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## 19. Certification for Paperwork Reduction Act Submissions

On behalf of this Federal Agency, I certify that the collection of information encompassed by this request complies with 5 CFR 1320.9.

**Note:** The text of 5 CFR 1320.9, and the related provisions of 5 CFR 1320/8(b)(3). Appear at the end of the instructions. The certification is to be made with reference to those regulatory provisions as set forth in the instructions.

The following is a summary of the topics, regarding the proposed collections of information that the certification covers:

- (a) It is necessary for the proper performance of agency functions;
- (b) It avoids unnecessary duplication;
- (c) It reduces burden on small entities;
- (d) It uses plain, coherent, and unambiguous terminology that is understandable to respondents;
- (e) Its implementation will be consistent and compatible with current reporting and recordkeeping practices;
- (f) It indicates the retention periods for recordkeeping requirements;
- (g) It informs respondents of the information called for under 5 CFR 1320.8(b)(3):
  - (i) Why the information is being collected;
  - (ii) Use of the information;
  - (iii) burden estimate;
  - (iv) Nature of response (voluntary, required for a benefit, or mandatory);
  - (v) Nature and extent of confidentiality; and
  - (vi) Need to display currently valid OMB control number;
- (h) It was developed by an office that has planned and allocated resources for the efficient and effective management and use of the information to collected (see note in item 19 of the instructions);
- (i) It uses effective and efficient statistical survey methodology; and
- (j) It makes appropriate use of information technology.

If you are unable to certify compliance with any of these provisions, identify the item below and explain the reason in item 18 of the Supporting Statement.

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Signature of Program Official:

X

Date:

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Signature of Senior Officer or Designee:

X

Date:

## Supporting Statement for Paperwork Reduction Act Submissions

### A. Justification

#### Introduction

This submission is to request an extension of this currently approved information collection for the reporting burden associated with information that Community Development Block Grant (CDBG) grantees will report in the Integrated Disbursement and Information System (IDIS) for CDBG-assisted activities, recordkeeping requirements, and reporting requirements, which will enable HUD to track program progress. This submission is limited to the reporting burden under the CDBG entitlement program, which is covered by OMB control number 2506-0077.

#### 1. Need for the Information Collection

This request identifies the estimated reporting burden associated with information that CDBG entitlement grantees will report in IDIS for CDBG-assisted activities, recordkeeping requirements, and reporting requirements. Grantees are encouraged to update their accomplishments in IDIS on a quarterly basis. In addition, grantees are required to retain records necessary to document compliance with statutory and regulatory requirements, Executive Orders, applicable OMB Circulars, and determinations required to be made by grantees as a determination of eligibility. Grantees are required to prepare and submit their Consolidated Annual Performance and Evaluation Reports, which demonstrate the progress grantees make in carrying out CDBG-assisted activities listed in their consolidated plans. This report is due to HUD 90 days after the end of the grantee's program year. The information required for any particular activity is generally based on the eligibility of the activity and which of the three national objectives (benefit low- and moderate-income persons; eliminate/prevent slums or blight; or meet an urgent need) the grantee has determined that the activity will address.

The statutory and regulatory provisions that govern the record keeping and reporting requirements for the CDBG entitlement program are:

- 24 CFR 570.506 requires the retention of records necessary to document compliance with statutory and regulatory requirements, Executive Orders, applicable OMB Circulars, and determinations required to be made by grantees as a condition of eligibility.
- 24 CFR 570.507 requires that each grantee submit an annual performance and evaluation report which shall be in accordance with 24 CFR part 91, and 24 CFR 91.520 requires each grantee that has an approved consolidated plan to annually report, in a form prescribed by HUD, on the progress that it has made in carrying out its consolidated plan (which includes activities carried out under the CDBG entitlement program). The report is submitted to HUD within 90 days after the end of the grantee's program year. Entitlement grantees are required by Section 104(e) of the Housing and Community Development Act of 1974, as amended (HCDA), to submit a performance report, which is necessary for the Secretary to perform an annual review of performance, as required by that section of the law, as well as provide information necessary for HUD to report on the results of the use of funds awarded under the CDBG program. Grantees are required to input accomplishment data at least annually to comply with this annual reporting requirement, but they are also strongly encouraged to update data on accomplishments in IDIS on a quarterly basis.

