



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

OFFICE OF THE ASSISTANT SECRETARY FOR
COMMUNITY PLANNING AND DEVELOPMENT

MAR 24 2014

Mr. Patrick Fuchs
OMB Desk Officer
Office of Management and Budget
New Executive Office Building
Washington, DC 20503

Dear Mr. Fuchs:

The Department is seeking emergency review of the Paperwork Reduction Act (PRA) requirements contained in Community Planning and Development (CPD) Notice "Closeout Instructions for Community Development Block Grant (CDBG) Programs Grants." The Notice of Paperwork Submission (copy enclosed), proposed for immediate publication, explains the burden of the collection requirements and invites public comments.

In accordance with the Department's requirements, recipients of Community Development Block Grant funds must close out their grants when they have expended all funds from their lines of credit and funded activities met a national objective of the program. This notice provides direction to the CPD Field Offices as well as the grantees on how this closeout process is completed. The five programs covered by the notice are: CDBG grants to Entitlement Communities; CDBG grants to States; CDBG - Recovery (CDBG-R) grants; the Neighborhood Stabilization Program (NSP) grants; and CDBG - Disaster Recovery (CDBG-DR) grants. Two of the programs, NSP and CDBG-DR, face programmatic delays because of lack of these new closeout instructions.

By the end of March 2014, virtually all NSP grantees are statutorily required to meet an expenditure deadline for an amount equal to their initial grant allocation. These deadlines have forced grantees to expend most of their line of credit funds in an expedited manner, thereby creating numerous grantees that are prepared to close out grants, but are unable to do so because of the lack of closeout instructions. Many of these grantees have begun to terminate staff hired to manage NSP grants, because of minimal to no administrative funds remain from the grant to compensate them. These staff departures that occur prior to grant closeout will make the process more time consuming and increase the possibility of errors being made by the grantee during the process. On September 30, 2013, the Department's funding for over 40 NSP term employees expired. These employees worked exclusively overseeing NSP grants and with their departure the Department faces a loss of institutional knowledge and a severe constraint on the resources available to implement close out.

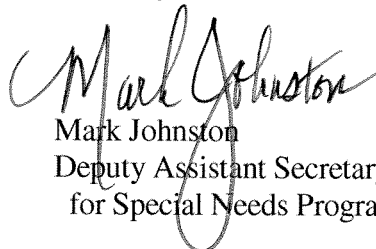
The notice will also clarify and simplify the CDBG-DR grant closeout process. This simplification will allow the Department to close out numerous older disaster recovery grants, freeing up resources to expedite and oversee \$16 billion in CDBG-DR funding appropriated in January 2013 for the Hurricane Sandy recovery.

This emergency processing is requested to ensure the Department is able to close out NSP grants while NSP expertise continues at the grantee level and to expedite close out of older disaster recovery grants to free resources to support Hurricane Sandy recovery. Note that this Notice is a revision of a previously approved collection (OMB Approval No. 2506-0193 (exp 1/31/2015)). Although additional grant programs are referenced in the revision, all programs are actually variations on the Community Development Block Grant program and the instructions have been streamlined since the previous version.

In compliance with the requirements of 5 CFR 1320.13, this letter requests emergency processing within 14 days from the date of the *Federal Register* publication of the Notice of Submission of Proposed Information Collection to OMB.

Thank you for your consideration in this matter.

Sincerely,



Mark Johnston
Deputy Assistant Secretary
for Special Needs Programs

Enclosures