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## 19. Certification for Paperwork Reduction Act Submissions

On behalf of the U.S. Department of Housing and Urban Development, I certify that the collection of information encompassed by this request complies with 5 CFR 1320.9.

**Note:** The text of 5 CFR 1320.9, and the related provisions of 5 CFR 1320/8(b)(3) appears at the end of the instructions. The certification is to be made with reference to those regulatory provisions as set forth in the instructions.

The following is a summary of the topics, regarding the proposed collections of information that the certification covers:

- (a) It is necessary for the proper performance of agency functions;
- (b) It avoids unnecessary duplication;
- (c) It reduces burden on small entities;
- (d) It uses plain, coherent, and unambiguous terminology that is understandable to respondents;
- (e) Its implementation will be consistent and compatible with current reporting and recordkeeping practices;
- (f) It indicates the retention periods for recordkeeping requirements;
- (g) It informs respondents of the information called for under 5 CFR 1320.8(b)(3):
  - (i) Why the information is being collected;
  - (ii) Use of the information;
  - (iii) Burden estimate;
  - (iv) Nature of response (voluntary, required for a benefit, or mandatory);
  - (v) Nature and extent of confidentiality; and
  - (vi) Need to display currently valid OMB control number;
- (h) It was developed by an office that has planned and allocated resources for the efficient and effective management and use of the information to collected (see note in item 19 of the instructions);
- (i) It uses effective and efficient statistical survey methodology; and
- (j) It makes appropriate use of information technology.

If you are unable to certify compliance with any of these provisions, identify the item below and explain the reason in item 18 of the Supporting Statement.

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Signature of Program Official:

Date:

X  
Kevin B. Perkins, Director, Organizational, Policy, Planning and Analysis Division, HROA

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Signature of Senior Officer or Designee:

Date:

X  
Lillian Deitzer, Departmental Reports Management Officer,  
Office of the Chief Information Officer

**Supporting Statement for Paperwork Reduction Act Submissions**  
**Assisted Living Conversion Program, ALCP**  
**&**  
**Emergency Capital Repair Program, ECRP**  
OMB Number 2502-0542

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**A. Justification**

1. Through the Fiscal Year 2004 Appropriations Act, Congress expanded the Assisted Living Conversion Program (ALCP) to include the Emergency Capital Repair Program (ECRP) for multifamily housing projects designated for occupancy by the elderly. A percentage of the appropriated amount for the ALCP will be directed to the ECRP. Although the eligible developments are consistent for programs, the information collection for interested applicants differs.

The purpose of this submission is to request authorization for additional application requirements relating to fair housing compliance for ECRP program applicants, and the addition of the Grant Agreement.

The ALCP is authorized by Section 202(b) of the Housing Act of 1959 (12 U.S.C. 1701q-2) and was initially funded through the Fiscal Year 2000 HUD Appropriations Act (P.L. 106-74, 113 Stat. 1047, approved October 20, 1999). The Department has not issued regulations for this program.

The ALCP provides funding for the physical costs of converting some or all of the units of an eligible multifamily development into an assisted living facility (ALF), including unit configuration and related common and services space and any necessary remodeling, consistent with HUD's or the state's statute/regulations (whichever is more stringent.)

Section 202(b) of the Housing Act of 1959 (12 U.S.C. 1701q-2) requires applicants to submit an application to the Department in order to receive grant funds.

Under this section, applicants shall submit:

- (a) a description of the substantial capital repairs or the proposed conversion activities for which a grant under this section is requested;
- (b) the amount of the grant requested to complete the substantial capital repairs or conversion activities;
- (c) a description of the resources that are expected to be made available, if any, in conjunction with the grant under this section; and
- (d) such other information or certifications that the Secretary determines to be necessary or appropriate.

In evaluating the applications for awards, the Department shall select applications for grants based on:

- (a) in the case of a grant for substantial capital repairs, the extent to which the project to be repaired is in need of such repair, including such factors as the age of improvements to be repaired, and the impact on the health and safety of residents if such repairs are not made;
- (b) in the case of a grant for conversion activities, the extent to which the conversion is likely to provide assisted living facilities that are needed or are expected to be needed by the categories of elderly persons that the assisted living facility is intended to serve, with a special emphasis on very low-income elderly persons who need assistance with activities of daily living;
- (c) the inability of the applicant to fund the repairs or conversion activities from existing financial resources, as evidenced by the applicant's financial records, including assets in the applicant's residual receipts account and reserves for replacement account;
- (d) the extent to which the applicant has evidenced community support for the repairs or conversion, by such indicators as letters of support from the local community for the repairs or conversion and financial contributions from public and private sources;

