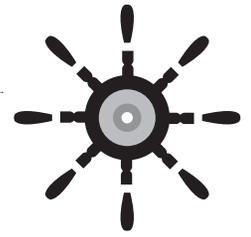


# Consolidated Planning Process



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**Administering agency:** HUD's Office of Community Planning and Development (CPD)

**Year Program Started:** 1990 as Comprehensive Affordability Strategy, and significantly modified in 1994 as the Consolidated Plan.

**Also see:** *Public Housing Agency Plan, The National Housing Trust Fund*

The Consolidated Plan, popularly called the ConPlan, is a tool advocates can use to influence how federal housing and community development dollars are spent in their communities. The ConPlan merges into one process and one document all the planning and application requirements of four HUD block grant programs: Community Development Block Grant (CDBG) program, HOME Investment Partnerships (HOME) program, Emergency Solutions Grants (ESG) program, and Housing Opportunities for Persons With AIDS (HOPWA) program. The interim regulations for the National Housing Trust Fund integrate its Annual Allocation Plan into the ConPlan. States, large cities, and urban counties that receive any of these grants must have a ConPlan. In addition, Public Housing Agency Plans (PHA Plans) must be consistent with the ConPlan.

## HISTORY

The statutory basis for the ConPlan is the Comprehensive Housing Affordability Strategy (CHAS), a provision of the Cranston-Gonzalez National Affordable Housing Act of 1990. The CHAS established a state and local planning process that determined housing needs and assigned priorities to those needs. In order to receive CDBG, HOME, ESG or HOPWA dollars, jurisdictions had to have a CHAS. In 1995, HUD amended the CHAS regulations to create the ConPlan; there is no ConPlan statute.

The ConPlan regulations interwove the planning, application, and performance reporting processes of the four block grants and the CHAS, resulting in one long-term plan (the Strategic Plan), one application document (the Annual Action Plan), one set of performance reports, and the Consolidated Annual Performance and Evaluation

Report (CAPER), which includes CDBG's Grantee Performance Report (GPR).

## SUMMARY

Jurisdictions develop ConPlans at least once every five years in the form of the long-term Strategic Plan, and must update them annually with the Annual Action Plan. The regulations are at 24 CFR Part 91.

### The Seven Key ConPlan Elements

**Housing and Community Development Needs:** The ConPlan must estimate housing needs for the upcoming five years. It must also describe "priority non-housing community development needs." According to the regulations, the needs in the ConPlan should reflect the public participation process and the ideas of social service agencies, must be based on U.S. Census data, and "shall be based on any other reliable source." NLIHC's Out of Reach and Congressional District Housing Profiles are excellent sources of data.

The ConPlan must estimate housing needs by:

- Income categories, including households with incomes below 30% of the area median income (AMI), called extremely low income; between 30% and 50% of AMI (low income), between 50% and 80% of AMI (moderate income), and between 80% and 95% of AMI (middle income).
- Tenure type (whether the household rents or owns).
- Family type, including large families (5 or more people), individuals, and elderly households.
- A summary of the number of people who have a housing cost burden (pay more than 30% of their income for rent and utilities) or severe cost burden (pay more than 50% of their income for rent and utilities), live in very poor quality housing, or live in overcrowded housing. Each of these characteristics must be presented by income category and tenure type.

The ConPlan must estimate the housing needs of:

- Victims of domestic violence;

- Persons with disabilities;
- Persons with HIV/AIDS and their families; and,
- Persons who were formerly homeless and receiving rapid re-housing assistance about to expire.

The ConPlan must estimate:

- The need for public housing and Housing Choice Vouchers (Section 8), referring to waiting lists for those programs.
- The supportive housing needs of people who are elderly, have physical or mental disabilities, have addiction problems, are living with HIV/AIDS, or are public housing residents.
- The number of housing units containing lead-based paint hazards occupied by low income households.
- The needs of any racial or ethnic group if their needs are 10% greater than all people in the same income category.

