

Supporting Statement for Paperwork Reduction Act Submissions

A. Justification

1. Why is the information necessary?

Identify the legal or administrative requirements that necessitate the collection.

Attach a copy of the appropriate section of each statute and regulation mandating/authorizing the collection of information.

Submission of the Consolidated Plan is required for grantees who receive one or more of four formula grant programs administered by the Department of Housing and Urban Development's Office of Community Planning and Development (CPD): Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Shelter Grants (ESG),¹ and Housing Opportunities for Persons with AIDS (HOPWA). The requirement that grantees submit this information is in compliance with statutory provisions of the Cranston Gonzalez National Affordable Housing Act of 1990 that requires participating jurisdictions to submit a Comprehensive Housing Affordability Strategy (Section 105 (b)); the 1974 Housing and Community Development Act, as amended, that requires states and localities to submit a Community Development Plan (Section 104 (b)(4) and Section 104 (m)); and statutory provisions of these Acts that requires states and localities to submit applications and reports for these formula grant programs.

HUD is revising components of the Integrated Disbursement and Information System (IDIS) to be in accordance with federal financial standards and Annual Appropriation Acts for the CDBG program. The revisions will affect the portion of the system used to demonstrate compliance with the 1974 Housing and Community Development Act, as amended, specifically the obligation and expenditure of CDBG grant funds. Obligations and expenditures of CDBG grant funds will be modified to be grant-specific, rather than cumulative.

2. What information is to be collected?

From whom?

How is it collected?

How will the information be used; for what purpose and by whom.

How has it been used in the past?

The Department and CPD grantees are the primary users of this information. This information is now submitted electronically through the Integrated Disbursement and Information System (IDIS), the Office of Community Planning and Development's grants management system. The purpose of the Consolidated Plan is to provide HUD with preliminary assessment as to the statutory and regulatory eligibility of proposed grantee projects, for informing citizens of intended uses of program funds, and for tracking progress

¹ The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act) (P.L. 111-22) renamed ESG as "Emergency Solutions Grants." The Department is currently working on a proposed rule to revise the ESG regulations. The program and the name will remain the same until the final rule is published.

against the goals. The purpose of the IDIS revisions for grant-specific accounting, are to be in compliance with federal financial standards and Annual Appropriation Acts.

3. Is the information submitted electronically? If not, why?

Will it ultimately be managed in an automated system? Identify the system.

Describe whether, and to what extent, the collection of information is automated (item 13b1 of OMB form 83-i).

Under the Government Paperwork Elimination Act (GPEA), the public must be provided with the option of responding electronically. If that is not feasible, explain why. This must be addressed.

The Department has determined that the use of improved IT systems - through upgrades to the Integrated Disbursement and Information System (IDIS), the Office of Community Planning and Development's grants management system - are being used to allow for electronic submission of this information. Ninety-nine percent of the reporting and record keeping requirements will be accomplished online. Forms requiring a wet signature will continue to be submitted through the mail as a paper document. The Department does not have the authorization to accept electronic signatures at this time. These forms include the SF-424, and certifications required by regulations and statutes for the Consolidated Plan and each of the four formula block grant programs.

4. Is this information collected elsewhere? Review current information collection packages for potential consolidation.

The Department has not identified other information collections that meet the statutory requirements for Consolidated Plan submission or grant-specific accounting. However, where information in the Consolidated Plan has been required by other offices within the Department, grantees will be provided with that information. For example, tables in the submission template for the Consolidated Plan pre-populate with data that has been provided on public housing (by Public Housing Agencies) and homeless programs (by Continuums of Care).

5. Does the collection of information impact small businesses or other small entities (item 5 of OMB form 83-i)? Describe any methods used to minimize burden.

The information required is collected from State and local governments. Therefore it does not have any impact on small businesses or other small entities.

