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HUD's Consolidated Planning Process: An Overview

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HUD's Consolidated Planning Process: An Overview

The Department of Housing and Urban Development (HUD) Office of Community Planning and Development (CPD) administers several formula grant programs that provide funds to states or eligible local governments (grantees) to address certain housing or community development needs. As a prerequisite for receipt of these funds, each state, local government, and consortium of local governments that receives funds through at least one of five HUD formula grant programs—the Community Development Block Grant (CDBG), the HOME Investment Partnerships Program, Emergency Solutions Grants, Housing Opportunities for Persons with AIDS, and the Housing Trust Fund—is required to submit to HUD a Consolidated Plan that details its housing needs and planned uses of program funds. The Consolidated Plan contains planning, strategy, and reporting components, which are guided by input from residents and consultation with practitioners. Over 1,200 grantees receive funds through one or more of these programs and each prepares a Consolidated Plan.

In developing its Consolidated Plan, a CPD grantee must seek public input and consult with relevant public and private entities. The Consolidated Plan process has several components that progress from collecting information and data about housing conditions and needs in the grantee's jurisdiction (Homeless and Housing Needs Assessment and Housing Market Analysis), to planning for use of federal funds to address the identified needs (the Strategic Plan), and reporting on activities planned for the upcoming program year (the Annual Action Plan). Consolidated Plans typically cover a five-year period, although the Annual Action Plan and a performance report (the Consolidated Annual Performance and Evaluation Report, or CAPER) are submitted annually. HUD reviews grantees' Consolidated Plans to ensure that they comply with certain statutory requirements, contain required certifications, and are not substantially incomplete.

HUD established the current consolidated planning process in 1995. The Consolidated Plan replaced previous planning and reporting requirements that applied to the various HUD grant programs individually. The Consolidated Plan regulatory requirements may vary, in some cases, by the type of grantee (state, local government, or consortium) or by grant program.

Congress may take an interest in potential changes to the Consolidated Plan's contents or processes to ensure that it is meeting its goals or reflecting current priorities. At times, Congress or HUD have expanded, or sought to expand, the types of information or level of detail provided in the Consolidated Plan. Other federal efforts have sought to enhance regional and interjurisdictional coordination as it pertains to plans and processes facilitated by other federal agencies.

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Introduction

The Department of Housing and Urban Development (HUD) administers a variety of programs intended to address the housing needs of low-income households and other vulnerable populations.¹ These include a number of formula grant programs administered by HUD's Office of Community Planning and Development (CPD) that provide funds to states and/or eligible local governments to address certain housing or community development needs.²

As a condition of receiving funds through these specific CPD formula grant programs, each state and eligible local government, referred to collectively in this report as *grantees*, must submit a Consolidated Plan to HUD. The Consolidated Plan, or Con Plan (this report uses both terms), describes a jurisdiction's housing and community development needs and how funds from the formula grant programs will be used to address those needs. Consolidated Plans typically cover a five-year period, although some components of the plan are submitted annually.

The Con Plan contains planning, strategy, and reporting components, and requires jurisdictions to involve citizens and consult with other relevant entities in developing their plans. Using existing statutory authority, HUD established the current consolidated planning process via regulations in 1995, replacing the planning and reporting requirements that had previously been in place for these HUD grant programs.

Congress may take an interest in the consolidated planning process for a variety of reasons. While the formula grant programs covered by the Consolidated Plan are intended to provide local grantees with flexibility in choosing how to use program funds, the Consolidated Plan provides HUD a mechanism for federal accountability and oversight. The federal requirements that govern the Consolidated Plan (including the information to be included and who is to be consulted in the process) therefore provide an avenue for federal policymakers to potentially influence local decisionmaking. Congress may also take an interest in the extent to which the Consolidated Plan advances coordination of federal resources, efficient use of federal funds, or other perceived desirable outcomes, and whether there are factors—such as capacity constraints among local grantees or at HUD, or gaps in the planning requirements themselves—that could impede such outcomes. These considerations involve potential tradeoffs, such as that between the need for federal oversight of program administration and the provision of local control, which is a defining feature of the formula grant programs discussed in this report.

This report provides an overview of consolidated planning requirements. It begins with a brief history of the Con Plan and the programs to which it applies. It then describes the consolidated planning process and the required contents of the Consolidated Plan. It concludes with a discussion of selected federal efforts or proposals to modify, expand, or clarify aspects of the consolidated planning process. For a list of common terminology related to the Consolidated Plan, see the **Appendix**.

¹ For descriptions of programs administered by HUD, see U.S. Department of Housing and Urban Development, *Programs of HUD: Major Mortgage, Grant, Assistance, and Regulatory Programs, 2023*, <https://www.hud.gov/sites/dfiles/Main/documents/HUDPrograms2023.pdf>. For an overview of federal housing assistance programs more generally, including those administered by HUD and other departments, see CRS Report RL34591, *Overview of Federal Housing Assistance Programs and Policy*.

² For grantee Consolidated Plans and associated documents, see HUD, *CPD Consolidated Plans, Annual Action Plans, and CAPERs*, <https://cpd.hud.gov/cpd-public/consolidated-plans>.

Where to Find Information on Grantees' Consolidated Plans

Each of the over 1,200 state and local government grantees that receive funding through at least one covered HUD formula grant program submits a Consolidated Plan.³ Grantees' Consolidated Plans can be found on HUD's website at <https://cpd.hud.gov/cpd-public/consolidated-plans>. Grantee contact information is available at <https://www.hudexchange.info/grantees/contacts/>. Those interested in providing input on a community's Consolidated Plan should look for information on citizen participation meetings from the grantee during the planning process.

Programs Under the Consolidated Plan

The following five grant programs require a Consolidated Plan:⁴

1. Community Development Block Grant (CDBG);
2. HOME Investment Partnerships (HOME);
3. Housing Trust Fund (HTF);
4. Emergency Solutions Grant (ESG); and
5. Housing Opportunities for Persons with AIDS (HOPWA).

Under the Consolidated Plan, grantees' planning and reporting requirements under each of these separate formula grant programs are consolidated into one plan that each grantee is required to submit to HUD. While the Consolidated Plan covers these five programs, certain other HUD programs not included in the plan may require that applicants have an approved Consolidated Plan in order to be eligible for funding, or may require program applications to include a certification that the application is consistent with the approved Consolidated Plan.⁵

Community Development Block Grant (CDBG)

The CDBG program is a flexible source of federal funding provided to states, localities, and U.S. territories for a broad range of economic and community development-related purposes. The program was originally authorized under Title I of the Housing and Community Development Act of 1974, P.L. 93-383, with the primary purpose of establishing and maintaining viable communities through the implementation of activities that benefit low- and moderate-income persons. The majority of CDBG program activities, generally, are grouped into six broad categories: (1) planning and administrative activities; (2) public improvement activities; (3) housing-related activities; (4) public services; (5) economic development; and (6) acquisition, demolition, and disposition of real property. CDBG's authorizing statute requires grantees to certify that all proposed activities meet one of the program's national objectives:

³ The largest of these programs, the Community Development Block Grant, provides funds to more than 1,200 grantees. HUD, *2025 Congressional Justifications*, p. 18-1, https://www.hud.gov/sites/dfiles/CFO/documents/2025_CJ_Program_-_CDF.pdf.

⁴ For the amounts of recent state and local formula allocations under these programs, see the links under "Formula Program Allocations by Grantee" on HUD's website at https://www.hud.gov/program_offices/comm_planning/budget. Not all grantees receive funds through all five programs.

⁵ 24 C.F.R. §§91.2(b) and 91.510. For example, local public housing authorities (PHAs) are required to submit PHA plans as a condition of receiving public housing and Section 8 funding, and the PHA plan must include a certification that its annual plan is consistent with the Consolidated Plan for the jurisdiction where the PHA is located (see 24 C.F.R. §903.15).

1. principally benefit low- and moderate-income persons (having income at or below 80% of area median income);⁶
2. aid in the prevention or elimination of slums or blight; or
3. meet an urgent need by addressing conditions that pose a serious and immediate threat to the health and safety of residents.⁷

Seventy percent of CDBG program formula funds are distributed to entitlement communities (including the District of Columbia), defined as (1) principal cities of Metropolitan Statistical Areas, (2) other metropolitan cities with populations of 50,000 or greater, and (3) urban counties with populations of 200,000 or greater (excluding entitlement city populations within the county). The remaining 30% of formula funds are allocated to states based on a separate formula allocation process. State CDBG funds are to be distributed by states and Puerto Rico to units of general local government—referred to as nonentitlement communities—that do not qualify to receive entitlement funds directly from HUD. Before formula allocations are made to states and localities, \$7 million is statutorily set aside to be distributed among other U.S. territories.⁸

HOME Investment Partnerships Program (HOME)

The HOME Investment Partnerships Program, often just referred to as HOME, provides funds to states, eligible local governments (or consortia of local governments), and U.S. territories to use for a range of affordable housing activities that benefit low-income households. It was originally authorized by the Cranston-Gonzalez National Affordable Housing Act of 1990 (P.L. 101-625). Eligible activities include developing affordable housing for rental or homeownership, providing homebuyer assistance, housing rehabilitation activities, and tenant-based rental assistance. All HOME funds must be used for housing to be occupied by low-income households (households with incomes at or below 80% of area median income), and at least 90% of HOME funds used for rental housing activities must benefit households with incomes at or below 60% of area median income.