The regulations for the CDBG entitlement program may be found at 24 CFR 570.506. Minimally, CDBG entitlement grantees are required to provide a full description of each activity assisted with CDBG funds; its location (if relevant); amount of CDBG funds budgeted, obligated, and expended for each activity; and the provision under subpart C of the regulations (Eligible Activities, which lists eligible activities, ineligible activities, national objectives, guidelines for selecting economic development projects, and prohibition on use of assistance for employment relocation activities); and the national objective (listed in 24 CFR 570.208) that was met for each activity. Grantees are required to keep records as detailed in 24 CFR 570.506(b), which identify the documentation that must be kept to prove national objective compliance for each activity. Records must also be kept documenting change of use of real property; compliance with acquisition, displacement, relocation and replacement housing, if applicable; fair housing and equal opportunity records; and financial records. These records must be kept for four years in accordance with 24 CFR 570.502(a)(16). Additional information on record retention may be found at 2 CFR 200.333.

#### 2. How the information is or will be used:

This request identifies the estimated reporting burden associated with additional information that CDBG entitlement grantees will report in IDIS for CDBG-assisted activities. The information required for any particular activity is generally based on the eligibility of the activity and which of the three national objectives (benefit low- and moderate-income persons; eliminate/prevent slums or blight; or meet an urgent need) the grantee has determined that the activity will address. Grantees provide information in IDIS that documents the outputs obtained from individual activities, and the performance measurement data will enable HUD to report on the outcomes that result from the use of CDBG funds. In response to a report by HUD's Office of the Inspector General regarding the Integrated Disbursement and Information System, HUD implemented several IDIS system changes in 2012 to ensure that grantees provide more complete and accurate information on cancelled, revised, and long-standing open activities. The additional reporting requirements will not affect all grantees or all activities. HUD estimates that the additional requirements will, on average, add 0.5 hours per year per grantee to the existing reporting burden. IDIS and performance reports are used by HUD to monitor grantee performance and to report to Congress and others on the CDBG program.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical or other technological collection techniques, or other forms of information technology.

IDIS is an electronic system that grantees use to report information to HUD on their use of CDBG funds, and to prepare and submit requests for drawdowns of funds from their lines of credit. Grantees can input information about their CDBG-assisted activities, including accomplishments, into IDIS on an on-going basis throughout their program year. The use of IDIS eliminates duplication of information and reduces inconsistent reporting. Grantees can generate reports from IDIS to more readily inform constituents of how CDBG funds are used, and HUD can easily access the information in IDIS for management and oversight purposes. IDIS is the only electronic method by which records are kept. However, 2 CFR 200.335 prescribes other methods of recordkeeping. Paper records are kept for documentation purposes for when grantees are monitored by HUD for CDBG program compliance.

4. Describe efforts to identify duplication. No duplication of effort is caused by this information collection request.
5. Impact on small businesses or other small entities.

Small entities include "a small organization that is any not-for-profit enterprise that is independently owned and operated and is not dominant in its field" and "a small government jurisdiction which is a government of a city, county, town, township, school district, or special district with a population of less than 50,000." Most CDBG entitlement grantees are metropolitan cities with a population of 50,000 or more. However, the HCDA also makes eligible, as CDBG entitlement grantees, principal cities (replacing central cities) of metropolitan areas, as defined by the Office of Management and Budget (OMB); a principal city does not have to meet the 50,000 - population threshold. Therefore, when a city is identified as a principal city by OMB, it becomes eligible to become a CDBG entitlement grantee. There are currently 273 CDBG entitlement grantees with populations of less than 50,000. When a community elects to take its status as an entitlement grantee and receive an annual allocation of CDBG funds, it is required to comply with the reporting and recordkeeping requirements of the program. As previously described, grantees must also use IDIS to report on their use of CDBG funds and to request drawdowns of funds from their lines of credit. HUD provides new grantees with access to IDIS, and grantees are allowed to use 20 percent of each grant for the costs of administering their CDBG program.

