

Supporting Statement for Paperwork Reduction Act Submissions
(Community Development Block Grant Entitlement Program)
(OMB #2506-0077)

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

Community Development Block Grant (CDBG) entitlement grantees are required to report in the Integrated Disbursement and Information System (IDIS) on accomplishments for CDBG-assisted activities to satisfy recordkeeping and reporting requirements. Grantees are encouraged to update their accomplishments in IDIS on a quarterly basis. Grantees are required to retain records necessary to document compliance with statutory and regulatory requirements, Executive Orders, 24 CFR part 200 requirements, and determinations required to be made by grantees as a determination of eligibility. Among the reports grantees now submit in IDIS is the PR 29 Cash on Hand Quarterly Report. This report is a conversion of the SF-425, Federal Financial Report, that grantees submitted by hard copy, but with the addition of data elements related to local account repayment receipt funds and revolving loan funds that grantees may have under their control. As a new form included in this information collection for the first time, it is also being presented for OMB review and approval and public comment. Grantees are also 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, 24 CFR part 200 requirements, 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. In turn, 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 the Integrated Disbursement and Information System (IDIS) on a quarterly basis.

The recordkeeping regulations for the CDBG entitlement program are 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; 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 identifies the documentation that must be kept to document national objective compliance for each activity. Records must also be kept for 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. Record retention requirements vary depending on the activity. Additional information on record retention may be found at 2 CFR 200.334 as amended at 24 CFR 570.502(a)(7).

2. Indicate how, by whom and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

HUD uses the information provided by CDBG grantees to ensure CDBG-assisted activities are carried out in compliance with all CDBG program requirements. The information required for any CDBG-assisted 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. 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, 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. 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 200.336 prescribes other methods of recordkeeping. Paper records and other electronic machine-readable formats are kept for documentation purposes for when grantees are monitored by HUD for CDBG program compliance.

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.

The information available as described in Item 2 may be modified if necessary.

5. If the collection of information impacts small businesses or other small entities describe any methods used to minimize burden.

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 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 149 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 CDBG 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 consequences 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 of the HCDA 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:
- requiring respondents to report information to the agency more than quarterly; N/A
 - requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it; N/A
 - requiring respondents to submit more than an original and two copies of any document; N/A
 - requiring respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years; N/A
 - 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; N/A
 - requiring the use of a statistical data classification that has not been reviewed and approved by OMB; N/A
 - 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; N/A
 - 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. N/A

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. 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.

HUD published a notice describing the Paperwork Reduction Act Submission in the Federal Register on October 15, 2024, vol 89, page 83039 for 60 days, and, to date, no comments have been received.

HUD Field Offices provide training sessions to their grantees on a variety of topics, including recordkeeping requirements and the importance of using IDIS to report on the progress and accomplishments for the CDBG-assisted activities being carried out. HUD Field Offices also address questions posed by grantees regarding input of data on progress and accomplishments for CDBG-assisted activities they carry out as they arise. Training on IDIS and other topics relevant to administration of the CDBG program are also available on the HUD Exchange website.

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

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 assurance in statute, regulation or agency policy. If the collection requires a system of records notice (SORN) or privacy impact assessment (PIA), those should be cited and described here.

No assurance of confidentiality is provided to respondents.

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.

Not applicable. 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 chart below; 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 Hour Per	Annual Burden	Hourly Cost Per	Annual Cost
------------------------	-----------------------	-----------------------	---------------------	-----------------	---------------	-----------------	-------------

				Response	Hours	Response	
Current Inventory: Recordkeeping Pursuant to 24 CFR 570.506	1,237	1	1,237	120.00	148,440	48.59	7,212,699.60
Reporting pursuant to 24 CFR 570.507, 24 CFR 570.200(e) and 570.506(c)	1,237	4	4,948	78.50	388,418.00	48.59	18,873,230.62
Entitlement communities maintain required documentation	1,237	1	1,237	25.00	30,925.00	48.59	1,502,645.75
PR 29 Cash on Hand Quarterly Report	1,237	4	4,948	0.75	3,711.00	48.59	180,317.49
Total	1,237				571,494		27,768,893.46

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 already reflected on the burden worksheet 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.

No other costs than those stated at #12 above.

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 Hour Per Response	Annual Burden Hours	Hourly Cost Per Response	Annual Cost
2506-0077	1,237.00	1.00	1,237.00	*78.50	\$97,104.50	48.59	\$4,615,376.89**

*78.50 is the median burden hour response

**GS-12, Step 1 (2025 OMB tables)

15. Explain the reasons for any program changes or adjustments reported in Items 12 and 14 of the Supporting Statement.

This is a reinstatement of a currently approved collection for the CDBG entitlement program, which was decreased from 574,236 in 2021, although there was an increase in the number of CDBG entitlement grantees. The other reason for adjustments is the inclusion of a new quarterly report, the PR 29, in IDIS.

Regarding the increase in the number of entitlements, 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. In addition, OMB periodically issues a list of places it has designated as principal cities of the metropolitan areas in which they are located. In 2023, OMB identified 23 new principal cities and removed principal city status from nine places. Overall, a total of 17 jurisdictions accepted entitlement status for FY24. Most years, on average, 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. 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, and its collection does not 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.

There are no exceptions to the signed certification.