HOME funds are distributed based on a formula that takes into account several factors related to rental housing conditions and poverty in a jurisdiction. By law, HUD allocates 40% of funds to states and the remaining 60% of funds to localities. (Puerto Rico and Washington, DC, are considered states for the purposes of the HOME program.) Before HUD makes formula allocations to states and localities, it sets aside the greater of \$750,000 or 0.2% of the total HOME appropriation to be distributed to the U.S. territories under a separate formula.

Housing Trust Fund (HTF)

The HTF provides funds to states and territories to use for certain affordable housing activities, with a focus on rental housing for the lowest income households. It was established by the

⁶ CDBG grantees are required to ensure that 70% of its program funds principally benefit low- and moderate-income persons in a one-, two-, or three-year period, although waivers may be obtained in extenuating circumstances. For information on HUD's definitions for low and moderate income, see <https://www.hudexchange.info/programs/cdbg/cdbg-low-moderate-income-data/>.

⁷ 42 U.S.C. §§5301 et seq., as interpreted by HUD at 24 C.F.R. §570.200 and the HUD Guide to National Objectives and Eligible Activities for CDBG Entitlement Communities, <https://www.hudexchange.info/resource/89/community-development-block-grant-program-cdbg-guide-to-national-objectives-and-eligible-activities-for-entitlement-communities/>.

⁸ For CDBG and the other four HUD programs discussed in the report, the U.S. territories are American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands. Under these programs, Puerto Rico is treated as a state.

Housing and Economic Recovery Act of 2008 (P.L. 110-289).⁹ Most funds must be used to produce, preserve, or rehabilitate rental housing, or for related operating costs.¹⁰ By law, 75% of funds used for rental housing are to benefit extremely low-income households; by regulation, HUD requires that all funds benefit extremely low-income households in years when less than \$1 billion is provided (as of the cover date of this report, the Housing Trust Fund has never received \$1 billion or more in a given year).

HTF funds are distributed to states (including Puerto Rico and Washington, DC) based on a formula that takes into account several factors related to rental housing conditions for extremely low- and very low-income renter households in a state. Funding for the U.S. territories is distributed by a different formula.

Emergency Solutions Grant (ESG)

The ESG program provides funds to states and localities to address the needs of people experiencing homelessness. ESG (originally called Emergency *Shelter* Grants) was established and funded as part of the FY1987 Continuing Appropriations Act, and was authorized one year later through the McKinney-Vento Homeless Assistance Act (McKinney-Vento, P.L. 100-77). Funds may be used for the renovation, major rehabilitation, or conversion of buildings into emergency shelters; services such as employment counseling, health care, and education; and homelessness prevention activities such as assistance with rent and utility payments.

The distribution of ESG funds is based on the CDBG formula. As with CDBG, entitlement communities, states, and U.S. territories are eligible for funds. Entitlement community and state allocations are based on their share of CDBG funds from the previous fiscal year. However, an entitlement community must have received at least 0.05% of the previous year's total CDBG appropriation in order to receive their own allocation of ESG funds.¹¹ U.S. territories are also separately eligible for a set-aside of ESG funds.

Housing Opportunities for Persons with AIDS (HOPWA)

HOPWA provides housing and services specifically for people living with HIV/AIDS and their families. HOPWA was established in 1990 as part of the Cranston-Gonzalez National Affordable Housing Act (P.L. 101-625). Among the ways in which grantees can use funds are for rental assistance in permanent housing; the development of single-room occupancy or community residences; short-term rental, mortgage, or utility assistance or residence in short-term housing facilities; supportive services; and housing counseling and referral services.¹²

The majority of HOPWA funds (90%) are distributed via formula. Eligible grantees include (1) the most populous unit of local government within metropolitan statistical areas (MSAs) with populations greater than 500,000 and more than 2,000 cases of people living with HIV or AIDS; and (2) states with more than 2,000 cases of people living with HIV or AIDS outside of MSAs.¹³ Units of local government that receive HOPWA funds are required to allocate funds “in a manner

⁹ The Housing Trust Fund is funded through required annual contributions from two government-sponsored enterprises, Fannie Mae and Freddie Mac, rather than through appropriations. See 12 U.S.C. §4567.

¹⁰ By law, up to 10% of funds can be used for certain homeownership activities. HUD regulations limit the use of funds for operating costs to no more than one-third of a recipient's annual grant amount.

¹¹ 42 U.S.C. §11373(b).

¹² 42 U.S.C. §12904.

¹³ 42 U.S.C. §12903(c).

that addresses the needs within the metropolitan statistical area in which the city is located.”¹⁴ For the purposes of the HOPWA program, the District of Columbia is considered an MSA and Puerto Rico is defined as a state. MSAs within the territories may also qualify for assistance.

History of the Consolidated Plan

HUD established the current consolidated planning process in 1995, replacing existing planning and reporting requirements that had applied to these HUD grant programs. Those planning and reporting requirements had evolved over time through both statute and regulation.¹⁵

Of the five formula grant programs covered by the current Consolidated Plan, CDBG was the first to be established, in 1974. As a condition of receiving CDBG funds, the CDBG authorizing statute required grantees to submit to HUD a planning document called a Housing Assistance Plan (HAP) that described the community's housing needs and planned uses of CDBG funds. In the late 1980s, the McKinney-Vento Act established certain programs targeting homelessness, including ESG. The law required communities to submit a Comprehensive Homeless Assistance Plan (CHAP) to receive McKinney-Vento funds. In 1990, Congress enacted the Cranston-Gonzalez National Affordable Housing Act (NAHA) with a range of affordable housing provisions. Among other things, NAHA established the HOME and HOPWA programs.

In addition to establishing HOME and HOPWA, NAHA also required communities receiving funds from certain HUD programs to prepare a comprehensive housing plan called the Comprehensive Housing Affordability Strategy (CHAS) as a condition of receiving funds.¹⁶ The programs the CHAS applied to included CDBG (replacing the HAP), McKinney-Vento programs (replacing the CHAP), and the newly created HOME and HOPWA programs. The NAHA language establishing the CHAS included certain consultation and citizen participation requirements. However, while the CHAS consolidated the planning requirements for these programs, HUD continued to require certain additional submissions, including performance reports, for the individual programs that were subject to the CHAS.

In 1995, after consultations with stakeholders, HUD replaced the regulations implementing the CHAS to establish a new Consolidated Plan.¹⁷ The regulations consolidated and streamlined the planning, strategy, and reporting requirements that applied to each of these programs and replaced several documents that grantees had been required to submit under the various programs.

According to HUD:

This new consolidated submission will replace the current CHAS, the HOME program description, the Community Development plan and the CDBG final statement, and the ESG and HOPWA applications. The rule also consolidates the reporting requirements for these

¹⁴ 42 U.S.C. §12903(f).

¹⁵ For more discussion about the history and the evolution of planning requirements for HUD formula grant programs, see Margery Austin Turner, G. Thomas Kingsley, Monte L. Franke, et al., *Planning to Meet Local Housing Needs: The Role of HUD's Consolidated Planning Requirements in the 1990s*, The Urban Institute Metropolitan Housing and Communities Policy Center, Submitted to HUD, Final Report, Washington, DC, December 2002, https://www.huduser.gov/portal/Publications/pdf/local_housing_needs.pdf.

¹⁶ 42 U.S.C. §12705.

¹⁷ Department of Housing and Urban Development, “Consolidated Submission for Community Planning and Development Programs,” 60 *Federal Register* 1878-1919, January 5, 1995, <https://www.govinfo.gov/content/pkg/FR-1995-01-05/pdf/94-32150.pdf>. (The *Federal Register* notice is erroneously dated January 5, 1994, but was actually published on January 5, 1995. A correction to the date is at 60 *Federal Register* 2813, <https://www.govinfo.gov/content/pkg/FR-1995-01-11/pdf/X95-30111.pdf>.)

programs, replacing five general performance reports with one performance report. Thus, in total, the consolidated plan and consolidated report will replace 12 documents.¹⁸

Although the CHAS has been replaced by the Consolidated Plan, the legislative language that established the CHAS continues to provide the statutory underpinning for the Consolidated Plan. Furthermore, the data that HUD provides to grantees to assist in their consolidated planning process continues to be referred to as the “CHAS data.”¹⁹

When the Housing Trust Fund was established in 2008, the law required states to submit an allocation plan in order to receive HTF funding.²⁰ HUD implemented this requirement by amending the Consolidated Plan regulations to include the HTF allocation plan in the Consolidated Plan.²¹

Consolidated Plan Process

The HUD Consolidated Plan facilitates grantee decisionmaking based on data and public input. HUD guidance describes the Consolidated Plan and its components as “part of a larger grants management and planning process,” under which grantees collect information to plan, carry out, and monitor HUD program activities.²² Depending on the specific formula grant, grantees may be states, local governments, or, in the case of HOME, grantees may be consortia made up of multiple contiguous local governments.²³ The required Consolidated Plan process and contents differ somewhat based on the type of grantee (state, local government, or consortium), and some information may only be required for certain grant programs.

Generally, the process as described in HUD guidance includes the following action items:

- consultation and citizen participation;
- determination of needs;
- establishment of priorities;
- identification of resources;
- development of goals;
- administration of programs; and
- evaluation of performance.²⁴

¹⁸ 60 *Federal Register* 1878.

¹⁹ The CHAS data can be found on HUD's website at <https://www.huduser.gov/portal/datasets/cp.html>.

