

the responses that must be prepared as a part of the consolidated plan document. If so, this would be burdensome. The provision on responses to complaints was not intended to cover comments on the consolidated plan. The rule has been revised to have a separate paragraph for comments and a separate paragraph for complaints.

j. Criteria for Amendments

One state interest group commented on behalf of a state that the citizen participation plan is very idealistic and will restrict states' flexibility to amend individual programs. The regulation requires the citizen participation plan to specify the criteria that the jurisdiction will use to determine what constitutes a "substantial change" which necessitates citizen participation to amend the consolidated plan.

k. Adoption of Citizen Participation Plan

One state commenter believes that HUD presents no rationale for the provision requiring citizen input on the citizen participation plan and it exceeds the statute. The state is also concerned that the need to allow for input on the citizen participation plan will require a much earlier initiation of actions than may have been contemplated by many states.

The Department believes that input by citizens and their advocates is necessary for a meaningful citizen participation plan that will meet the needs of citizens in the jurisdiction, particularly those who are the intended beneficiaries of programs covered by the consolidated plan. The regulation does not require adoption of a new citizen participation plan each year.

l. Pending CDBG Rule on Citizen Participation

The citizen participation requirements in the consolidated plan regulation incorporate the citizen participation requirements of the CDBG program and supersede the pending rulemaking on citizen participation for the CDBG Entitlement program. In that rulemaking, a proposed rule was published on March 28, 1990 (55 FR 11556). Publication of a final CDBG regulation on citizen participation was delayed primarily by a moratorium on rulemaking.

HUD received comments on citizen participation requirements in the proposed CDBG program from eight commenters. Some of the comments on public hearings duplicated comments made on the proposed consolidated plan regulation and are addressed

above. Comments that apply equally to citizen participation under the consolidated plan have been considered by HUD in the development of the final consolidated plan regulation as follows.

Two commenters expressed concern about the proposed requirements that grantees must provide citizens an opportunity to comment on the original citizen participation plan and any amendments to the plan, and must make the plan public. The comments expressed the view that these requirements were duplicative and would only serve to increase costs of compliance with little benefit to the objective of public participation.

The Department disagrees. Because the plan sets forth the detailed mechanisms for involving citizens in the development and review of the grantee's CDBG program and consolidated plan, it must certainly be made public. But it is also important that the citizens, who will be so much affected by the approaches selected by the grantee for involving them, be given the opportunity to comment on the development and amendment of that plan. Although this will be more costly than simply making the plan public, it is largely a one-time added expense and is fully justified in light of the importance placed on meaningful involvement of citizens in the development and review of local CDBG programs and the consolidated plan.

One of the commenting citizen organizations recommended that the rule require that hearings be held each time a final statement is proposed to be amended and that language be added to encourage the use of hearings for the purpose of enabling citizens to participate in project design and implementation. Neither of the suggestions was adopted. The Department believes that to require hearings to discuss amendments would be very costly, since a grantee could be expected to have several amendments during a program year. It is also highly questionable that holding a hearing to discuss an amendment would be more effective in getting citizen views than the current requirement of providing citizens the opportunity to comment in writing. It is reasonable to assume that many citizens would be willing to submit comments in writing about a proposal but would not be willing or able to attend a hearing to register those comments.

In a related matter, another commenter recommended the removal of the requirement that the hearings be held at different times during the year. This requirement is statutory.

A commenter recommended that the requirement that the grantee provide "reasonable" notice of public hearings be replaced with the need for providing "adequate" notice, noting that the statute had used the word "adequate" for this purpose. The Department believes that there is little difference between the meaning of the two words in this application. Accordingly, the final rule uses the word contained in the statute. The commenter also recommended that the rule set a standard for "adequate notice," suggesting as a model what the Department of Treasury has established for small-issue private purpose industrial revenue bonds. The final rule does not contain such a model, since HUD believes that each grantee should be given the flexibility to meet the notice requirement in its own way, describing in its plan how it will provide adequate notice.

One commenter questioned the inclusion of the requirement that grantees provide "timely notice of local meetings" (other than for public hearings) in addition to the requirement that they provide "reasonable and timely access to local meetings, information, and records * * *". The commenter noted that the requirement to provide timely notice went beyond the provision in the statute, and appeared to require formal legal notices in daily newspapers. Believing this to be unnecessary and costly, the commenter suggested that the regulation simply retain the statutory language. This suggestion is adopted in the final rule.

A large city expressed concern about the need for targeting citizen participation to low- and moderate-income persons residing in certain areas. This requirement is statutory and cannot be removed from the rule. This commenter also objected to the requirement that the citizen participation plan contain information on the types and levels of assistance to be provided to persons who may be displaced by CDBG-assisted activities. It was noted that this information is already required to be made public and the need to duplicate it in another document would be costly. The regulations do not duplicate requirements concerning plans for displacement. Instead, the citizen participation requirements in the proposed CDBG regulation and in the consolidated plan regulation combine all citizen participation requirements, including the requirement the plan for displacement, into a single citizen participation plan.

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