

Supporting Statement for Paperwork Reduction Act Submissions
Neighborhood Stabilization Program 2 Reporting NSP2
(OMB control #2506-0185)

A. Justification

1. On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act (Recovery Act) of 2009 into law (Public Law 111-5, Section 2, Division A, Title XII of the Recovery Act, entitled "Community Development Fund"). This law provides \$1.93 billion of competitive grant funding for the redevelopment of foreclosed upon and abandoned homes in accordance with Title III of Division B of the Housing and Economic Recovery Act of 2008 (HERA) (Public Law 110-289). HERA provided for an initial round of formula funding to regular State and entitlement Community Development Block Grant (CDBG) grantees through the Neighborhood Stabilization Program 1 (NSP1). The Recovery Act provided for a competition that opened eligibility to non-profit groups and consortia that may include for-profit entities.

The Department of Housing and Urban Development (HUD) will administer these funds as the Neighborhood Stabilization Program 2 (NSP2), and through a separate technical assistance grant program (NSP-TA). Although funds are otherwise to be considered CDBG funds, HERA and ARRA make substantive revisions to the eligibility, use, and method of distribution of NSP2 funds. In NSP1, grantees submitted substantial amendments to their consolidated plans to secure funding they were entitled to under the formula. In NSP2, grant amounts were determined by a competition as described in the NSP2 Notice, and required applications demonstrating threshold eligibility and capability for HUD to make funding decisions.

On February 18, 2009, the Office of Management and Budget (OMB) issued Initial Implementing Guidance for the American Recovery and Reinvestment Act of 2009. This guidance spelled out the reporting requirements for funds allocated under the Recovery Act, including NSP2 funds. Specifically, the guidance requires quarterly reporting on:

- (1) The total amount of recovery funds received from that agency;
- (2) The amount of recovery funds received that were obligated and expended to projects or activities. This reporting will also include unobligated Allotment balances to facilitate reconciliations.
- (3) A detailed list of all projects or activities for which recovery funds were obligated and expended, including --
 - (A) The name of the project or activity;
 - (B) A description of the project or activity;
 - (C) An evaluation of the completion status of the project or activity;
 - (D) An estimate of the number of jobs created and the number of jobs retained by the project or activity; and
 - (E) 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 this Act, and name of the person to contact at the agency if there are concerns with the infrastructure investment.

- (4) Detailed information on any subcontracts or subgrants awarded by the recipient to include the data elements required to comply with the Federal Funding Accountability and Transparency Act of 2006 (P.L. 109-282), allowing aggregate reporting on awards below \$25,000 or to individuals, as prescribed by the Director of OMB.

The applicable section of the Recovery Act (Public Law 111-5, Section 2, Division A, Title XII of the Recovery Act, entitled “Community Development Fund”) is attached to this submission. Additionally, the applicable section of the Housing and Economic Recovery Act of 2008 (Public Law 110-289) is attached. Also attached is the Initial Implementing Guidance for the American Recovery and Reinvestment Act of 2009 issued by OMB on February 18, 2009. These three documents mandate and/or authorize the collection of data in this submission.

2. The respondents are applicants that were awarded NSP2 grants in the NSP2 competition. NSP2 grantees are required to serve areas of greatest need, capacity of the organizations, and the soundness of approach among other factors addressed in the Notice of Funding Availability. NSP2 grantees are required to collect information on the activities undertaken with NSP funds. HUD collects this information from recipients through Disaster Recovery Grant Reporting (DRGR) System. HUD Headquarters will use the information collected through DRGR to track compliance with NSP’s statutory commitment and expenditure requirements and to generate the OMB prescribed quarterly reports. Program management reports are generated by DRGR to provide data on the status of each NSP recipients’ commitment and disbursement of NSP2 funds. For NSP2, HUD will use this data to compile quarterly and annual reports to be posted on www.hud.gov/recovery/. HUD HQ uses DRGR data for program management purposes such as risk analysis, remote monitoring, and to respond to inquiries.
3. DRGR is a computerized, web-based data management system where NSP2 grantees submit their information electronically. DRGR is updated regularly (at least once per year). A description of DRGR updates are located here: <https://www.hudexchange.info/programs/drgr/>. Reporting requirements are expected to be substantively the same. As of July 2009, HUD users are able to use a single sign-on capability by entering the ID and password to log in their workstations.
4. No, the information is not collected elsewhere.
5. The economic impact of this information collection effort should be small. Active NSP2 grantee users are a mixture of state, local, tribal governments and non-profits. Approximately ten NSP technical assistance providers also use DRGR for reporting and draw down of funds.

6. For NSP2, HUD requires grantees to report to HUD only as frequently as Congress requires HUD to report to Congress (House and Senate Appropriations Committees). HUD would be unable to report to Congress on the activity of any grantee not reporting to HUD on a quarterly basis. HUD considered configuring DRGR for less frequent reporting but concluded that the risks of not maintaining up to date program information were too high in regards to program performance and possible fund recapture.
7. Explain any special circumstances requiring:
 - response more than quarterly; N/A
 - response in fewer than 30 days; N/A
 - more than an original and two copies of any document; N/A
 - retain records for more than three years (*other than health, medical, government contract, grant-in-aid, or tax records*); N/A
 - statistical surveys not designed to produce results than can be generalized to the universe of study;
 - statistical data classification not been approved by OMB; N/A
 - a pledge of confidentiality that is not supported by 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 N/A
 - respondents to submit proprietary trade secret, or other confidential information. N/A

There are no special circumstances that require: responses more than quarterly; response in fewer than 30 days; more than an original and two copies of any document; retain records for more than three years; statistical surveys not designed to produce results than can be generalized to the universe of study; statistical data classification not been approved by OMB; a pledge of confidentiality that is not supported by 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 respondents to submit proprietary trade secret, or other confidential information.

