering whether to seek designation, eligible counties must consider both the benefits and the costs.

The composition of your urban county will depend on which communities participate. If your county includes unincorporated areas, these areas are always part of the urban county. However, incorporated areas within the county can decide whether or not they would like to be included in the urban county. If they do, they are called participating communities.

Once you know which communities will participate, you will need to determine whether your urban county will meet the threshold criteria for qualification.

First, your county must meet one of two population scenarios.

Option 1

The population in the communities that opt to participate and the population in the unincorporated areas of the county totals at least 200,000 people.

This total excludes any cities of 50,000 or more within the metropolitan area, known as metropolitan cities.

Option 2 – you must meet all three requirements

- 1) The county's population (excluding metropolitan cities) is at least 200,000;
- 2) There are between 100,000 and 200,000 people living in the communities that opt to participate and the unincorporated areas; and

3) the majority of low and moderate income people in the county, outside of any metropolitan cities, live in the participating communities and unincorporated areas

Whether you qualify under option 1 or option 2, as a county, you must have the authority to undertake community development and housing assistance activities in unincorporated areas and in Communities that lack such authority.

The qualification process and timeline is the same for counties seeking urban county designation for the first time as those seeking requalification.

And first-timers have the same qualification considerations and submission requirements. Urban counties qualifying for the first time must submit an extra copy of all required documents to the HUD Field Office to be forwarded to the Entitlement Communities Division in HUD Headquarters.

Find the Annual CPD Notice with guidelines on how to qualify as an Urban County, and other resources, on the HUD Exchange