Many CDBG entitlement grantees provide assistance to non-profit organizations to carry out eligible activities. Those non-profit organizations are required to provide the grantee with the information the grantee needs to document the compliance of the activity with program requirements and to allow the grantee to report the use of funds in IDIS. Information on required reporting and recordkeeping is identified in the written subrecipient agreement executed between the grantee and the non-profit.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently.

If no records are collected on this aspect of the program, program performance/regulatory compliance will not be able to be determined. Title I precludes a less frequent information collection. More importantly, the information being collected is the minimum necessary to implement the statute and achieve its stated purposes and objective.

Entitlement grantees are required by Section 104(e) of the HCDA to submit a performance report, which is necessary for the Secretary to perform an annual review of performance required by that section of the law, as well as providing the information to Congress, upon request.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner (eight items listed that would impose additional workload burden on recipients).

There are no special circumstances that would cause this information collection to be conducted in a manner that would impose one or more of the additional requirements identified under this item.

8. HUD published a notice describing the Paperwork Reduction Act Submission in the Federal Register on February 9, 2015, for 60 days, and no comments were received.
9. Explain any decision to provide any payment or gift to respondents and the basis for the assurance in statute, regulation, or agency policy.  
Not applicable. No payment or gifts are provided to any respondents for any information.
10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.  
24 CFR 570.508 of the CDBG regulations states that grantees shall provide citizens with reasonable access to records regarding the past use of CDBG funds, consistent with applicable State and local laws regarding privacy and obligations of confidentiality.
11. Provide additional justification for any questions of a sensitive nature.  
Not applicable. The information collection request does not include any sensitive questions.
12. Provide estimates of the hour burden of the collection of information.

| Task   | No. of Respondents | Frequency | Total Responses | Hrs. per Response | Annual Burden per Respondent | Total Hrs      |
|--|--------------------|-----------|-----------------|-------------------|------------------------------|----------------|
| <b>Current Inventory*:</b>   |                    |           |                 |                   |                              |                |
| Recordkeeping pursuant to 24 CFR 570.506   | 1,167              | 1         | 1,167           | 129.2             | 129.2                        | 150,776        |
| Reporting pursuant to 24 CFR 570.507   | 1,167              | 4         | 4,668           | 78.50             | 312                          | 366,438        |
| 24 CFR 570.200 (e) and 570.506(c)<br>Entitlement communities maintain required documentation | 1,167              | 1         | 1,167           | 25                | 25                           | 29,175         |
| <b>Total</b>   | <b>1,167</b>       |           | <b>7,002</b>    |                   |                              | <b>546,389</b> |

13. No other costs than stated in #12 above.
14. Estimates of annualized cost to the Federal Government.  
(42 hours on average, to review each annual report)  
 $1167 \times 42 \text{ hours} \times \$36.60 \text{ (per hour)} = \$1,793,912.40.$

\*GS 12, step 1 (2015 OMB tables)

15. The requested collection for the CDBG entitlement program collection was increased to 546,389 in 2015 to account for the hours associated with the performance measurement system. The number of responses was increased because of the increase in the number of CDBG entitlement grantees. On or around July 1 of every year, the Census Bureau issues updated population estimates. Cities, towns, and villages that are identified by Census as having a population of 50,000 or more are considered potential new entitlement communities. An average of ten potentially new entitlement communities, in addition to potential new entitlement communities that were identified in previous years, are

identified. These communities are given the option of accepting or deferring entitlement status. Not all communities accept entitlement status, so they remain on the list of potentially new entitlements.

16. The information collected is not to statistical use not does its collection use statistical methods, however, the information is provided to Congress, upon request.

17. HUD is not seeking approval to not display the expiration date for OMB approval of the information collection.

18. There are no exceptions to the signed certification.