²⁰ The Housing Trust Fund was established by the Housing and Economic Recovery Act of 2008 (P.L. 110-289). The requirement that states submit an allocation plan is at 12 U.S.C. §4568(c)(5).

²¹ See Department of Housing and Urban Development, “Housing Trust Fund,” Proposed Rule, 75 *Federal Register* 66981, October 29, 2010, <https://www.govinfo.gov/content/pkg/FR-2010-10-29/pdf/2010-27069.pdf>; and Department of Housing and Urban Development, “Housing Trust Fund,” Interim Rule, 80 *Federal Register* 5200-5244, January 30, 2015, <https://www.govinfo.gov/content/pkg/FR-2015-01-30/pdf/2015-01642.pdf>.

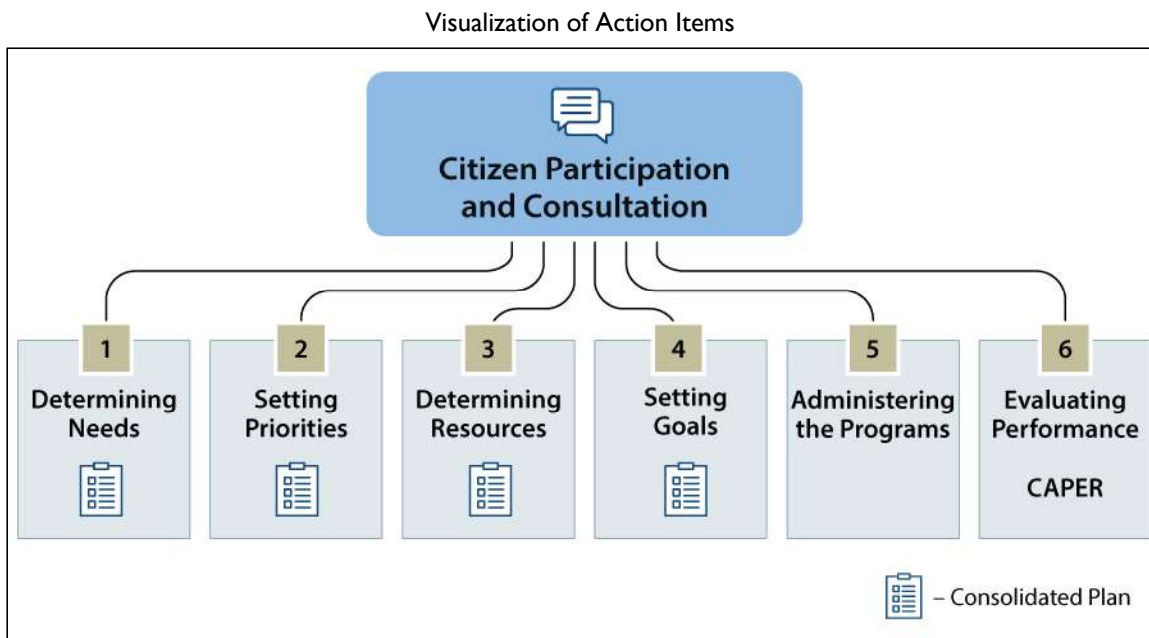
²² HUD, *The eCon Planning Suite: A Desk Guide for Using IDIS to Prepare the Consolidated Plan, Annual Action Plan, and CAPER/PER*, August 27, 2013, p. 24, https://www.hud.gov/sites/documents/20394_CONPLAN_MANUAL.PDF.

²³ For the purposes of the HOME program, one or more units of general local government that do not qualify for direct allocations of HOME funds on their own may form a consortium for the purposes of qualifying for HOME funds, subject to certain requirements. The consortium members must be geographically contiguous to one another. See 24 C.F.R. §92.101.

²⁴ HUD, *The eCon Planning Suite: A Desk Guide for Using IDIS to Prepare the Consolidated Plan, Annual Action* (continued...)

Figure 1 provides a visualization of the action items included in the grants management process associated with the Consolidated Plan and illustrates how citizen participation and consultation is central to the process.

Figure 1. HUD Consolidated Planning Process



Source: Congressional Research Service (adapted from HUD's Office of Community Planning and Development, "A Desk Guide for Using IDIS to Prepare the Consolidated Plan, Annual Action Plan, and CAPER/PER," at https://www.hud.gov/sites/documents/20394_CONPLAN_MANUAL.PDF).

Notes: As indicated in HUD guidance, these steps may occur simultaneously and at various points in the year.

Grantees engage in this process through the development and implementation of four primary documentation components:

1. citizen participation plan;
2. Consolidated Plan;
3. annual action plan; and
4. consolidated annual performance and evaluation report (CAPER).

Certain components documenting different stages of the Consolidated Plan process must be submitted at least once every five years, while others must be submitted annually.²⁵ Each consolidated planning process begins with stakeholder consultation and citizen participation. The Consolidated Plan regulations require grantees to submit summaries of the consultation and citizen participation process, action plans, and any relevant certifications on an annual basis.²⁶ Grantees report annually on their performance in the previous program year in the CAPER, as required in the regulations.²⁷ **Figure 2** provides an illustration of the Consolidated Plan process

Plan, and CAPER/PER, August 27, 2013, p. 24, https://www.hud.gov/sites/documents/20394_CONPLAN_MANUAL.PDF.

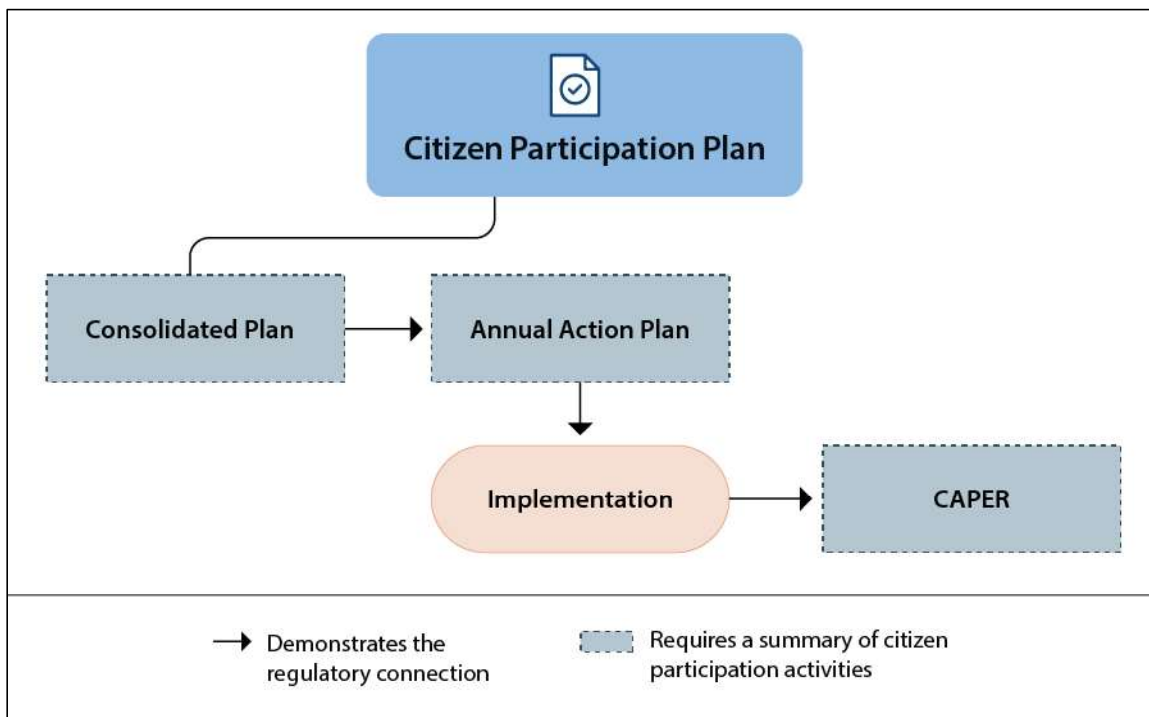
²⁵ 24 C.F.R. §91.15(b).

²⁶ 24 C.F.R. §91.15(b)(1).

²⁷ 24 C.F.R. §91.520.

documentation components and their relationship with the implementation of grant funded activities.

Figure 2. Consolidated Plan Process Documentation Components



Source: Congressional Research Service Graphic based on HUD guidance materials.

Federal regulations allow for amendments to a grantee’s Consolidated Plan to reflect changes in allocation priorities, distribution methods, planned activities, or beneficiaries.²⁸

Consultation and Citizen Participation

The regulations governing the Consolidated Plan require grantees to elicit input from a range of agencies, organizations, local leaders, and residents within the grantee’s jurisdiction.²⁹ HUD guidance indicates consultation and citizen participation are key to ensuring that diverse perspectives and priorities are considered and incorporated throughout the course of planning and implementation.³⁰ For example, HUD notes that effective consultation and community participation could contribute to enhanced interagency coordination, as well as identification of additional funding sources to leverage with HUD grant funds, among other potential outcomes.³¹

Furthermore, HUD suggests that consultation and citizen participation generate qualitative data that may aid in setting grantee priorities and validate or provide additional context to the

²⁸ 24 C.F.R. §91.505.

²⁹ 24 C.F.R. §§91.100, 91.105, 91.110, 91.115, and 91.401.

³⁰ HUD, *The eCon Planning Suite: A Desk Guide for Using IDIS to Prepare the Consolidated Plan, Annual Action Plan, and CAPER/PER*, August 27, 2013, pp. 24-25, https://www.hud.gov/sites/documents/20394_CONPLAN_MANUAL.PDF.