The ConPlan must describe the nature and extent of homelessness, addressing:

- The number of homeless people on any given night; the number who experience homelessness each year; and the number of days people are homeless.
- The nature and extent of homelessness by racial and ethnic group.
- The characteristics and needs of people, especially extremely low income people, who are housed, but who are threatened with homelessness.

**Housing Market Analysis:** The housing market analysis requires a description of key features of the housing market, such as the supply of housing, demand for housing, and the condition and cost of housing. It must also have an inventory of facilities and services for homeless people, with categories for permanent housing, permanent supportive housing, transitional housing, and emergency shelters. A description of facilities and services for people who are not homeless but require supportive housing must be included, along with a description of programs ensuring that people returning from mental and physical health institutions receive supportive housing.

Localities (not states) have additional requirements:

- A description of the housing stock available to people with disabilities, HIV/AIDS, or special needs.
- An estimate of the number of vacant or abandoned buildings, with an indication of whether they can be rehabilitated.
- A narrative or map describing areas where low income people and different races and ethnic groups are concentrated.
- A list of public housing developments and the number of units in them, along with a description of their condition and revitalization needs.
- A description of the number of units assisted with other federal (e.g., Project-Based Section 8), state, or local funds, including the income levels and types of families they serve.
- An assessment of whether any units are expected to be lost, such as through Section 8 contract expiration.

**Strategic Plan:** This long-term plan must be done at least every five years. It must indicate general priorities for allocating CPD money geographically and among different activities and needs. (“CPD money” is used here to refer to each of the four block grant programs administered by CPD, which are subject to the ConPlan.) The Strategic Plan must describe the rationale for the fund allocation priorities given to each category of priority needs among the different income categories. Needs may refer to types of activities, such as rental rehabilitation, as well as to demographic groups, such as extremely low income households. Although the regulations do not specifically require it, past HUD guidance has required jurisdictions to assign to each priority need a relative priority of high, medium, or low. Since August 2012, HUD has only required priority assignments of high or low priority. The ConPlan must identify proposed accomplishments in measurable terms and estimate a timetable for achieving them.

For housing, the regulations add that the Strategic Plan must explain the reasoning behind priority assignments and the proposed use of funds, and how the reasoning relates to the analysis of the housing market, the severity of housing problems, the needs of the various income categories, and the needs of renters compared to owners. The number of families who will get affordable housing must be

shown by the income categories of extremely low, low, and moderate. The Strategic Plan must also describe how the need for public housing will be met.

Priority homeless needs must be shown. The Strategic Plan must also describe strategies for reducing and ending homelessness by: helping people to avoid becoming homeless; reaching out to homeless people to determine their needs; addressing needs for emergency shelter and transitional housing; and, by helping homeless people make the transition to permanent housing.

For people with special needs who are not homeless, the Strategic Plan must summarize the priority housing and supportive service needs of people who are elderly or have disabilities (mental, physical, or developmental), alcohol or drug addiction, or HIV/AIDS, or who are public housing residents.

For jurisdictions receiving CDBG funds, the Strategic Plan must summarize non-housing community development needs, such as day care services, health centers, parks, roads, and commercial development.

**Anti-poverty Strategy:** The law calls for a description of goals, programs, and policies for reducing the number of people with incomes below the poverty level. It also requires a statement of how affordable housing programs will be coordinated with other programs, and the degree to which they will reduce the number of people in poverty.

**Lead-based Paint:** The Strategic Plan must outline actions to find and reduce lead paint hazards.

**Fair Housing:** Each year the jurisdiction must certify that it is affirmatively furthering fair housing (AFFH). For most jurisdictions in 2016, this means that it has an Analysis of Impediments (AI) to fair housing choice, is taking appropriate action to overcome the effects of impediments, and keeps records. The AI is not required to be a part of the Strategic Plan or Annual Action Plan. Although HUD's official 1996 Fair Housing Planning Guide says an AI "must be completed/updated in accordance with timeframes for the Consolidated Plan," a September 2004 memorandum says that each jurisdiction "should maintain its AI and update the AI annually where necessary." See *Affirmatively Furthering Fair Housing* articles.

