

**Supporting Statement for Paperwork Reduction Act Submissions
State Community Development Block Grant (CDBG) Program
OMB# 2506-0085**

A. Justification

1. Introduction

- This is a reinstatement with change.
- The Housing and Community Development Act of 1974, as amended (HCDA), requires grant recipients that receive CDBG funding to retain records necessary to document compliance with statutory and regulatory requirements on an on-going basis.

24 CFR 570.490 Record-keeping Requirements provides:

“(a) State records.

(1) The State shall establish and maintain such records as may be necessary to facilitate review and audit by HUD of the State's administration of CDBG funds under §570.493. The content of records maintained by the State shall be as jointly agreed upon by HUD and the States and sufficient to enable HUD to make the determinations described at §570.493. For Fair Housing and Equal Opportunity (FHEO) purposes, and as applicable, such records shall include documentation related to the State's AFH, as described in 24 CFR part 5, subpart A (§5.168). The records shall also permit audit of the States in accordance with 2 CFR 200, subpart F.

(2) The state shall keep records to document its funding decisions reached under the method of distribution described in 24 CFR 91.320(j)(1), including all the criteria used to select applications from local governments for funding and the relative importance of the criteria (if applicable), regardless of the organizational level at which final funding decisions are made, so that they can be reviewed by HUD, the Inspector General, the Government Accountability Office, and citizens pursuant to the requirements of §570.490(c).

(3) Integrated Disbursement and Information System (IDIS). The state shall make entries into IDIS in a form prescribed by HUD to accurately capture the state's accomplishment and funding data, including program income, for each program year. It is recommended that the state enter IDIS data on a quarterly basis and it is required to be entered annually.

(b) Unit of general local government's record. The State shall establish recordkeeping requirements for units of general local government receiving CDBG funds that are sufficient to facilitate reviews and audits of such units of general local government under §§570.492 and 570.493. For FHEO purposes, and as applicable, such records shall include documentation related to the State's AFH as described in 24 CFR part 5, subpart A (§5.168).”

Additional information regarding the content of the records referenced in 24 CFR 570.490(a) (1) is found in *Appendix I Model Record-keeping Requirements* of the [Guide to National Objectives and Eligible Activities for State CDBG Programs](#).

Additional information on the content of reporting in the *Integrated Disbursement and Information System*, see the [IDIS Online for State CDBG Grantees, Training Manual](#).

- Section 104(e)(2) of the HCDA requires HUD to conduct an annual review to determine whether states have distributed funds to units of general local government in a timely manner.

24 CFR 570.494 Timely distribution of funds by states, provides:

“(a) States are encouraged to adopt and achieve a goal of obligating and announcing 95 percent of funds to units of general local government within 12 months of the state signing its grant agreement with HUD.

(b) HUD will review each state to determine if the state has distributed CDBG funds in a timely manner. The state's distribution of CDBG funds is timely if:

(1) All of the state's annual grant (excluding state administration) has been obligated and announced to units of general local government within 15 months of the state signing its grant agreement with HUD; and

(2) Recaptured funds and program income received by the state are expeditiously obligated and announced to units of general local government.

(c) HUD may collect necessary information from states to determine whether CDBG funds have been distributed in a timely manner.”

[CPD Notice 16-08](#) provides further guidance on this requirement.

- Section 916 of the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended, required the states of Arizona, California, New Mexico, and Texas to each set aside a certain amount of CDBG funding to carry out activities designed to meet the needs of the residents of colonias. For each year, HUD is required to establish a percentage (not to exceed 10 percent) that must be set aside for this purpose after consultation with representatives of the interests of the residents of colonias.

HUD Form 40108 will allow HUD to ensure compliance with all of these requirements. The form is being updated in this release with a new format including a new signature block. The list of awards will also now be required to reduce reconciliation errors.

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

- The Integrated Disbursement and Information System (IDIS) is an online system for reporting on the use of CDBG funds pursuant to 24 CFR 570.490(a)(3). 50 State CDBG grantees will submit information through IDIS, this system is used to demonstrate compliance and access Treasury draw requests. The IDIS fields are available in the [attached manual](#).
- HUD Form 40108 is submitted by 50 State CDBG grantees annually to demonstrate compliance with 24 CFR 570.494(b)(1).

- The required colonias consultation, pursuant to Section 916 of the National Affordable Housing Act, occurs annually between HUD, representatives of the four US-Mexico border states, and approximately 50 other representatives of the interests of the residents. A questionnaire is shared to assess needs in the colonias, and then conference calls are arranged. The primary objective is to set the percentage of the set-aside, with a statutory limitation of up to 10 percent.

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, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

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. Ninety percent of the reporting is generated from IDIS, ten percent from hard copy documents. 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.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

No duplication of effort is caused by this information collection request.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I) describe any methods used to minimize burden.

No impact on small businesses or other small entities. CDBG state grantees provide assistance to units of general local government to carry out eligible activities. Those local governments 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

6. 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.

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.