³¹ HUD, *The eCon Planning Suite: Citizen Participation and Consultation Toolkit*, July 2014, p. 3, <https://www.hudexchange.info/sites/onecpd/assets/File/eCon-Planning-Suite-Citizen-Participation-Toolkit.pdf>.

quantitative analysis required in other portions of the Consolidated Plan.³² HUD grantees have some flexibility in designing their consultation and participation processes, provided they meet regulatory requirements. HUD has developed guidance on potential outreach, engagement, and consultation strategies for grantees to consider (e.g., holding online forums or creating thematic maps).³³

Consultation

During the Consolidated Plan development process, grantees must consult with public and private entities that have a stake in the provision of services covered by the plan. Specific consultation requirements may vary by grantee type and program.

Local Government Grantees

Local government grantees are required by regulations to consult with the following types of entities in developing their Consolidated Plans:

- public and private assisted housing agencies;
- public and private health services agencies;
- public and private social services agencies;
- community and regional representatives of protected classes;
- fair housing enforcement organizations;
- broadband service providers and organizations “engaged in narrowing the digital divide”; and
- agencies responsible for management of “flood prone areas” and “public land or water resources.”³⁴

The regulations require that grantees consult with additional entities in completing certain portions of the Consolidated Plan. For example, as it pertains to the homeless strategy, a grantee must engage with Continuums of Care that operate within its jurisdiction (Continuums of Care are local planning bodies that respond to the needs of people experiencing homelessness and collaborate in applying for HUD grants). The regulations require additional consultation with public and private agencies focused on needs of persons experiencing or at risk of homelessness—related to housing, health, social services, victim services, employment, or education. Grantees must also engage publicly funded institutions that could discharge individuals into homelessness (e.g., health care facilities), as well as business and civic leaders on issues related to the homeless strategy in the Consolidated Plan.³⁵

For parts of the Consolidated Plan related to lead-based paint hazards, grantees are required to consult with state or local health and child welfare agencies.³⁶ Regarding “priority non-housing community development needs,” local grantees are required to communicate with adjacent

³² HUD, *Consolidated Plan Data Quick Guide*, April 2023, p. 3, <https://files.hudexchange.info/resources/documents/CDBG-Consolidated-Plan-Data-Quick-Guide.pdf>.

³³ For example, see HUD Exchange, *eCon Planning Suite Citizen Participation and Consultation Toolkit*, <https://www.hudexchange.info/programs/consolidated-plan/econ-planning-suite-citizen-participation-and-consultation-toolkit/>.

³⁴ 24 C.F.R. §91.100(a)(1).

³⁵ 24 C.F.R. §91.100(a)(2).

³⁶ 24 C.F.R. §91.100(a)(3).

jurisdictions, and submit plans to the state.³⁷ Furthermore, on interjurisdictional issues, grantees are required to consult with adjacent units of local government and regional governmental entities.³⁸ Grantees are also required to consult with public housing agencies (PHAs) on their needs, planned initiatives, and issues related to affirmatively furthering fair housing.³⁹

Program-Specific Local Consultation

Grantees of certain programs are also required to consult with additional entities. For example, the largest city in a metropolitan statistical area with HOPWA eligibility is required to consult on the development of a metropolitan strategy related to needs of individuals with HIV/AIDS and their families.⁴⁰ ESG local grantees are required to consult with the Continuum of Care on a range of topics including grant allocation priorities and performance evaluation and monitoring.⁴¹

State Grantees

During the consolidated planning process, State grantees are required to consult with the following types of entities:

- public and private assisted housing agencies;
- public and private health services agencies; and
- public and private social and fair housing services agencies.⁴²

Like local government grantees, state grantees must consult with each of the Continuums of Care within the state, public and private agencies and publicly funded institutions that provide services that may be relevant to the needs of the local homeless population, and business and civic leaders.⁴³ Regarding lead-based paint hazards, state grantees are also required to consult with state or local health and child welfare agencies.⁴⁴

Program-Specific State Consultation

State grantees of some specific HUD Community Planning and Development programs are required to consult with stakeholders on certain program specific issues, as well. For example, state CDBG grantees must consult with nonentitlement communities regarding the process for distributing program funds. State ESG grantees, similar to local ESG grantees, are required to consult with all Continuums of Care within the state regarding various aspects of the grants management process.⁴⁵

³⁷ 24 C.F.R. §91.100(a)(4). Under the Consolidated Plan regulations, CDBG entitlement cities are also required to submit such plans to the county.

³⁸ 24 C.F.R. §91.100(a)(5).

³⁹ 24 C.F.R. §91.100(c).

⁴⁰ 24 C.F.R. §91.100(b).

⁴¹ 24 C.F.R. §91.100(d).

⁴² 24 C.F.R. §91.110(a).

⁴³ 24 C.F.R. §91.110(b).

⁴⁴ 24 C.F.R. §91.110(c).

⁴⁵ 24 C.F.R. §§91.110(d)-(e).

Citizen Participation

Citizen participation is a required component of any grantee effort to develop or substantially amend its Consolidated Plan, as well as for annual action plans and annual performance reports. HUD regulations require grantees to develop, publish, and implement a citizen participation plan, as a component of the Consolidated Plan process. Some specific requirements vary by grantee type.⁴⁶ According to HUD guidance, the citizen participation plan “sets forth the grantee’s policies and procedures for citizen participation throughout the Consolidated Planning process.”⁴⁷

The regulations require that the citizen participation plan enable and encourage input from all residents, with particular focus on low- and moderate-income residents, throughout the consolidated planning process. Grantees are also required to take necessary steps to encourage participation from minority groups, non-English speaking residents, persons with disabilities, institutions such as Continuums of Care, and PHAs.⁴⁸

Grantees must make the Consolidated Plan, any Consolidated Plan amendments, and performance reports available to the public, in a manner outlined in the citizen participation plan. Additionally, the regulations require that grantees provide “reasonable and timely access” to records and related materials pertaining to the Consolidated Plan and its implementation from the previous five years. The citizen participation plan must also outline the process by which the grantee will handle public complaints on the Consolidated Plan, amendments, or performance reports. At a minimum, the regulations require that grantees provide a substantive written response within a timeframe established in the citizen participation plan.⁴⁹

Local Government Grantees

In addition to the core regulatory requirements for citizen participation, local government grantees are required to hold at least two hearings annually, with at least one occurring prior to publication of the Consolidated Plan, for comment. Issues to be addressed in the hearings include housing and community development needs, proposed activities, affirmatively furthering fair housing, and program performance. Any public meetings associated with the Consolidated Plan process must meet federal accessibility and reasonable accommodation requirements.⁵⁰

Additionally, local governments are required to provide technical assistance to groups representing low- and moderate-income persons for the development of proposals for assistance, if requested. The nature of this assistance may be determined by the grantee, and must be outlined in the citizen participation plan.

Consortia

Consortia are subject to the same citizen participation requirements as local government grantees. The citizen participation plan for consortia with multiple CDBG entitlement communities must provide for facilitation of public input in each of the communities.⁵¹

⁴⁶ For local governments, see 24 C.F.R. §91.105; for states, see 24 C.F.R. §91.115; and for HOME consortia, see 24 C.F.R. §91.401.

⁴⁷ HUD, *The eCon Planning Suite: Citizen Participation and Consultation Toolkit*, 2014, p. 6, <https://www.hudexchange.info/sites/onecpd/assets/File/eCon-Planning-Suite-Citizen-Participation-Toolkit.pdf>.

⁴⁸ See 24 C.F.R. §§91.105(a)(2), 91.115(a), and 24 C.F.R. §91.401.

⁴⁹ CDBG grantees are required to respond within 15 working days, when practicable.

⁵⁰ For applicable requirements, see 24 C.F.R. §§8 and 35-36.

⁵¹ 24 C.F.R. §91.401.

State Grantees

The regulations require that state CDBG grantees include, in their citizen participation plans, public participation requirements with which nonentitlement communities must comply.

Contents of the Consolidated Plan

The Consolidated Plan process requires several action items that range from collecting information and data about the grantee's jurisdiction (Homeless and Housing Needs Assessment and Housing Market Analysis), to planning for use of federal funds (the Strategic Plan), and reporting on activities (the Annual Action Plan). Each of these components may have elements that address the same issue area from one stage to the next. However, each component pertains to a particular stage in the planning process.

Housing and Homeless Needs Assessment

State and local grantees must submit a housing and homeless needs assessment as part of the Consolidated Plan.⁵² HOME program consortia are to follow the regulations for local governments, but submit a plan for the entire consortia.⁵³ Each grantee must provide a housing needs assessment that estimates the need for a range of households over the next five-year period, with separate analyses of people experiencing homelessness and other vulnerable populations. HUD provides Census data for grantees to use, which grantees can update using data from locally conducted studies or other reliable data sources. Aspects of the Housing and Homeless Needs Assessment are incorporated into other components of the Consolidated Plan.

Need for Housing Assistance: Grantees are to assess the number and types of families in need of housing assistance. The analysis is to occur for a range of families broken out by income, tenure (owner vs. renter), and household type as specified in the regulations. For each category of family, grantees are to report on the number that are cost burdened, are living in overcrowded housing, and who live in substandard housing.