6. Why can't the information be collected less frequently - or not at all?

Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

The requirement that grantees receiving CDBG, HOME, ESG and/or HOPWA submit a Consolidated Plan every 3-5 years (timing is at the grantee's discretion) and an Annual Action Plan every year is statutory and regulatory. The Cranston Gonzalez National Affordable Housing Act of 1990 and the 1974 Housing and Community Development Act, as amended, are legal obstacles to reducing this information collection or making the collection less frequent. In addition, the submission of the Consolidated Plan is vital to the Department in determining the preliminary eligibility of grantee's proposed projects for each program year.

The revisions necessary for grant-specific accounting must be transaction-based in order to associate each obligation or expenditure of funding with a specific grant and therefore comply with federal financial standards.

7. Explain any special circumstances requiring:
 - requiring respondents to report Con Plan information to the agency more often than quarterly;
 - requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
 - requiring respondents to submit more than an original and two copies of any document;
 - requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;
 - in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;
 - requiring the use of a statistical data classification that has not been reviewed and approved by OMB;
 - that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or,
 - requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

This collection is conducted in a manner consistent with guidelines at 5 CFR 1320.5(d)(2).

8. Date and page number of the *Federal Register* notice (provide a copy) soliciting comments and public input Summarize any public comments and describe response to comments. Describe all efforts to consult with persons outside the agency to obtain their input.

A Federal Register Notice was published on March 9, 2015, page 12519; vol. 80. HUD conducted extensive outreach to grantees regarding the automated enhancements to the Consolidated Plan. HUD staff have demonstrated improvements and sought feedback at grantee stakeholder conferences and nationwide webinars.

A comment was received on May 8, 2015 from the City of New York Department of City Planning requesting additional modifications to the system to reduce burden hours. The requests were as follows: to clarify why consolidated and/or action plans cannot be submitted in advance of the release of the federal fiscal year allocations for the formula programs; to request the performance report regulations at 24 CFR 91.520(h) be revised to include a forty-five day review and approval time period consistent with the review period of the consolidated plan/action plan; and, to request allowing the option of forgoing the generation of the C04PR07 report and C04PR08 report.

9. Explain any payments or gifts to respondents, other than remuneration of contractors or grantees.

There is no offer of monetary or material value to the respondents of this information collection (localities and state grantees).

10. Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation or agency policy.

The Department does not make assurances of confidentiality pertaining to this information collection.

11. Justify any questions of a sensitive nature, such as sexual, religious beliefs, and other matters that are commonly considered private

There are no questions contained in this information collection regarding sensitive or private subjects.

12. Estimate public burden:
 - number of respondents,
 - frequency of response (*if a respondent provides multiple documents at one time, consider that a single response*),
 - average total responses annually
 - average annual hour burden.

Read the complete instructions on the form 83i. **Explain how the burden was estimated.** Generally estimates should not include burden hours for customary and usual business practices;

- if this collection uses more than one form, provide **separate estimates for each form** and aggregate the hour burdens in item 13 of OMB Form 83i; and
- provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories.
- The cost of contracting out or paying outside parties for information collection activities should **not be included here**. Instead this cost should be included in Item 13.

Task	Number of Respondents	Frequency of Response	Total U.S. Burden Hours
Consolidated Plan			
<i>Localities</i>			
• Strategic Plan Development	1,205	1	185,570
• Action Plan Development	1,205	1	67,480
<i>States</i>			
• Strategic Plan Development	50	1	21,150
• Action Plan Development	50	1	9,400
Performance Report			
<i>Localities</i>	1,205	1	97,605
<i>States</i>	50	1	6,300
*Abbreviated Strategy (ConPlan)	100		8,200
Grant-Specific Accounting			
• State CDBG	50	38	32
• Entitlement CDBG	1,205	9	236
Total	1255**		395,973

*Abbreviated strategy is an abbreviated plan submitted by a local jurisdiction that does not receive direct CDBG or HOME funding. An abbreviated strategy must contain sufficient information about the needs, resources, and planned activities to address the type and amount of assistance anticipated to be funded by HUD. (See 24 CFR 91.235)