On July 16, 2015, HUD issued new AFFH regulations intended to improve jurisdictions' obligation to AFFH. These regulations replace the AI with an Assessment of Fair Housing (AFH) that spells out specific fair housing issues that jurisdictions must identify, prioritize, and take proactive steps to address. The AFH would have to be approved by HUD before a ConPlan is approved so that a jurisdiction could receive CPD and other HUD funds. The new AFFH rule establishes a clearer and more direct incorporation of fair housing strategies and actions to inform the ConPlan process. Most jurisdictions will not have to comply with the new AFFH rule until 2019. See *Affirmatively Furthering Fair Housing* articles.

**Annual Action Plan:** The Annual Action Plan must describe all the federal resources reasonably expected to be available, including those in addition to CDBG, HOME, ESG, and HOPWA, such as Low Income Housing Tax Credits (LIHTCs), Continuum of Care funds, and Housing Choice Vouchers. The Action Plan must also indicate other private and local and state resources expected to be available. The geographic areas that will get assistance in the upcoming year must be indicated, and the Annual Action Plan must give the reasons these areas have priority.

Local jurisdictions' Action Plans must describe the activities the jurisdiction will carry out in the upcoming year. State Action Plans must describe their method for distributing funds to local governments and nonprofits, or the activities the state will undertake itself. The Action Plan must also describe the reasons for making these allocation priorities. Descriptions of uses of CDBG must include enough detail about each activity, including location, that people can determine the degree to which they could be affected. States must describe the criteria used to select CDBG applications from localities. States must also describe how all CDBG money will be allocated among all funding categories (e.g., housing, economic development, public works, etc.).

There must be an estimate of the number and type of households expected to benefit from the use of CPD funds (this does not apply to states). In addition, based on any funds available to the jurisdiction, the Action Plan must specify one-year goals for the number of non-homeless, homeless, and special needs households to be provided

affordable housing through new construction, rehabilitation, acquisition, and rental assistance

The Annual Action Plan must indicate the activities that will be carried out in the upcoming year to reduce homelessness by: preventing homelessness, especially for those with incomes below 30% of AMI; meeting emergency shelter and transitional housing needs; helping people make the transition to permanent housing and independent living; and, meeting the special needs of people who are not homeless but have supportive housing needs.

### **The Five Steps of the ConPlan Calendar**

1. **Identify Needs:** The CDBG and CHAS laws require a public hearing to gather the public's ideas about housing and community development needs. HUD's regulations require this hearing to take place before a proposed ConPlan is published for comment.
2. **Proposed ConPlan:** There must be a notice in the newspaper that a proposed ConPlan is available. Complete copies of the proposed ConPlan must be available in public places such as libraries. A reasonable number of copies of a proposed ConPlan must be provided at no cost. There must be at least one public hearing during the development of the ConPlan (this does not apply to states). The public must have at least 30 days to review and comment on the proposed ConPlan.
3. **Final ConPlan:** The jurisdiction must consider the public's comments about the proposed ConPlan, attach a summary of the comments to the final ConPlan, and explain in the final ConPlan why any suggestions were not used. A copy of the final ConPlan must be available to the public.

HUD can disapprove the final ConPlan for several reasons, including a jurisdiction: did not follow the public participation requirements, did not "satisfy all of the required elements," or provided an inaccurate certification (for example, HUD finds that a jurisdiction's certification that it took appropriate actions to overcome impediments to fair housing is not accurate).

4. **The Annual Performance Report:** In this report a jurisdiction shows what it did during the past year to meet housing and community development needs. The report must include

a description of the money available and how it was spent, the location of projects, and the number of families and individuals assisted broken down by race and ethnicity as well as by income category, including incomes below 30% of AMI. For CDBG-assisted activities, the performance report must describe the assisted activities and explain how they relate to the ConPlan priorities, giving special attention to the highest priority activities. The Annual Performance Report must describe the actions taken to AFFH.

There are several public participation features related to the Annual Performance Report. There must be reasonable notice that a report is completed, and the report must be available to the public. The public has only 15 days to review and comment on it; nevertheless, the jurisdiction must consider public comments and attach a summary of the comments.