- (e) in the case of a grant for conversion activities, the extent to which the applicant demonstrates a strong commitment to promoting the autonomy and independence of the elderly persons that the assisted living facility is intended to serve;
- (f) in the case of a grant for conversion activities, the quality, completeness, and managerial capability of providing the services that the assisted living facility intends to provide to elderly residents, especially in such areas as meals, 24-hour staffing, and on-site health care; and
- (g) such other criteria as the Secretary determines to be appropriate to ensure that funds made available under this section are used effectively.”

Section 202b of the Housing Act of 1959 (12 U.S.C. 1701q-2) and the Consolidated Appropriations Act, 2004 (Pub.L. 108-199, approved January 23, 2004), authorized HUD to provide grants for “substantial capital repairs to eligible multifamily projects with elderly tenants that are needed to rehabilitate, modernize, or retrofit aging structures, common areas or individual dwelling units.” The intent of these grants is to provide one-time assistance for emergency items that could not be absorbed within the project’s operating budget, and where the tenants’ continued occupancy in the immediate near future would be called into question by a delay in initiating the proposed cure. Funding available through the ECRP will assure the continued viability of eligible multifamily assisted housing developments designated for occupancy by elderly tenants as specified in sections 683(2)(B), (C), (D), (E), (F), or (G) of the Housing and Community Development Act of 1992 (Pub. L.102-550, approved October 28,1992).

In order to ensure that only private, nonprofit owners of eligible multifamily assisted housing development are selected, it is important to obtain information from prospective applicants about the requested repairs. That information will assist HUD in determining if the requested repairs do in fact pose immediate threats to the quality of life of the tenants; and if the problems could potentially result in immediate evacuations or long-term displacement of the tenants unless the repairs were rendered. Additionally, if the information were not collected, HUD would have no method for reviewing/granting this award on a competitive and equitable basis as required by Federal regulations.

2. The ALCP and ECRP application submission requirements are necessary to assist HUD in determining each applicant’s eligibility and capacity to develop housing for the elderly consistent with prescribed statutory and program criteria. A thorough evaluation of an applicant’s qualifications and capabilities is critical in protecting the Federal Government’s financial interest and to mitigate any possibility of fraud, waste, or mismanagement of public funds. In the absence of collecting the application submission information, the Department would not be able to assess the worthiness of the applications, determine whether the projects meet statutory and regulatory requirements, or make sound judgments regarding the potential risk to the Government.

Due the limitation of funding, approvals are strictly based on an as-submitted basis until the exhaustion of funds. The Local HUD Offices will evaluate ALCP applications based on established criteria identified in the Notice of Funding Availability (NOFA), rate the applications, and make selection recommendations to Headquarters (usually by the first week of September). Applicants are notified of selection or non-selection generally by September 30th. This process occurs once a year.

Upon receipt of the ECRP application package, the local HUD Offices staff must promptly and thoroughly evaluate the applications based on the established criteria identified in the NOFA. All approvable requests will be sent to Headquarters for the grant awards, subject to the availability of funds. HUD Headquarters reserves the right to deny or reduce any request for funds. Field office staff will notify the owners of selection and non-selection.

Below is a program specific description of the necessary information collection for each program:

## ALCP

HUD Field Office and Headquarters staff will use grant applications to determine applicants' need for and capacity to administer grant funds. Staff will evaluate applications through the use of statutory and administratively designated selection criteria. HUD staff must receive eligible and complete applications in order to award grant funds.

HUD Field staff will review annual program Performance Reports to evaluate the effectiveness and efficacy of grant-funded activities. The staff will compare proposed programs and objectives with realized results. If Performance Reports indicate poor administration of funds or activities, funds spent on ineligible activities, or failure to comply with terms and conditions of the Grant Agreement, the Field staff may take enforcement action. Such action may require sanctions including recapturing funds or levying other administrative or legal penalties.

HUD Field staff will review semi-annual Financial Status Reports, SF-269, in order to monitor the proper use of grant funds. The Field staff will then use the report to evaluate funds expenditure both during program activity and in cumulative form at program conclusion. If the staff find that funds have been improperly used, they may impose sanctions including funds recapture or repayment. If reports indicate poor accounting practices, the staff will work with the Grantee to improve accounting procedures according to appropriate OMB Circulars and Government Accountability Office (GAO) standards.