Specifically, the family categories enumerated in the regulations are: those with incomes ranging from extremely low- to middle-income; renters and owners; large families and single person-households; people who are elderly or have disabilities; people living with HIV/AIDS; families living in public housing as well as those on waiting lists for assisted housing; those fleeing domestic violence; and families and individuals formerly experiencing homelessness who are receiving rapid rehousing assistance that will soon come to an end.⁵⁴

Grantees must also break out disproportionate housing need among racial and ethnic groups by income compared to people in that income group as a whole.

Homeless Needs Assessment: Grantees are to report the number of people experiencing homelessness based on data from HUD's Homeless Management Information System (HMIS) and Point-in-Time (PIT) counts.⁵⁵ The data reported are to include people who are experiencing sheltered and unsheltered homelessness and those living in rural areas.

⁵² For local governments, see 24 C.F.R. §91.205, and for states, see 24 C.F.R. §91.305.

⁵³ 24 C.F.R. §91.405.

⁵⁴ Rapid rehousing is short- to medium-term rental assistance typically not in excess of 24 months.

⁵⁵ HMIS and PIT count data are collected by states and communities and submitted to HUD for inclusion in Annual Homeless Assessment Reports. For more information, see <https://www.hudexchange.info/homelessness-assistance/ahar/#2023-reports>.

The Consolidated Plan also requires that data be provided on the number of people experiencing homelessness on a given night (from PIT count data), the number of people who are homeless over the course of a year (from HMIS data), people who become newly homeless, and people who exit homelessness, with each category broken out by certain family types and characteristics. These include people experiencing chronic homelessness, families with children, veterans, and youth. Grantees are also to include data on homelessness by race and ethnicity.

In addition to reporting on people experiencing homelessness, the plan should analyze the housing need and characteristics of individuals and families who are “threatened by homelessness.” The analysis should include housing characteristics that are associated with housing instability and risk of homelessness.

Non-Homeless Special Needs Assessment: Grantees are also to estimate the number of people who might need housing with supportive services. These populations include those who are elderly, including frail elderly; people with disabilities, including behavioral health issues; people living with HIV/AIDS; public housing residents; and any other groups that a grantee identifies.

Lead-Based Paint Hazards: Grantees must report on the number of housing units in their area that are occupied by low- or moderate-income families and have lead-based paint hazards.⁵⁶

HOPWA-Specific Reporting: Jurisdictions that receive HOPWA funds as the largest units of local government within an MSA are to report the number of people living with HIV/AIDS and their housing and supportive services needs within the entire MSA.

Housing Market Analysis

The Consolidated Plan includes a housing market analysis that describes housing conditions in the jurisdiction.

Local Governments and Consortia

Local governments must include a housing market analysis that includes the following information as part of their Consolidated Plan. For consortia, the housing markets analysis must include the same information for the entire consortium, though it may also include conditions for the individual communities that make up the consortium.⁵⁷

General Characteristics: Grantees are to describe “significant characteristics of the jurisdiction’s housing market.” This includes information on supply, demand, and the condition and cost of housing, as well as the housing stock available to serve certain populations with special needs. Other factors to be addressed include information on vacant or abandoned properties and areas of concentrations of racial or ethnic minorities and/or low-income families within the jurisdiction. Since January 1, 2018, plans are also required to describe (1) broadband needs of housing occupied by low- and moderate-income households, and (2) the vulnerability of housing occupied by low- and moderate-income households to increased natural hazard risks associated with climate change.⁵⁸

Public and assisted housing: Grantees are to identify the public housing developments and number of public housing units in the jurisdiction, as well as provide certain information about

⁵⁶ The term “lead-based paint hazard” is defined at 24 C.F.R. §35.86.

⁵⁷ 24 C.F.R. §91.410.

⁵⁸ For CRS assistance on issues related to natural hazards, see CRS Report R46438, *Natural Disasters and Hazards: CRS Experts*, coordinated by Lauren R. Stienstra and Peter Folger.

those units and their condition. In addition, the plans are to include a description of the number of housing units currently assisted by any federal, state, or local programs and the income levels and types of families served by those units, as well as whether any of the units are expected to be lost from the assisted housing stock.

Facilities, housing, and services for homeless persons: Grantees are to provide a brief inventory of facilities, housing, and services for homeless people in the jurisdiction, including certain categories of homeless people. The inventory is to include both services targeted to homeless people and mainstream services that are used to complement targeted services. In contrast to the Housing and Homeless Needs Assessment, this element of the Housing Market Analysis focuses on the jurisdiction's facilities and services for those who are homeless, rather than the number of people who are homeless.

Special need facilities and services: To the extent information is available, grantees are to describe facilities and services for people who are not homeless, but require supportive housing. It is also to describe programs to ensure that people returning from mental or physical health institutions receive appropriate supportive housing.

Barriers to affordable housing: Grantees are to describe whether public policies, and the jurisdiction's policies in particular, affect the cost of housing or incentives to invest in affordable housing in the jurisdiction. Such policies include "tax policies affecting land and other property, land use controls, zoning ordinances, building codes, fees and charges, growth limits, and policies that affect the return on residential investment."

States

State governments submitting Consolidated Plans are required to include many of the same topics as localities in their plans; however, some of the topics required of local governments do not apply to state governments. Like local governments, state governments are to provide information on general characteristics, including supply, demand, condition, and cost of housing, and broadband needs and natural hazards (they are not required to include the information on vacant or abandoned properties or concentrated areas of racial or ethnic minorities or low-income families). States are not required to include information on public and assisted housing, but they are required to include descriptions of facilities, housing, and services for homeless persons, special need facilities and services, and barriers to affordable housing.

Strategic Plan

In the strategic plan portion of the Consolidated Plan, grantees are to describe their priorities for how they will use the grant funds they receive.⁵⁹

Local Governments

General: For certain specified categories of activities—affordable housing, public housing, homelessness, other special needs, and non-housing community development—the plan must indicate the grantee's priorities for allocating funds geographically and among activities. It must also describe its rationale for each allocation priority, identify obstacles to meeting underserved needs, and summarize objectives and how funds will be used, with measurable proposed accomplishments or outcomes.

⁵⁹ For strategic plan requirements that apply to local government grantees, see 24 C.F.R. §91.215; for state grantees, see 24 C.F.R. §91.315; and for consortia, see 24 C.F.R. §91.415.

Affordable Housing: The grantee is to describe how the jurisdiction's housing market conditions and the housing needs of specified populations informed the decisions on its priorities for how to use program funds. If the jurisdiction plans to use HOME funds for tenant-based rental assistance, it must describe the circumstances that led the jurisdiction to choose to use funds for that purpose. The grantee is also to list its specific objectives and proposed accomplishments, including estimated numbers of how many households at different income levels will receive affordable housing.

Public Housing: The grantee is to describe how the plan will address the needs of public housing, including certain specified needs (increasing the number of accessible units, where applicable; encouraging public housing residents' participation in management and homeownership, and, if a public housing agency is designated as "troubled," assistance in removing the troubled designation).

Homelessness: The grantee is to describe its strategy for reducing and ending homelessness through outreach, emergency shelter and transitional housing needs, helping homeless persons transition to permanent housing and living independently, and helping low-income households avoid becoming homeless.

Other Special Needs: The grantee is to describe the need for housing and supportive services among populations that, while not homeless, may have a need for supportive housing, such as the elderly, people with disabilities, people with alcohol or drug addictions, people living with HIV/AIDS, and public housing residents. If the grantee plans to use HOME funds to provide tenant-based rental assistance to any of these populations, it must describe the housing market conditions that informed that decision.

Non-housing Community Development Plan: Grantees seeking CDBG funds are to specify their priority non-housing community development needs for each category of eligible CDBG activities. They are also to specify both short-term and long-term community development objectives.

Neighborhood Revitalization: Grantees are "encouraged to identify locally designated areas where geographically targeted revitalization efforts are carried out through multiple activities in a concentrated and coordinated manner." With HUD's approval, a grantee can also choose to carry out a neighborhood revitalization strategy that includes economic empowerment of low-income residents in one or more areas. Grantees carrying out such a HUD-approved neighborhood revitalization strategy can gain more flexibility in the uses of CDBG funds in those areas.⁶⁰

Barriers to Affordable Housing: As described above, the Housing Market Analysis section of the Consolidated Plan is to describe any policies that may present barriers to affordable housing. In the strategic plan, the grantee is to describe its strategy for removing the identified barriers to affordable housing or to improve any negative effects stemming from those barriers.

Lead-Based Paint Hazards: The grantee is to describe both proposed actions and actions that it is taking to reduce lead-based paint hazards and to increase access to housing that is free of such hazards. It must describe how its plan for reducing lead-based paint hazards is related to the extent of lead poisoning and lead hazards and how its plan for reducing such hazards will be integrated into its housing policies and programs.

Anti-Poverty Strategy: The grantee is to concisely summarize its goals and its programs and policies to reduce the number of families in poverty. It must also describe how its goals, programs, and policies for producing or preserving affordable housing will be coordinated with

⁶⁰ See 24 C.F.R. §§570.208(d)(5) and 570.483(e)(5).

other programs and services and how they will reduce the number of families in poverty, considering factors over which the grantee has control.

Institutional Structure: The local government is to concisely describe the institutional structure, including both private and public organizations, through which the jurisdiction will carry out its plan. It must also assess “strengths and gaps” in that delivery system and describe how the jurisdiction will overcome gaps.