State 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:

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 the listed here:

- requiring respondents to report information to the agency more than quarterly; **Not applicable**
- requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it; **Not applicable**
- requiring respondents to submit more than an original and two copies of any document; **Not applicable**
- requiring respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years; **Not applicable**
- in connection with a statistical survey, that is not designed to produce valid and reliable results than can be generalized to the universe of study; **Not applicable**
- requiring the use of a statistical data classification that has not been reviewed and approved by OMB; **Not applicable**
- 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 **Not Applicable**
- requiring respondents to submit proprietary trade secret, 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. **Not Applicable**

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

- **Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping disclosure, or reporting format (if any) and the data elements to be recorded, disclosed, or reported.**
- **Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years -- even if the collection of information activity is the same as in prior periods. There may be circumstances that preclude consultation in a specific situation. These circumstances should be explained.**

The last placement in the Federal Register occurred December 11, 2020, pages 80135, vol 85 and HUD did not receive comments

9. Explain any decision to provide any payment or gift to respondents, other than re-enumeration of contractors or grantees.

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 assurance in statute, regulation or agency policy.

24 CFR 570.490(c)(2) 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, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

The information collection request does not include any sensitive questions.

12. Provide estimates of the hour burden of the collection of information. The statement should:

- indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices;
- if this request covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I; 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.

Information Collection	Number of Respondents	Frequency of Response	Responses per Annum	Burden Hours Per Response	Annual Burden Hours	Hourly Cost per Response	Annual Cost
• Record-keeping: State	50	1	50	126.00	6,300	\$41.78	\$263,214.00
Local Government <i>24 CFR 570.490</i>	3,500	1	3,500	26.13	91,455	\$41.78	\$3,820,989.90
• Timely Distribution,	50	1	50	2.60	130	\$41.78	\$5,431.40

HUD Form 40108							
• Colonias Consultation Sec. 916 of NAHA	54	1	54	4.00	216	\$41.78	\$9,024.48
TOTAL					98,101		\$4,098,659.78

Description of estimation methodology (Record-keeping):

Because of the differences between CDBG state grantees; their variations in population size and needs; the wide range of funding allocations; and the wide range of activities that may be assisted under the CDBG program, a determination was made to identify the average number of activities per year, per grantee, and use that as the basis for identifying recordkeeping and reporting burdens associated with this data collection. These particular burden hours per response are unchanged from the latest approved revision of 2506-0085 in 2016 (Reference Number 201604-2506-002)

Description of estimation methodology (Timely Distribution):

Filling out the HUD 40108 takes approximately 2.60 hours per submission. The revised form now also requires the signature of an authorized representative and an additional required table of awards made by the state from a particular annual grant. The prior approval of these burden hours in 2011 (Reference Number 201604-2506-002), made an estimate that the hours per response was 1.60, with 50 respondents and 80 annual burden hours. The addition of the signature line and the required table will add another 1.0 hour per response, thus resulting in 2.60 burden hours per response.

Description of estimation methodology (Colonias Consultation):

The required colonias consultation occurs annually between HUD, representatives of the four US-Mexico Border States, and approximately 50 other representatives of the interests of the residents. A questionnaire is shared to gauge efforts in the colonias, and then conference calls are arranged. The primary objective is to set the percentage of the set-aside, with a statutory limitation of up to 10 percent. The conference calls generally last one hour, and the questionnaire can take an average of 3 hours to complete, thus 4 burden hours per response.

13. **Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information (do not include the cost of any hour burden shown in Items 12 and 14).**
 - **The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s) and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities;**
 - **If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10) utilize the 60-day pre-OMB submission public comment process and use existing economic**

or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.

- generally, estimates should not include purchases of equipment or services, or portions thereof made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

98,101 hours multiplied by \$41.78* = \$4,098,659.78 *Pay rate=GS-12, Step 1, 2021, Locality pay area of rest of U.S.

14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

Information Collection	Number of Respondents	Frequency of Response	Responses per Annum	Burden Hours Per Response	Annual Burden Hours	Hourly Cost per Response	Annual Cost
• Record-keeping: <i>24 CFR 570.490</i>	50	1	50	120	6,000	\$49.68	\$298,080
• Timely Distribution, HUD Form 40108 <i>24 CFR 570.494</i>	50	1	50	2	100	\$49.68	\$4,968
• Colonias Consultation <i>Sec. 916 of NAHA</i>	3	1	3	4.00	12	\$49.68	\$596.16
TOTAL					6,112		\$303,644.16

**GS 13, step 1 (2021 OMB tables)

15. Explain the reasons for any program changes or adjustments reported in Items 13 and 14 of the OMB Form 83-I.

This is a reinstatement with change. The pay rate was adjusted to \$41.78 per hour to reflect GS 12 Step 1 new pay rate as of January 2021.

16. For collection of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

The information collected is not for statistical use nor does its collection use statistical methods, however, the information is provided to Congress, upon request.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

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

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

There are no exceptions to the signed certification.

B. Collections of Information Employing Statistical Methods