HUD Field staff will also review the LOCCS Payment Voucher in order to monitor use of funds on eligible activities. Grantees submit these forms on a quarterly basis. This allows the Field staff to track expenses and draw downs of funds for eligible activities at intervals within the grant term. These funds are taken as reimbursements and are obtained through use of a telephone voice response system. Grantees normally submit this form following their call to and receipt of funds from the voice response system. If this form indicates unusual, delinquent, or improper use of funds, the staff can block the Grantee from obtaining future grant funds until such problems are corrected.

## ECRP

The ECRP submission requirements are necessary to assist HUD in determining the validity of an owner's request for emergency capital repair needs. A thorough evaluation of an applicant's qualifications, capabilities, and need is critical in protecting the Federal Government's financial interest and to mitigate any possibility of fraud, waste, or mismanagement of public funds.

The Owner's request must clearly identify all repairs of an emergency nature for which funding is requested, the basis for the emergency declaration and how it impacts upon the health and safety of the tenants, as well as what would happen if the emergency repair were not done. More specifically, the application package must be structured as follows:

- I. Narrative demonstrating the applicant's need for ECRP funding.** The narrative must be in accordance with the procedures described below:
  - a The narrative must clearly identify all repairs of an emergency nature for which funding is requested, the basis for the emergency declaration and how it impacts the health and safety of the tenants, as well as what would happen if the emergency repair were not done immediately.
  - b The narrative must describe the scope of work to be performed, provide an estimate of the cost of the work to be performed, and explain the basis for the estimate.
  - c The request must demonstrate that the repairs cannot be corrected at a cost that can be absorbed within the operating budget or use of the reserve for replacement and/or residual receipts funds.
  - d The narrative must detail a project plan for completing the repairs within six months but no longer than one year from the date of the grant award.

- e The narrative must describe whether the tenants were notified of the project owner's plans to apply for the grant. If applicable, any comments received from the tenants must be submitted to the local HUD field office along with the repair request.
- f The narrative must provide a description of any unsuccessful attempts the owner has made to acquire funds from other sources, including letters of denial from funding sources, to complete the outstanding emergency capital repairs.
- g The narrative must provide a description of any previous grants or loans received by the project for repairs.

**II. Affirmative Fair Housing Marketing Plan (AFHMP).** The owner must submit a copy of the approved AFHMP. If the owner does not have an approved AFHMP, one must be submitted for HUD approval along with the request for funds.

**III. Evidence of Compliance Agreement.** If the Grantee was found to be in noncompliance with all applicable fair housing and civil rights requirements in 24 CFR 5.105(a), but resolved a matter, the Grantee must submit evidence of the resolution. Examples of such evidence include a voluntary compliance agreement, a HUD-approved conciliation agreement, a consent order or consent decree or an issuance of a judicial ruling, or a HUD Administrative Law Judge's decision.

**IV. Rental Use Agreement (HUD-92046).** If there are less than 10 years remaining on the existing mortgage, the applicant must enter into a Use Agreement that would extend the remaining affordability of the project for up to 10 years.

**V. Grant Agreement (HUD-92047).** This agreement outlines the terms and conditions of the assistance awarded to the Grantee.

**VI. Form HUD-1044,** Assistance Award/Amendment is completed by HUD staff, signed by the recipient of the grant, and returned to HUD. This form is a certification and HUD ascribes no burden to its use.

3. The Department has an on-going commitment to identify ways to simplify the process by which the many grant programs are administered so that it can be less costly and more consumer-friendly. Starting in FY 2005 the Department began requiring that all grant applications be submitted and received electronically by <http://www.grants.gov/>. Unless a waiver of the electronic delivery process is approved by HUD, no hard copies are be accepted.

Another avenue of streamlining the ALCP program and creating a more efficient grant program is to solicit input from past applicants. Each year, in developing the instructions pertaining to the ALCP application submission requirements and in an effort to streamline this process for the next fiscal year funding round, the Department takes into consideration comments received from prior year's successful and unsuccessful applicants.

Since the ECRP is a limited and short-term program, electronic filing has been deemed impractical.

4. This information is not available through any other source. The Department will use existing program reviews, financial statements, and audit reports in evaluating the capacity of the applicant to effectively administer the program.
5. This collection does not have a significant economic impact on small businesses or entities.
6. Since the authorizing statute requires the submission of an application, this is a significant legal obstacle to reducing burden. The reports required by the Department provide the minimum information needed to enable

HUD staff to effectively monitor program operation. Without these reports, the Department's program management capability would be seriously impaired.