The annual performance reporting requirements of the four block grant programs have been merged into a set of computer-based records called the CAPER for local jurisdictions and called the Performance and Evaluation Report (PER) for states. These performance reports only offer a general, aggregate picture of what a jurisdiction accomplished. Although no longer a part of the CAPER, local jurisdictions receiving CDBG must still complete a GPR, which also goes by the term "IDIS Report C04PR03." The GPR should provide detailed information about each activity funded by CDBG. Although many jurisdictions do not make the GPR known to the public, it must be provided if requested.

5. **Amendments to the ConPlan:** The ConPlan must be amended if there are any changes in priorities, or in the purpose, location, scope, or beneficiaries of an activity, or if money is used for an activity not mentioned in the Action Plan. If there is a substantial amendment, then public participation similar to that for Annual Performance Reports is required, but with a 30-day comment period. HUD allows the jurisdiction to define substantial amendment. At a minimum, the regulations indicate that a substantial amendment must include a change in the use of CDBG funds, and a change in the way a state allocates CDBG money to small towns and rural areas.

## Public Participation

In addition to the public participation requirements mentioned in the previous paragraphs, each jurisdiction must have a written “citizen participation plan” available to the public. The plan must provide for and encourage public involvement in the creation of the ConPlan, review of the Annual Performance Report, and any substantial amendment. It must encourage involvement by people with low incomes, especially in low income neighborhoods and areas where CDBG money might be spent. Jurisdictions “are expected to take whatever actions are appropriate to encourage the participation of all of its citizens, including minorities and non-English speaking persons, as well as persons with disabilities. Jurisdictions must also encourage involvement by residents of public and assisted housing.

There must be reasonable and timely access to information and records relating to the ConPlan. The public must be able to review records from the previous five years related to the ConPlan and any use of federal money covered by the ConPlan. For local jurisdictions (not states) the public must have reasonable and timely access to local meetings, such as community advisory committee meetings and city council meetings.

Public hearings must be held after adequate notice to the public. “Publishing small print notices in the newspaper a few days before the hearing is not adequate notice,” according to the regulations, but “two weeks’ notice is adequate.” Public hearings must be held at times and places convenient for people with low incomes. Where there are a significant number of people with limited English proficiency, the public participation plan must show how they can be involved. The jurisdiction must give written, meaningful, and timely responses to written public complaints; 15 days is considered timely if the jurisdiction gets CDBG funding.

## Rollout of New ConPlan Template and Mapping Tools

On May 7, 2012, CPD issued CPD-12-009 describing a new electronic template that must be used for any new ConPlan Strategic Plan submitted after November 15, 2012. For those ConPlans, their subsequent Annual Action Plans and CAPERs must also be submitted electronically using the template.

The new electronic template is tied into CPD’s management information system, known as IDIS.

The template is a combination of data tables and narratives that set, for the first time, a baseline of HUD’s expectations for the type and amount of information required. Jurisdictions can customize their templates by adding additional text, data, or images from other sources. The data tables required by the regulations pertaining to housing and homelessness needs and the housing market are automatically pre-populated with the required data; however, jurisdictions may substitute better data if they have it. Some of the data includes the five-year American Community Survey data from the Census Bureau, special Census CHAS tabulations, public housing resident characteristics from HUD’s *Picture of Subsidized Housing*, and business and employment data from Census.

Some jurisdictions’ ConPlans are posted on the HUD website. Advocates will benefit from reviewing the ConPlan Desk Guide containing the components of the template because it outlines the regulatory requirements that jurisdictions must follow, and because it helps advocates know what the various template tables should look like. Unfortunately, advocates cannot use the template to electronically create their own alternative ConPlan because only jurisdictions have access to IDIS. Nevertheless, the Desk Guide provides advocates an outline of what jurisdictions must submit that advocates can use to manually fashion their own ideal ConPlan to promote prior to the public participation process.