Coordination: Grantees are to summarize their activities to enhance coordination among the Continuum of Care, public and assisted housing providers, and private and governmental health, mental health, and service agencies, including the jurisdiction’s efforts to coordinate housing and services for those who are homeless or were recently homeless. The grantee must also describe “means of cooperation and coordination” among the state and local governments in the metropolitan area in implementing the Consolidated Plan. The grantee is also to describe efforts to enhance coordination with private industry, businesses, developers, and social services agencies related to economic development.

Consortia

In general, consortia submit the same information as local governments for the strategic plan. Consortia do not need to submit a non-housing Community Development Plan, but if CDBG entitlement communities are part of the consortium, the Consolidated Plan must include those entitlement communities’ non-housing Community Development Plans. In addition, the consortium is to describe its priorities for allocating housing funding geographically throughout the consortium, including CDBG and ESG funding, if applicable.

States

States are required to address the same topics as local governments and consortia in their strategic plans, although there can be some differences in the specific information required. In addition, states are also to address their strategy to coordinate the Low-Income Housing Tax Credit (LIHTC) with the development of affordable housing for low- and moderate-income families.

Action Plan

Grantees submit action plans annually, providing an overview of planned activities related to the priorities and goals outlined in their strategic plans, prior to each program year in the Consolidated Plan period.⁶¹ The action plan expands on grantee assessments of needs, available resources, and priorities, by describing specific goals and planned activities for the subsequent program year. The required elements of the action plan vary by grantee type.⁶²

⁶¹ HUD, *Using IDIS to Prepare the Consolidated Plan, Annual Action Plan, and CAPER/PER*, June 2021, p. 51, <https://www.hud.gov/sites/dfiles/CPD/documents/Non-State-Certifications.pdf>.

⁶² For local government action plan requirements, see 24 C.F.R. §91.220; for state requirements, see 24 C.F.R. §91.320; and for consortia, see 24 C.F.R. §91.420.

Local Governments

As part of the action plan, local government grantees are required to submit the Application for Federal Assistance Standard Form 424 and an executive summary, in addition to the following elements:⁶³

Resources and Objectives: The action plan is to describe the federal, state, local, and private resources available to address priorities identified in the Consolidated Plan process. Jurisdictions must also summarize the annual objectives they plan to achieve in the next program year.

Activities to be Undertaken: Grantees must include a description of planned activities related to priority objectives, with an estimate of beneficiaries and projected date of activity completion.

Outcome Measures: In the action plan, jurisdictions are required to outline how outcomes of the planned activities will be measured.

Geographic Distribution: Grantees must describe the geographic areas to which program funds will be targeted, with an explanation of the geographic prioritization.

Affordable Housing: The action plan must outline annual goals for the provision of affordable housing assistance, with specific estimates on homeless, non-homeless, and special needs households. Grantees must also outline the types of affordable housing activities, such as the provision of rental assistance, development of new units, rehabilitation of existing units, and acquisition.⁶⁴

Public Housing: Grantees are required to list planned activities related to local public housing needs and efforts to strengthen engagement and homeownership among public housing residents.⁶⁵

Homeless and Special Needs Activities: Grantees must include a description of one-year goals related to homeless services including outreach, emergency shelter and transitional housing, transitional housing-related services, and homeless prevention services.

Barriers to Affordable Housing: Grantees are required to include yearly plans to eliminate or mitigate barriers to the development and preservation of affordable housing (e.g., restrictive zoning ordinances).

Other Actions: Action plans must also discuss planned one-year efforts related to issues including underserved needs, affordable housing, lead-based paint hazards, poverty reduction, and enhanced coordination among public and private housing and social service agencies.

Program-Specific Requirements: Each of the five HUD programs covered by the Consolidated Plan are subject to additional annual action plan reporting requirements.⁶⁶

⁶³ For information on the Standard Form 424, see HUD, *HUD Form SF-424*, 2022, <https://www.hudexchange.info/resource/306/hud-form-sf424/>.

⁶⁴ The regulatory definitions for affordable rental housing and affordable homeownership can be found at 24 C.F.R. §§92.252 and 92.254, respectively.

⁶⁵ Jurisdictions with public housing agencies deemed by HUD to be “troubled” must also report on efforts to improve their status.

⁶⁶ For local government program-specific annual action plan requirements, see 24 C.F.R. §91.220(l); for state government requirements, see 24 C.F.R. §91.320(k); for consortia requirements, see 24 C.F.R. §91.425.

States and Consortia

State grantees are required to submit action plans with broadly similar elements to those required for local government grantees. Unlike local grantees, states are not required to include planned activities related to local public housing needs and initiatives.

HUD regulations require consortia to submit the Federal Assistance Standard Form 424 and a description of resources and activities as part of their action plans.

General Certifications

Each state and local grantee jurisdiction, as well as consortia, must make certain certifications as part of the Consolidated Plan.⁶⁷

Affirmatively Furthering Fair Housing: Grantees must certify that they will affirmatively further fair housing (AFFH). The Fair Housing Act requires HUD to administer its programs in a manner to affirmatively further fair housing.⁶⁸ HUD, through both guidance and regulation, has required formula grantees under the CDBG, HOME, HOPWA, and ESG programs to go through a process to comply with the AFFH requirement.⁶⁹ The process is separate from the consolidated planning process, and has changed over recent presidential administrations. Most recently, on February 9, 2023, the Biden Administration published a proposed AFFH rule in the *Federal Register*.⁷⁰

Anti-Displacement and Relocation Plan: Grantees must certify that they have a plan to prevent displacement of residents due to activities involving CDBG and HOME funds. Regulations governing both programs require that grantees issue a Residential Anti-Displacement and Relocation Assistance Plan that complies with HUD regulations under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Relocation Act).⁷¹ Consolidated Plans are to describe steps that will be taken to minimize displacement and provide for relocation assistance and for replacement of low-income housing units that might be demolished or converted to another use.⁷²

Anti-Lobbying: Grantees must certify that they are in compliance with HUD anti-lobbying regulations.⁷³

Legal Authority: Grantees must certify that the Consolidated Plan is authorized under state or local law and that they have the authority to operate the formula grant programs for which they are eligible.

Consistency with Strategic Plan: Grantees are to certify that the activities they undertake with program funds will be consistent with the Strategic Plan (described earlier under the “Strategic

⁶⁷ See 24 C.F.R. §91.225(a) for local governments and 24 C.F.R. §91.325(a) for state governments.

⁶⁸ 42 U.S.C. §3608(e)(5).

⁶⁹ For more information, see CRS Report R44557, *The Fair Housing Act: HUD Oversight, Programs, and Activities*.

⁷⁰ U.S. Department of Housing and Urban Development, “Affirmatively Furthering Fair Housing,” 88 *Federal Register* 8516, February 9, 2023, <https://www.federalregister.gov/documents/2023/02/09/2023-00625/affirmatively-furthering-fair-housing>.

⁷¹ For CDBG, see 24 C.F.R. §570.606 and for HOME, see 24 C.F.R. §92.353.

⁷² 24 C.F.R. §42.325. More information is also available at U.S. Department of Housing and Urban Development, *HUD Handbook 1378.0, Tenant Assistance, Relocation and Real Property Acquisition Handbook*, https://www.hud.gov/program_offices/administration/hudclips/handbooks/cpd/13780.

⁷³ Anti-lobbying regulations are at 24 C.F.R. §§87.100 et seq.

Plan ” heading). In addition, HOPWA grantees that are units of local government are to submit certifications from all localities within the MSA where they administer funds.⁷⁴

Acquisition and Relocation: The Uniform Relocation Act has general regulations that apply to federal agencies as well as projects receiving federal financial assistance in certain circumstances.⁷⁵ Grantees must certify compliance with these regulations regarding acquisition of real property and relocation of persons who have been displaced.

Section 3: Section 3 of the Housing and Urban Development Act of 1968 (P.L. 90-448, as amended) is meant to provide employment and training opportunities for low- and very low-income persons, particularly those residing in assisted housing. The law applies to grant recipients of HUD housing and community development construction or rehabilitation funds that exceed certain thresholds.⁷⁶ Grantees must certify that they will comply with the requirements of Section 3.

Program-Specific Certifications

Community Development Block Grant

CDBG grantees submit certifications related to planning, financial, and legal aspects of program administration.⁷⁷ The Consolidated Plan regulations require that local governments and states certify the following related to program planning:⁷⁸

- compliance with the citizen participation plan;⁷⁹ and
- identification of community development and housing needs and establishment of short- and long-term community development objectives.⁸⁰

CDBG grantees must also make the following certifications regarding CDBG expenditures:

- they meet the program’s national objectives;⁸¹
- they principally benefit low- and moderate-income families, with at least 70% of program funds, during a one-, two-, or three-year period; and
- the jurisdiction will not seek to recoup capital costs through assessments against low- and moderate-income owned or occupied properties, with certain exceptions.

CDBG grantees must also certify adoption of the following legal policies:

- prohibition of the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstration;

⁷⁴ 24 C.F.R. §91.225(a)(5).

⁷⁵ 49 C.F.R. §§24.1 et seq.

⁷⁶ 12 U.S.C. §1701u and 24 C.F.R. §75.3. The law also applies to Public and Indian Housing Authorities.

⁷⁷ 24 C.F.R. §§91.225(b) and 91.325(b).

⁷⁸ Pursuant to 24 C.F.R. §91.425, CDBG entitlement communities that are members of consortia are required to submit the applicable certifications for local government grantees outlined in 24 C.F.R. §91.225.

⁷⁹ State CDBG grantees are also required to make certifications regarding consultation with local governments.