The statute and NOFA mandate application selection criteria and content. These are then also legal obstacles to reducing burden hours for completion of grant applications. If application content is reduced, HUD staff's ability to select those applicants most in need of funds and most capable of administering funds could be impaired.

Upon the publication of the ECRP Notice, the information collection activities will occur on an as-needed basis. HUD invites applications from project owners that have capital repair needs that are immediate threats to the health, safety, and quality of life of the tenants. Due to the limitation of funding, however, approvals are strictly based on an as-submitted basis until the exhaustion of funds. Since the invitation for application coincides with the yearly appropriations, it is not possible to require the submission of this information less frequently.

7. There are no special circumstances involved in this information collection.
8. In accordance with 5 CFR 1320.6, the agency's notice soliciting public comments was announced in the *Federal Register* on April 17, 2006 (Vol. 71, No. 73, page 19745). No comments were received.

In connection with its submission in 2005, HUD consulted housing professionals representing the types of Sponsors that are eligible to participate in the ALCP and the ECRP. The selected Sponsors were asked to answer several questions concerning their views about the availability of data, frequency of collection, the clarity of instructions, the format for recordkeeping, disclosure, or reporting, and the data elements to be collected. HUD did not consult again in connection with this submission because there have been no significant changes in the requirements.

The following is a list of housing professionals that HUD consulted by telephone in 2005:

Mr. Dean Santa  
Westley Towers  
4444 Mt. Prospect Ave.  
Newark, NJ 017104  
(973) 484-4441

Mr. Gilmary Bauer  
McAuley Commons  
11500 Shoemaker Avenue  
Detroit, MI 48213  
(313) 923-3517

Mr. C.K. Slaughter, Jr.  
Louttit Manor Apartments  
229 South Ridgewood Avenue  
Daytona Beach, FL 32144  
(386) 255-3737

Mr. George S. Smith, III  
College Arms Towers  
101 North Amelia Avenue  
Deland, FL 32724  
(386) 734-2299

9. HUD does not provide any payment or gift to respondents, other than the award of grant funds for those Owners selected for funding.
10. There are no assurances of confidentiality provided to respondents.
11. The application submission requirements do not contain any sensitive questions.
12. Estimated burden hours:

Since the grants will be awarded on an as-submitted basis, as well as the fact that upon the exhaustion of funds the Department will stop accepting applications, it is estimated that the total number of respondents

will not exceed 60 for the ECRP and 30 for the ALCP program. The estimated number of burden hours is based on discussions with HUD Field staff, consultations with housing professionals and Sponsors, and past program activity.