** Total number of respondents = sum of localities (1,205) and states (50).

A complete Consolidated Plan that contains a Strategic Plan and Annual Action Plan is submitted once every 3-5 years. An Annual Action Plan is submitted once a year. The total number of respondents is 1,255. These include 1,205 local governments, 13 HOME Consortia, 7 Insular Areas and 50 states that receive direct CDBG or HOME funding and are required to submit a complete Consolidated Plan, Annual Action Plan, and Annual Performance Report. Approximately 100 jurisdictions that do not receive direct CDBG or HOME funding submit an abbreviated strategy that is appropriate to the type and amount of assistance sought from HUD. For State CDBG grantees, the regulations at 24 CFR part 91 are clarified to reiterate that the method of distribution description should include locally-held revolving loan funds. The State CDBG grantees already have this data, but consolidating and formatting for inclusion in the action plan would take an average of 1 hour for each of the 50 grantees (50 hours).

Consolidated Plan Respondent Cost Per Site:

Localities

- Strategic Plan (\$34* per hr x 154 hrs) = \$5,236
- Annual Action Plan (\$34 per hr x 56 hrs) = \$1,904

States

- Strategic Plan (\$34 per hr x 423 hrs) = \$14,382
- Annual Action Plan (\$34 x 188 hrs) = \$ 6,392

Annual Performance Report Cost Per Site:

Localities (\$34 per hr x 81 hrs) = \$2,754

States (\$34 per hr x 126 hrs) = \$4,284

*Estimates assume a blended hourly rate that is equivalent to a GS-12, Step 5, Federal Government Employee.

Compliance with grant-accounting revisions to IDIS will involve the selection of a specific grant for obligations and expenditures. In the State CDBG program, obligations were already required to be made in a grant-specific manner; however, grant-specific expenditures will involve an additional minute for the 1,875 activities in the entire State program (50 grantees) annually that have more than one grant obligated to them, thus necessitating a selection. Resulting in 38 responses per grantee, Totaling 32 hours, or 0.64 hours per grantee annually.

In the entire Entitlement CDBG Program, there are approximately 4,415 activities annually being entered without a grant-specific obligation, which would take an additional 15 seconds per transaction. Subsequently, there are approximately 6,792 activities annually that have more than one grant obligated to them and would require an additional 1 minute to determine the appropriate grant for voucher creation. Resulting in 9 responses per grantee. Totaling 236 hours, or 0.20 hours per grantee annually

Grant-specific accounting cost per grantee:

- State CDBG: (\$34 per hr x 0.64 hrs) = \$22
- Entitlement CDBG: (\$34 per hr x 0.20 hrs) = \$7

The total number of burden hours is 395,973. The above calculations are estimates of annual costs to respondents for the preparation of a complete Consolidated Plan, Annual Action plan and Annual Performance Report.

Task	Number of Respondents	Burden Hours	Total U.S. Burden Hours
Consolidated Plan			
<i>Localities</i>			
• Strategic Plan Development	1,205	154	185,570
• Action Plan Development	1,205	56	67,480
<i>States</i>			
• Strategic Plan Development	50	423	21,150
• Action Plan Development	50	188	9,400
Performance Report			
<i>Localities</i>	1,205	81	97,605
<i>States</i>	50	126	6,300
*Abbreviated Strategy (ConPlan)	100	82	8,200
Grant-Specific Accounting			
• State CDBG	50	.64	32
• Entitlement CDBG	1,205	.20	236
Total	1255**		395,973

Burden Hours per Response:

- Consolidated Plan & Performance Reports: 1,028 burden hours per response = 154 hours of locality consolidated plan response +56 hours locality annual action plan response +423 hours of state strategic plan response +188 hours of state annual action plan response +81 hours of locality annual performance report response +126 hours of state annual performance report response
- Grant Specific Accounting: .84 burden hours per response = .64 hours +.20 hours

13. Estimate of the average, annual cost beyond the cost of hour burden shown in Items 12. Read the complete instructions on the form 83i.