⁸⁰ Local jurisdictions are also required to certify adherence to an active HUD-approved Consolidated Plan.

⁸¹ For more information on CDBG National Objectives, see 24 C.F.R. §570.200.

- enforcement of laws against physically barring entrance to and exit from non-violent civil rights demonstrations;
- compliance with anti-discrimination laws;⁸² and
- compliance with any applicable laws.⁸³

HOME Investment Partnerships Program

Grantees that receive HOME funds must make the following certifications:⁸⁴

- If a grantee plans to use HOME funds for tenant-based rental assistance, a certification that rental-based assistance is an essential element of the jurisdiction's Consolidated Plan.
- A certification that it is using, and will use, HOME funds for eligible activities and costs, and that it is not using, and will not use, HOME funds for prohibited activities.
- A certification that, before it commits funds to a project, it will evaluate the project in accordance with adopted guidelines and not invest any more HOME funds in combination with other federal assistance than is necessary to provide affordable housing.

Emergency Solutions Grant

States and localities that receive ESG must make certifications about emergency shelters for which they receive funding.⁸⁵

- If recipients use ESG funds for rehabilitation or conversion of a structure to an emergency shelter and the costs exceed 75% of the property's post-rehabilitation/conversion value, then the recipient must operate the property as a shelter for at least 10 years. In other cases, recipients must certify that the property will operate as a shelter for at least three years. However, regardless of renovation or conversion costs, if a recipient uses ESG funds for shelter operating costs or street outreach services (based at the shelter), they must continue operating the property as a shelter while using those funds (as long as the same population or geographic area continues to be served).
- Renovated shelters must be safe and sanitary.
- To the extent practicable, ESG recipients are to employ people experiencing homelessness in constructing or renovating and operating ESG program facilities, including providing services to people living in shelters.

Other required certifications by states and localities include assisting people experiencing homelessness with obtaining permanent housing and supportive services; developing protocols to prevent people who are leaving institutions from being discharged into homelessness;

⁸² Specifically, the certification applies to title VI of the Civil Rights Act of 1964 (42 U.S.C. §2000d), the Fair Housing Act (42 U.S.C. §§3601-3619), and implementing regulations.

⁸³ Local governments must also certify compliance with lead-based paint procedures.

⁸⁴ 24 C.F.R. §§91.225(d), 91.325(d), and 91.425(a)(2).

⁸⁵ 24 C.F.R. §91.325(c) and 24 C.F.R. §91.225(c).

establishing procedures to protect confidential information of clients who receive services related to family violence; and obtaining matching funds.

Housing Opportunities for Persons with AIDS

States and MSAs that receive HOPWA funds must certify that any building that is purchased, renovated, converted, or leased with HOPWA funds will operate in its capacity serving clients for at least 10 years.⁸⁶ If HOPWA funds were only used for “non-substantial” rehabilitation or repair, then the property must be used for at least three years.

Both recipients must also certify that funds are only used to meet “urgent needs” not being met by other public or private funds.

Housing Trust Fund

No program-specific certifications apply to the Housing Trust Fund.

Consolidated Annual Performance and Evaluation Report

The regulations require grantees to submit annual performance reports, which are referred to as the Consolidated Annual Performance and Evaluation Report (CAPER).⁸⁷ In the reports, grantees provide information about the progress they have made toward the goals in their Consolidated Plan. The regulations require that certain specific information be provided, as well as any additional information that reflects a grantee’s goals.

General Information: The regulations require grantees to provide information about the resources made available to pursue the goals of the Consolidated Plan, the investments made, and the locations of the investments. Grantees are to include the number of people assisted through each investment, as well as their race and ethnicity. The report is also to describe actions taken to affirmatively further fair housing as well as other actions that a grantee proposed to take in its Consolidated Plan.

Affordable Housing: The report is to include a grantee’s progress in meeting affordable housing needs, including families assisted and their income levels.

Homelessness: Grantees are to report about progress toward preventing and ending homelessness. Specific information that is to be included are outreach efforts and interventions through emergency shelter and transitional housing. Grantees are also to describe how they help families transition to permanent housing and reduce the period of time that people spend experiencing homelessness and prevent returns to homelessness. The report also includes a description of homelessness prevention efforts, including those exiting institutions and systems of care (such as hospitals, jails, prisons, and the foster care system).

Program-Specific Information: For each program for which they receive funding, grantees must provide certain information, including the following:

- CDBG—a description of the way in which funds were used, as well as the number of families assisted, broken out by income and family size.

⁸⁶ 24 C.F.R. §91.325(e) and 24 C.F.R. §91.225(e).

⁸⁷ 24 C.F.R. §91.520.

- HOME—results of housing inspections of properties assisted with HOME funds; assessment of affirmative marketing efforts, including to minority- and women-owned businesses; use of program income; projects and tenant characteristics; and emergency transfers that were requested pursuant to the Violence Against Women Act (VAWA).
- HOPWA—the number of individuals assisted and type of assistance provided and emergency transfer requests made pursuant to VAWA.
- ESG—number of persons assisted and the type of assistance provided; program outcomes; and emergency transfer requests made pursuant to VAWA.
- HTF—the accomplishments of the HTF; compliance with the HTF allocation plan; and emergency transfer requests made pursuant to VAWA.

HUD evaluates the CAPERs to determine if they are satisfactory. If a report is not submitted or is not satisfactory, HUD may suspend funding or may withdraw and reallocate funding.⁸⁸

HUD Review and Monitoring

HUD reviews Consolidated Plans of all grantees to ensure that they satisfy certain specific requirements.⁸⁹ If HUD does not disapprove a plan, it is deemed accepted within 45 days of submission. HUD may disapprove part or all of a plan if

- It is inconsistent with the purposes of the Cranston-Gonzalez National Affordable Housing Act (P.L. 101-625).⁹⁰
- Certifications related to the CDBG program are unsatisfactory.
- It is substantially incomplete. Examples of incomplete plans identified in the regulations are those:
 - developed without citizen participation or collaboration;
 - that do not fulfill required regulatory elements of the Consolidated Plan;
 - containing inaccurate certifications (see “Program-Specific Certifications”);⁹¹ and
 - that do not make provisions for assisting a public housing agency designated as “troubled.”

If HUD disapproves a plan, it must give reasons in writing, as well as actions a jurisdiction can take to gain approval. A jurisdiction has 45 days to submit a revised plan to HUD.

Discussion

To differing degrees, the formula grant programs discussed in this report provide flexibility to state or local governments to use federal funds in the way that best meets their needs, within

⁸⁸ 24 C.F.R. §91.520(i).

⁸⁹ 24 C.F.R. §91.500.

⁹⁰ The purposes of the Cranston-Gonzalez National Affordable Housing Act (P.L. 101-625) are helping families save for a down payment, preserving existing assisted housing units, extending and strengthening partnerships for the production of affordable housing, expanding federal rental assistance, and increasing the supply of supportive housing. 42 U.S.C. §12703.

⁹¹ Required certifications for local governments are at 24 C.F.R. §91.225, for states at 24 C.F.R. §91.325, and for consortia at 24 C.F.R. §91.425.

federal parameters set by statute and regulation. The consolidated planning process provides an opportunity for communities to assess their particular housing and community development needs, prioritize uses of HUD funds, and involve the public and other relevant entities in the planning process. This process can foster the coordination of housing resources to address priority needs and promote more efficient and effective use of program funds. The Consolidated Plan also allows for some federal oversight of how funds are used, and can act as a federal policy lever to induce communities to consider certain federal priorities in the development of their plans. However, if planning requirements are too burdensome, it may limit the ability of some communities to realize the full potential of the consolidated planning process.

Congress may have interest in changes to the Consolidated Plan's contents or processes based on the extent to which the consolidated planning process appears to be meeting its goals. At times, Congress or HUD have expanded, or sought to expand, the types of information or level of detail provided in the Consolidated Plan. HUD has also taken steps that could address potential capacity concerns for grantees in developing the Consolidated Plan and for the agency in assessing grantee needs. Other federal efforts have sought to enhance regional and interjurisdictional coordination as it pertains to plans and processes facilitated by other federal agencies.

Consolidated Plan Modifications

The Consolidated Plan is a federal policy lever that Congress or HUD can use to influence the factors that state and local governments consider when planning the uses of HUD program funds. As such, there may be a tension between the goals of local control over the uses of funding from these HUD programs and federal policy objectives. Modifications to the Consolidated Plan to direct communities to consider certain housing policy priorities can increase awareness of and responses to certain housing needs, but may also raise questions about the added administrative burden on grantees or the overall effectiveness of including additional elements.

Over time, both Congress and HUD have proposed or implemented changes to the Consolidated Plan to reflect certain priorities. Such changes have included requirements that the Consolidated Plan consider broadband needs, natural hazards, and manufactured housing, while current legislative proposals would require communities to report on their consideration of certain specified regulatory and land-use policies. Other federal proposals have sought to modify or clarify requirements related to public participation and performance measurement for certain grantees.

Expanded Requirements for Information to be Included in the Con Plan

In 2016, HUD issued a Final Rule that amended the Consolidated Plan regulations to require that grantees include information on (1) access to broadband or high-speed internet, and (2) natural hazards. Regarding broadband internet, the Final Rule requires that a grantee's Consolidated Plan include a description of "broadband access in housing occupied by low- and moderate-income households." Additionally, the rule requires the grantee to "consider providing broadband access" for low-income households without such access. Regarding natural hazards, the Final Rule establishes a requirement that the Consolidated Plan include a consideration of natural hazard resilience to be incorporated in development plans, with specific focus on impacts for low- and moderate-income residents.⁹²

⁹² HUD, "Modernizing HUD's Consolidated Planning Process to Narrow the Digital Divide and Increase Resilience to Natural Hazards," 81 *Federal Register* 90997-91012, December 16, 2016.

