

**SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT SUBMISSIONS**  
**Community Development Block Grant Recovery Program**

**A. Justification**

1. On February 17, 2009, President Obama signed into law the “American Recovery and Reinvestment Act of 2009.” Title XII of Division A of the Recovery Act appropriated \$1 billion to carry out the CDBG program under Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301, et seq.) on an expedited basis. These funds will be distributed to grantees that received Community Development Block Grant funding in Fiscal Year (FY) 2008 in accordance with the provisions of 42 U.S.C. 5306. HUD will administer these funds as the Community Development Block Grant Recovery (CDBG-R) program and require a substantial amendment to the grantee’s program year 2008 action plan as a condition of receiving funds. The formulas for the allocation of CDBG-R funds are the same as the formulas used for the annual allocation of CDBG funds to the states, entitlement grantees, and Insular Areas. On February 25, 2009, HUD announced the list of the CDBG-R allocations, and these may be found at <http://www.hud.gov/recovery/cdblock.cfm>.

CDBG-R grantees are required to submit a SF-424 (the formal Application for Federal Assistance), certifications, and their substantial amendments to their program year 2008 action plan that describes the activities that will be carried out using CDBG-R funds. CDBG-R grantees are required to have a citizen participation plan and public comment period. They are also required to report quarterly on their expenditure of CDBG-R funds. CDBG-R grantees shall submit a report to that agency that contains: (1) the total amount of recovery funds received from that agency; (2) the amount of recovery funds received that were expended or obligated to projects or activities; and (3) a detailed list of all projects or activities for which recovery funds were expended or obligated, including the name of the project or activity; a description of the project or activity; an evaluation of the completion status of the project or activity; an estimate of the number of jobs created and the number of jobs retained by the project or activity; and for infrastructure investments made by State and local governments, the purpose, total cost, and rationale of the agency for funding the infrastructure investment with funds made available under the Recovery Act and name of the person to contact at the agency if there are concerns with the infrastructure investment.

2. The Department will use the information to ensure that statutory requirements are met prior to grant agreement, including information regarding distribution and obligation of funds. Respondents are States, metropolitan cities, urban counties, non-entitlement counties in Hawaii, and Insular Areas.

All eligible grantees currently complete a Consolidated Plan and Annual Action Plan (2506-0117). Grantees are required to submit a substantial amendment to the program year 2008 action plan providing information on activities that grantees will carry out with CDBG-R funds. Information is collected with respect to the citizen participation and public comment process that is required as part of the normal Consolidated Plan process.

Eligible grantees have already been notified of the amounts they are eligible to receive via a HUD announcement. The grant amounts are listed online at <http://www.hud.gov/recovery/cdblock.cfm>. Details about the application process and requirements to receive grants will be addressed in the CDBG-R Notice, which is expected to be published on HUD's website on \_\_\_\_\_, 2009 and in the Federal Register. Grantees will be required to report on how the funds were used, within time frames and formats that will be set by OMB and HUD. Details about reporting requirements will be discussed in the Notice and in subsequent HUD guidance documents. Grantees will be required to report to HUD on these requirements 10 days after each calendar quarter, starting on July 10, 2009. Grantees must make the information identified in paragraph 2 of item 1 above publicly available by posting it on a website.

- 3.—The SF-424 and certifications required for the substantial amendment to the consolidated plan will be available electronically; however, grantees will not be able to submit the CDBG-R substantial amendment to HUD electronically. Because of the emergency nature of this funding opportunity, no appropriate electronic system is currently in place to accept applications electronically. In addition, because this is a one-time allocation, it would not be feasible or economically sound to create an electronic system for this program.
4. This is new information that is in response to the American Recovery and Reinvestment Act of 2009. HUD is asking grantees to respond to specific questions regarding how they plan to spend and monitor Recovery Act funds specifically; therefore, no similar information collection exists.
5. Not applicable because no small entities are impacted as State and local governments are not considered small entities.
6. All information collected is necessary for the release of grant funds. If HUD collects less information, the Department will not be able to determine if eligible applicants were meeting statutory requirements in the expenditure of CDBG-R funds.
7. This information is being collected in a manner consistent with the guidelines in 5 CFR 1320.6.
8. HUD will not publish a notice in the *Federal Register* soliciting public comment on this request for approval of the revised information collection. A waiver for this FR was approved by OMB April 13.
9. No payment or gift to respond is allowed.
10. The CDBG-R substantial amendment is a document that must be made available to the public prior to its submission to HUD; therefore, no assurances of confidentiality are offered. Sensitive, individual-level information is not disclosed in this document.

11. The information does not include any question of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.
12. A representative from each of the 1,194 eligible respondents will be required to submit a SF 424, certifications, and a substantial amendment to its program year 2008 action plan on behalf of the State, urban county, metropolitan city, non-entitlement counties in Hawaii or Insular Area. The estimated hour burden is 77,610.

The 1,194 eligible respondents will also be required to report quarterly on their expenditure of CDBG-R funds. The estimated hour burden is 37,014.

According to the Recovery Act, CDBG-R allocations are based on the formula used by the regular CDBG program. Using this formula resulted in a total of 1,194 grantees (metropolitan cities, urban counties, states, non-entitlement counties in Hawaii, and Insular Areas) that are eligible to receive CDBG-R funds.

Applicants are also required to submit an SF-424 and specific certifications to be funded.

Estimates of public burden have been derived through program staff experience, and are shown in the table below:

<b>Submission Documents</b>	<b>Number of Respondents</b>	<b>Responses Per Year</b>	<b>Total Annual Responses</b>	<b>Hrs per Response</b>	<b>Total Hours</b>
Reporting Requirements	1,194	4	4,776	31	148,056
SF-424, substantial amendment, and certifications	1,194	1	1,194	65	77,610
<b>Total</b>	<b>1,194</b>	<b>varies</b>	<b>5,970</b>	<b>96</b>	<b>225,666</b>

Respondents' average annualized cost: \$21 x 225,666= \$4,738,986.

13. There are no additional costs to respondents.
14. Estimates of annualized costs to the Federal government (clerical and professional staff time):  
  
Review each application (\$34.30 per hr. x 1 hr. x 1,194) = \$40,954
15. This is a new collection in response to the American Recovery and Reinvestment Act of 2009.
16. The results of this collection of information will not be published for statistical use.
17. No approval is sought to not display the expiration date for OMB approval of the information collection.

18. No exceptions.