There is no additional cost to respondents or record keepers for collection of this information for the elements: (a) a total capital and start-up cost component (annualized over its expected useful life) and (b) a total operation and maintenance and purchase of services component.

14. Estimate annualized costs to HUD of collecting the information, including processing the information.

Consolidated Plan, Annual Performance Report:

- Number of Responses: 2,610*
- Hours/response: 15
- Cost/hour** : \$34
- Total cost: \$1,331,100

Grant-specific accounting cost per grantee:

- Number of Responses: 2,610*
- Hours/response: .84
- Cost/hour** : \$34
- Total cost: \$74,542

* Total responses = Number of Combined Consolidated Plans and Action Plans for Localities and States (1205+50) + Number of Performance Reports for Localities and States (1205+50) + Number of abbreviated plans (100)

** Estimate assumes a blended hourly rate that is equivalent to a GS-12, Step 5, Federal Government Employee

15. Explain any program changes or adjustments reported in items 13 and 14 of the OMB Form 83i.

Also explain any other changes/revisions to the information collection.

The reported annual reporting and recordkeeping burden have changed due to 1) an increase in the number of grantees receiving HUD funding and 2) the incorporation of

grants based accounting. The number of grantees has increased from 1247 to 1255 for the current program year.

The incorporation of grant based account will have the following impact.

- States: the entry of the grant year, YYYY or “2015”, on the Funding Screen was already required. Selection of “Grant year” field will now be selected on Voucher Screen, estimate an additional 1 minute for activities with funding from multiple grant years, which represent about 20% of all activities
Calculation: 9,377 global number of State CDBG activities annually X 0.20 percent X (1min/60) = **32 additional hours**
- Entitlements: the grant year field was filled in approximately 87% of the cases. It will now be required 100% of the time. This entry would take 15 seconds to select at most. Selection of Grant year field will now be selected on Voucher Screen, estimate an additional 1 minute for activities with funding from multiple grant years, which represent about 20% of all activities
Funding Calculation: 33,962 global number of Entitlement CDBG activities annually X 0.87 percent X (15sec/60min/60) = 123 hours
Voucher Calculation: 33,962 X 0.20 percent * (1min/60) = 113 hours
Total Additional Hours: 123+113= **236 additional hours**

The revisions include systems upgrades to the Integrated Disbursement and Information System (IDIS), the Office of Community Planning and Development’s (CPD) grants management system, which allow for electronic submission of Consolidated Plans, as well as a redesigned submission template. The template revisions simplify Consolidated Plan preparation while providing clear guidance to grantees regarding an acceptable submission that meets statutory and regulatory requirements. The systems upgrades also allow the Department to provide grantees with required Census data for the Consolidated Plan in the format required for submission. This enhancement will result in significant decrease in burden hours for grantees.

Many grantees hire consultants to prepare their Consolidated Plan every 3-5 years. The Department believes that the systems upgrades and changes being made to the submission template will allow grantees to gather the data required for this information collection without the aid of a consultant, thereby decreasing the cost of this information collection to grantees.

16. If the information will be published, outline plans for tabulation and publication.

The results of this information collection will not be published, nor will any complex analytical techniques be used.

17. Explain any request to not display the expiration date.

The Department will display the expiration date for OMB approval of this information collection.

18. Explain each exception to the certification statement identified in item 83i-19.

This includes, specifically, providing the required information to respondents:

- The OMB control number and expiration date;
- Why the information is being collected;
- Use of the information;
- Burden estimate;
- Nature of response (voluntary, required for a benefit, or mandatory);
- Nature and extent of confidentiality; and
- The requirement to display currently valid OMB control number.

Even if no forms are used to collect the information, respondents must be provided this information.

Be prepared to explain how this requirement is met.

The Department does not request an exception to the certification of this information collection.