Some Members of Congress have also sought to expand the required elements or level of detail provided by grantees on a range of policy issues and practices. For example, in the 116th Congress, the HUD Manufactured Housing Modernization Act of 2019 (S. 1804 and H.R. 926) would have directed HUD to issue guidelines for grantees related to including manufactured homes in their Consolidated Plans. The explanatory statement accompanying the Further Consolidated Appropriations Act, 2020 (P.L. 116-94) directed HUD to issue such guidelines.⁹³

More recently, the Yes In My Backyard Act (S. 1688/ H.R. 3507 in the 118th Congress) would require HUD to establish regulatory requirements for certain grantees to report on plans, adoption, or potential benefits of specific types of land-use policies in the Consolidated Plan. Similar bills have been introduced in previous Congresses. Currently, the HUD Consolidated Plan includes more general requirements related to reporting on barriers to affordable housing.⁹⁴

Citizen Participation

On January 10, 2024, HUD issued a proposed rule in the *Federal Register* that would—among other changes—modify the Consolidated Plan citizen participation requirements for certain grantees.⁹⁵ The proposed rule would amend the local government and state grantee citizen participation plan regulations to encourage broader outreach, including additional potential methods of publicizing the Consolidated Plan. The proposed amendments would also require grantees to ensure access to published materials for “persons with disabilities” and “limited English proficient persons.”⁹⁶

The proposed rule would also clarify the definition of the term “substantial amendment” in the administration of CDBG funds. Specifically, the proposed amendment would clarify that adding a new proposed CDBG activity not previously included in the Consolidated Plan or Action Plan would qualify as a substantial amendment. Under HUD Consolidated Plan regulations, substantial amendments initiate the public participation process prior to approval.⁹⁷

Data and Performance Measurement

The 2024 HUD proposed rule would also amend the Consolidated Plan regulations pertaining to certain aspects of data collection and performance measurement. The proposed rule would explicitly require state and local grantees to include information on manufactured housing in the housing and homeless needs assessment and the housing market analysis, consistent with the FY2020 Appropriations language.⁹⁸ Additionally, the proposed rule would encourage local grantees to prioritize funds for target areas with federal or state designations of economic distress, and require CDBG entitlement grantees to include “quantitative, neighborhood-level outcome goal accomplishments” in the CAPER.⁹⁹

⁹³ “Explanatory Statement Submitted by Mrs. Lowey, Chairwoman of the House Committee on Appropriations Regarding H.R. 1865, Further Consolidated Appropriations Act, 2020,” *Congressional Record*, daily edition, vol. 165, (December 17, 2019), p. H11462.

⁹⁴ See 24 C.F.R. §§91.210(e), 91.215(h), 91.220(j), 91.310(d), 91.315(h), and 91.320(i).

⁹⁵ HUD, “Submission for Community Development Block Grant Program, Consolidated Plans, and Indian Community Development Block Grant Program Changes,” 89 *Federal Register* 1746-1786, January 10, 2024.

⁹⁶ *Ibid.*, pp. 1766-1768.

⁹⁷ *Ibid.*, pp. 1766-1767.

⁹⁸ *Ibid.*, pp. 1767-1768.

⁹⁹ *Ibid.*

Grantee and HUD Capacity

The consolidated planning process involves tradeoffs between the content and robustness of the planning and reporting requirements, on the one hand, and the capacity of grantees to carry out the requirements in a meaningful way and for HUD to provide useful oversight, on the other.

Stakeholders sometimes raise concerns about the capacity of grantees to carry out the consolidated planning process and the potential administrative burden involved, especially for smaller grantees. HUD has taken steps over the years to attempt to make the process easier for grantees. For example, HUD makes available custom tabulations of American Community Survey (ACS) data from the Census Bureau, known as the CHAS data, that grantees can use in preparing their Consolidated Plans.¹⁰⁰ In addition, in 2012 HUD launched its eCon Planning Suite to provide grantees with additional tools, including an online template and a mapping tool, to improve their consolidated planning process.¹⁰¹ Nevertheless, aspects of the process may still be time-consuming or otherwise pose difficulties for some grantees.¹⁰²

In addition, although HUD assesses Consolidated Plans for compliance, it has indicated it does not have capacity to carry out more detailed analyses that could provide broader insight on common experiences and needs among grantees. In March 2023, HUD's Office of Policy Development and Research initiated a pilot project, pursuant to Executive Order 13960, *Promoting the Use of Trustworthy Artificial Intelligence in the Federal Government*. Under the pilot project, HUD has indicated it is exploring the use of AI capabilities that could assist agency staff in reviewing Consolidated Plans for information that could support outreach, technical assistance, and decisions related to program administration.¹⁰³

Regional Coordination

As noted above, the Consolidated Plan regulations require that grantees consult with a range of public and private sector partners, as well as community stakeholders throughout the process. HUD has also worked with certain federal agencies to encourage coordination of federal assistance at the regional level. For example, HUD and the Economic Development Administration (EDA) have issued guidance to encourage coordination among grantees in developing the EDA Comprehensive Economic Development Strategy and the HUD Consolidated Plan,¹⁰⁴ pursuant to a 2016 memorandum of understanding (MOU) between the two agencies.¹⁰⁵ In a 2021 report on interagency coordination, the Government Accountability Office

¹⁰⁰ See <https://www.huduser.gov/portal/datasets/cp.html>.

¹⁰¹ HUD, "HUD Launches Overhaul of Consolidated Planning Process," press release, May 7, 2012, <https://archives.hud.gov/news/2012/pr12-077.cfm>. For more information on the eCon Planning Suite, see <https://www.hudexchange.info/programs/consolidated-plan/econ-planning-suite/>.

¹⁰² For example, the National League of Cities has argued that "The preparation of a Consolidated Plan is currently complex and time-intensive for local governments" and that the federal government "must streamline the application process and help with information gathering" and "not turn too quickly to punitive measures." See National League of Cities, *2024 National Municipal Policy and Resolutions*, adopted at the 2023 City Summit, November 18, 2023, p. 114, <https://www.nlc.org/wp-content/uploads/2024/01/2024-NMP-1.16.2024.pdf>.

¹⁰³ HUD, *AI Inventory*, https://www.hud.gov/program_offices/cio/AI_Inventory.

¹⁰⁴ HUD and EDA, *Reducing Administrative Burden Through Aligned Planning*, December 2017, <https://files.hudexchange.info/resources/documents/HUD-EDA-Reducing-Administrative-Burden-Through-Aligned-Planning.pdf>.

¹⁰⁵ HUD and EDA, *Memorandum of Understanding Between the United States Department of Housing and Urban Development and the Economic Development Administration, Department of Commerce Regarding Integrated Community and Economic Development Planning*, 2016, https://www.hud.gov/sites/documents/HUD_EDAPLANMOU_EDA.PDF.

(GAO) recommended that the agencies expand on the 2016 MOU, and seek opportunities to include the Department of Agriculture. GAO also recommended that HUD and EDA “monitor progress” related to the type of coordination encouraged in the joint guidance.¹⁰⁶

¹⁰⁶ U.S. Government Accountability Office, *Economic Development: Opportunities Exist for Further Collaboration among EDA, HUD, and USDA*, GAO-21-579, July 2021, pp. 31-32, <https://www.gao.gov/assets/d21579.pdf>.

Appendix. Terminology

The terminology around the Consolidated Plan may be cause for confusion. The Con Plan consists of different components, some of which may themselves be separate reports. HUD regulations describe the components as “Contents” of the Con Plan. Relevant components include

- **Consolidated Plan (Con Plan):** The Con Plan is a grantee’s analysis of its housing affordability and community development needs. It includes the Homeless and Housing Needs Assessment; Housing Market Analysis; Strategic Plan; Action Plan, which, unlike the other components, is to be submitted annually; and Certifications.
- **Strategic Plan:** The Strategic Plan is a portion of the Con Plan that identifies priority needs and how to accomplish them. Grantees must address needs in the areas of affordable housing, public housing, homelessness, special needs, and community development.
- **Action Plan:** The Action Plan must be submitted every year. In it, grantees describe the federal, state, local, and nongovernmental resources available and how they will be allocated to pursue the needs and goals identified in the Con Plan.
- **Consolidated Annual Performance and Evaluation Report (CAPER):** The CAPER is not technically considered one of the components of the Con Plan. It is a separate reporting requirement that is to occur annually. In the CAPER, grantees report their accomplishments and progress made toward goals.

In 2012, HUD introduced an online system through which grantees input information required for the consolidated planning process.

- **Integrated Disbursement and Information System (IDIS):** IDIS is a software system for HUD formula grantees to report activities to HUD and draw down their funds. In the context of the Consolidated Plan, the software provides templates for the Consolidated Plan, Action Plan, and CAPER.
- **eCon Planning Suite:** The suite consists of IDIS, the system through which grantees submit the Consolidated Plan, and CPD Maps, which help grantees compile data for the consolidated planning process.¹⁰⁷

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¹⁰⁷ For more information, see <https://www.hudexchange.info/programs/consolidated-plan/econ-planning-suite/>.

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