8. HUD published a notice describing the Paperwork Reduction Act Submission in the Federal Register on August 27, 2018, for 60 days, vol 83 page 43700.
9. No payment or gift to respondents was provided.
10. This issue does not pertain to the data stored in DRGR. However, access to the system is restricted to ensure that only authorized users are entering information into the system. Grantee users are only allowed to work with their own grant's data. A local grantee system administrator has control over who from the local staff can work on the grantee's data. With the exception of three "superusers" from the HQ program office, HUD staff cannot change local data. They can only view it and submit comments on it. The system records user logins and can track certain changes by the user who made them.

11. There is no additional justification for any questions of a sensitive nature.

12. The following tables demonstrate the estimated paperwork burden for recipients in the reporting processes. The deadline for the expenditure of NSP2 funds equivalent to the original award amount is February 11, 2013. Although, the expenditure deadline has passed grantees continue to work on projects until they are able to meet a national is met. Grantees will have the option of requesting closeout of their grant. Post-closeout, grantees will be required to report annually on affordability restriction certifications, and program income (PI), if more than \$250,000 of PI is generated in a program year. The following three tables show burden hours based on HUD's estimates of grantees requesting and completing closeout, and thus, reflect different burden hours for each of the three fiscal years covered by this collection.

Neighborhood Stabilization Program (Year 1)							
Description of Information Collection	Number of Respondents	Number of Responses	Total Number of Responses	Hours Per Response	Total Hours	Cost Per Response	Total Cost
Online Quarterly Reporting via DRGR	56.00	4.00	224.00	4.00	896.00	36.24	32,471.04
DRGR voucher submissions	56.00	38.00	2,128.00	0.18	383.04	36.24	13,881.37
TOTAL PAPERWORK BURDEN	112.00				1,279.04	36.24	46,352.41
(Year 2)							
Online Quarterly Reporting via DRGR	42.00	4.00	168.00	4.00	672.00	\$36.24	\$24,353.28
Quarterly Voucher Submissions	42.00	38.00	1596.00	0.18	287.28	\$36.24	\$10,411.03
Annual Reporting via DRGR/IDIS	14.00	1.00	14.00	3.00	42.00	\$36.24	\$1,522.08
Annual Income Certification Reporting	14.00	1.00	14.00	3.00	42.00	\$36.24	\$1,522.08
TOTAL PAPERWORK BURDEN	112.00				1,043.28	\$36.24	\$37,808.47
(Year 3)							
Online Quarterly Reporting via DRGR	22.00	4.00	88.00	4.00	352.00	\$36.24	\$12,756.48
Annual Reporting via DRGR/IDIS	34.00	1.00	34.00	4.00	136.00	\$36.24	\$4,928.64
Quarterly Voucher Submissions	22.00	4.00	88.00	0.20	17.60	\$36.24	\$637.82

Annual Income Certification Reporting	34.00	1.00	34.00	3.00	102.00	\$36.24	\$3,696.48
TOTAL PAPERWORK BURDEN	112.00				607.60	\$36.24	\$22,019.42

13. The Disaster Recovery Grant Reporting (DRGR) system does not have any additional costs associated with this collection.

Estimate Hours to Review QPR	2 hours
Annual Reporting/Income Certification Review	1 hour
*Number of Hours Based on three years	967.04
HUD Employee Reviewing QPR (GS 13)	\$36.24
Total Cost for three years	\$35,045.53

*Because the types of reviews being undertaken will change each of the three years covered by this collection, HUD cannot provide an annualized cost. HUD estimated the total cost based on three years.

14. HUD estimates QPR reviews to take 2 hours, and annual reporting/income certification reviews to each take 1 hour. Because the types of reviews being undertaken will change each of the three years covered by this collection, HUD cannot provide an annualized cost. However, the total cost for three years is estimated at \$36,041. This amount is based on 1,056 hours of review at a GS-13 salary of \$36.24/hr.

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Quarterly Voucher Submissions	22.00	4.00	88.00	0.20	15.80	\$36.24	\$574.04
Annual Income Certification Reporting	34.00	1.00	34.00	3.00	102.00	\$36.24	\$3,696.48
TOTAL PAPERWORK BURDEN	112.00				605.80	\$36.24	\$21,955.64

*Because the types of reviews being undertaken will change each of the three years covered by this collection, HUD cannot provide an annualized cost. HUD estimated the total cost based on three years.

15. This is a revision to a currently approved collection.
16. Each quarter HUD prepares reports from the data system that highlights the uses of funds and accomplishments of grantees. A synthesis of these reports is presented to Congress as requested. Reports vary according to request. The purpose of the report is to keep Congress as well as the public informed on how grantees are using NSP funds.
17. The Office of Community Planning and Development is not seeking to not display the expiration date for OMB approval of the information collection.
18. No exceptions are requested.