<b>Assisted Living Conversion Program, ALCP</b>							
<b>Description of Information Collection</b>	<b>Number of Respondents</b>	<b>Responses per Annum</b>	<b>Total Responses</b>	<b>Hours per Response</b>	<b>Total Hours</b>	<b>Cost per Hour</b>	<b>Total Cost</b>
SF-424, Application for Federal Assistance	30	1	30	0.75	22.5	\$20	\$450
SF-424 Supplemental, Survey on Ensuring Equal opportunity for Applicants (OMB Control No. 1890-0014)	30						
HUD-424CB, HUD CBW, Applicant Assurances and Certifications	30	1	30	0.25	7.5	\$20	150
Disclosure of Lobbying Activities, SF-LLL	30	1	30	0.16	5	\$20	100
Applicant/Recipient Disclosure/Update Report, HUD-2880 (OMB Control No. 2502-0118)	30						
Form HUD-2530, Previous Participation Certificate (OMB Control No. 2502-0118)	30						
Form HUD-96010, Program Outcome Logic Model (OMB Control No. 2535-0114)	30						
Form HUD-27300, Removal of Regulatory Barriers (OMB Control No. 2510-0013)	30						
HUD-2994-A, You Are Our Client! Survey (2535-0116)	30						
HUD-96011, Third Party Documentation, Facsimile Transmittal (2535-0118)	30						
Certification of Consistency with the RC/E/EC Strategic Plan, HUD-2991	30	1	30	0.5	15	\$20	300
Exhibit 5, Narrative Detailing the Scope of Work	30	1	30	6	180	\$20	3,600
Exhibit 8, Narrative Detailing the Services	30	1	30	6	180	\$20	3,600
ALCP Application Summary Sheet, HUD-92045	30	1	30	2	60	\$20	1,200
Performance Report	15	1	15	5	75	\$20	1,500
LOCCS/VRS Payment Voucher, HUD-50080-ALCP	15	4	60	0.25	15	\$20	300
Financial Status Report, SF-269	15	2	30	2	60	\$20	1,200
<b>Subtotal</b>	<b>30</b>		<b>135</b>		<b>620</b>		<b>\$12,400</b>
<b>Emergency Capital Repair Grant Program</b>							
<b>Description of Information Collection</b>	<b>Respondents</b>	<b>Responses per Annum</b>	<b>Total Responses</b>	<b>Burden Hours</b>	<b>Total Hours</b>	<b>Cost per Hour</b>	<b>Total Cost</b>
Narrative	60	1	60	16	960	\$20	\$19,200
AFHMP (copy)	60	<1	56	.03	2	\$20	40
AFHMP (new)	60	<1	4	.75	3	\$20	60
Voluntary Compliance Agreement, Conciliation Agreement, Consent Order or Consent Decree; or Judicial Ruling or HUD Administrative Law Judge's Decision.	60	<1	4	2	8	\$20	160
Rental Use Agreement (HUD-92046)	60	1	60	4	240	\$20	4,800
Grant Agreement (HUD-92047)	60	1	60	4	240	\$20	4,800
Performance Report	30	1	30	5	150	\$20	3,000
LOCCS/VRS Payment Voucher, HUD-50080-ECRP	30	4	120	0.25	30	\$20	600
Financial Status Report, SF-269	30	2	60	2	120	\$20	2,400
HUD-1044	30	1	30				
<b>Subtotal</b>	<b>60</b>		<b>484</b>		<b>1,753</b>		<b>\$35,260</b>
<b>Grand Total, Both Programs</b>	<b>90</b>		<b>619</b>		<b>2,373</b>		<b>\$47,660</b>

The hourly cost is based on an average annual salary of \$40,000.

13. There are no capital or start-up costs to respondents.



14. Cost to the Federal Government:

Collection	Annual Responses	Hours per Response	Total Hours	Cost per Hour*	Total Cost
<b>Assisted Living Conversion Program, ALCP</b>					
Grant Application	30	80	2,400	\$32.00	\$ 76,800
Performance Report	15	5	75	32.00	2,400
LOCCS Payment Voucher	120	0.25	30	32.00	960
Financial Status Report, SF-269	60	0.50	30	32.00	960
<b>Subtotal</b>	<b>135</b>		<b>2,535</b>		<b>\$81,120</b>
<b>Emergency Capital Repair Program, ECRP</b>					
Narrative	60	16	960	\$32.00	\$ 30,720
AFHMP review	56	0.25	14	32.00	448
Voluntary Compliance Agreement, Conciliation Agreement, Consent Order or Consent Decree; or Judicial Ruling or HUD Administrative Law Judge's Decision.	4	5	20	32.00	640
Rental Use Agreement	60	1	60	32.00	1,920
Grant Agreement	60	1	60	32.00	1,920
Performance Report	60	5	300	32.00	9,600
LOCCS Payment Voucher	240	0.25	60	32.00	1,920
Financial Status Report, SF-269	180	0.50	90	32.00	2,880
HUD-1044	30	.25			
<b>Subtotal</b>	<b>750</b>		<b>1,564</b>		<b>\$50,048</b>
<b>Grand Total, Both Programs</b>					
<b>Total</b>	<b>885</b>		<b>4,099</b>		<b>\$131,168</b>

The hourly cost is a blended rate based on an average salary at the GS-12/5 level, except for the General Counsel and the Clerical Assistant, which are at the GS-14/5 and GS-7/5 levels, respectively.

The Department now utilizes the services of a NOFA Information Center to maintain a national mailing list for Section 202 applications and to mail out the applications. Most applicants will receive their NOFA,s which includes all submission materials, via the internet. However, some applicants will be handed copies of the NOFA at the HUD-held workshops.

15. This is a revision of a currently approved collection. The reason for the increase in the number of responses and in burden hours is the inclusion of additional requirements relating to fair housing compliance for ECRP program applicants, and the addition of the Grant Agreement.
16. Collection of this information will not be published. Each application will be maintained with the HUD Program Office in individual project files.
17. HUD is not seeking approval to avoid displaying the OMB expiration date.
18. There are no exceptions to the certification statement identified in Item 19 of the OMB 83-I.

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**B. Collections of Information Employing Statistical Methods**

This collection does not employ statistical methods.