CPD also has a mapping tool that allows both grantees and members of the public to access a large amount of data in a user-friendly, web-based format. Jurisdictions are not required to use the maps. Users can search, query, and display information on the map that will help them identify trends and needs in their communities. Some of the features available on the mapping program include the capacity to show where CDBG and HOME activities have been provided, and where public housing and private, HUD-assisted housing and LIHTC housing is located. It is also possible to see housing, economic, and demographic characteristics of an area down to the census tract level. The web-based software enables advocates to draw custom geographies, such as neighborhood boundaries, which might not fit neatly into census tracts.

## THE CONPLAN AND THE NATIONAL HOUSING TRUST FUND

The National Housing Trust Fund (NHTF) statute requires states to prepare an Allocation Plan each year showing how the state will allot the NHTF dollars it will receive in the upcoming year. Each state must distribute its NHTF dollars throughout the state according to the state's assessment of priority housing needs as identified in its approved ConPlan.

NHTF advocates should determine which state agency is responsible for the ConPlan. It might not be the same agency that receives and administers the NHTF. Advocates should inform the ConPlan agency (and the NHTF state agency if it is different) that they are interested in participating in the process for planning where and how NHTF money will be used.

Although the NHTF statute requires public participation in the development of the NHTF Allocation Plan, the NHTF interim rule does not explicitly declare that, in order to receive NHTF money, states must develop their Allocation Plans using the ConPlan public participation rules. It merely requires states to submit a ConPlan following the ConPlan rule, which does have public participation requirements.

Action around the NHTF Allocation Plan begins at the state level, and could then flow to the local level if a state decides to allocate some or all of the NHTF to local subgrantees. The state NHTF Allocation Plan will be tied to a state's ConPlan, and then perhaps a local government's NHTF Allocation Plan will be tied to the locality's ConPlan.

For advocates only accustomed to ConPlan advocacy at the local level because a locality gets CDBG and HOME directly from HUD, the state NHTF process will be an important new experience. To better ensure that NHTF dollars are used properly, it will be necessary for advocates to learn how to influence their state ConPlan.

The interim NHTF rule requires states receiving NHTF dollars to submit a performance report according to the ConPlan regulations. The NHTF performance report must describe NHTF program accomplishments, and the extent to which the state complied with its approved NHTF Allocation Plan and all of the requirements of the NHTF rule. NLIHC will monitor how HUD addresses performance reporting through changes to the ConPlan template.

## FORECAST

The ConPlan will take on significant new importance in 2016 because HUD published the interim NHTF rule, triggering states' drafting of NHTF Allocation Plans to implement the NHTF. In addition, HUD published the final AFFH rule, which more firmly ties AFFH to the ConPlan process.

## TIPS FOR LOCAL SUCCESS

The ConPlan is a potentially useful advocacy tool for directing funds toward activities more beneficial to people with low incomes because jurisdictions must provide for and encourage public participation, particularly by people with low incomes. Advocates and residents should monitor the needs assessment and priority setting processes, making sure that all needs are identified and assigned the level of priority they deserve. With the mapping tool, advocates can add information and data that the jurisdiction might not include, such as data from studies conducted by local universities. Advocates can also devise an alternative plan using the mapping tool to draw neighborhood boundaries that more realistically reflect community dynamics. Through the Annual Action Plan's public participation process, advocates and residents can strive to ensure that federal dollars are allocated to activities that will truly meet the high priority needs of low income people.

## FOR MORE INFORMATION

NLIHC, 202-662-1530, [www.nlihc.org](http://www.nlihc.org)

HUD Consolidated Plan on HUD Exchange <https://www.hudexchange.info/programs/consolidated-plan>

ConPlan template Desk Guide, <https://www.hudexchange.info/resource/2641/econ-planning-suite-desk-guide-idis-conplan-action-plan-caper-per>

ConPlan mapping tool, <http://egis.hud.gov/cpdmaps> and CPD Maps Desk Guide, <https://www.hudexchange.info/resource/3818/guide-to-the-data-driven-planning-toolkit-in-cpd-maps>

End of year reporting, <https://www.hudexchange.info/programs/idis/idis-reporting>, and

<https://www.hudexchange.info/resource/3312/hud-memo-caper-for-entitlement-grantees-for-1997-program-year> ■