

Supporting Statement for Paperwork Reduction Act Submissions

Application Submission Requirements -

Capital Advance Section 811 Grant Application for Supportive Housing for Persons with Disabilities

OMB Control Number 2502-0462

A. Justification

1. The Section 811 Program was created by the National Affordable Housing Act (NAHA) of 1990, and amended by the Housing and Community Development Act of 1992, the Rescissions Act of 1995, and the American Homeownership and Economic Opportunity Act of 2000. The Section 811 Program provides capital advances to nonprofit organizations to expand the supply of affordable housing with the availability of supportive services for very low-income persons with disabilities who are at least 18 years old. It also provides project rental assistance funds to cover the difference between the HUD-approved operating costs of the project and the tenants' contributions toward rent. In order to ensure that only eligible nonprofit organizations are selected, it is important to obtain information from prospective applicants to assist HUD in determining if they have the administrative capacity to develop such a project and whether the project design and proposed services will meet the needs of the residents. These factors are critical in meeting statutory requirements and in protecting the Department's financial interest in projects funded under this program. The collection of this information is authorized by 24 CFR 891.115.

Based on previous years' experience, the Department receives more applications than available resources can fund. During Fiscal Years 2006 through 2008, the Department received an average of 136 applications annually requesting some 1,921 units of housing in and could only select 127 applicants for 1,311 units of housing.

Contents of Application Package:

The contents of the Application Package for a Section 811 Fund Reservation include four parts and eight exhibits. The four components of the application submission are:

Part 1 - Application Form for Section 811 Supportive Housing - Capital Advance;

Part 2 - Sponsor's Ability to Develop and Operate the Proposed Project;

Part 3 - The Need for Supportive Housing for the Target Population in the Area to Be Served; Site Control and/or Identification of Site; Suitability of Site; Adequacy of the Provision of Supportive Services and of the Proposed Projects; and

Part 4 - General Application Requirements, Certifications, and Resolutions.

2. The Section 811 application submission requirements are necessary to assist HUD in determining an applicant's eligibility and capacity to develop housing for persons with disabilities consistent with prescribed statutory and regulatory 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.

HUD requires an applicant to submit its Section 811 application electronically via grants.gov by the nationally established deadline date (usually in May or June). Local HUD Offices evaluate 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. The purpose and use of the four components of the application exhibits are briefly described below:

Part 1 - Application for Section 811 Supportive Housing - Capital Advance

Exhibit 1: Requires applicants to submit form HUD-92016-CA, Supportive Housing for Persons with Disabilities Section 811 Application for Capital Advance Summary Information. The information identifies the applicant and its known development team members and collects basic information with regard to the proposed project's characteristics.

Part 2 - Sponsor's Ability to Develop and Operate the Proposed Project

Exhibit 2: Requires evidence of the Sponsor's legal status including information on Co-Sponsors such as Articles of Incorporation, constitution, or other organizational documents, By-laws, an IRS tax exemption ruling, and a statement indicating the number of people on the Sponsor's board and the number of Board Members who have disabilities. It is important to note that not all applicants will have to submit all of the information asked for in this exhibit. Applicants who have received a Section 811 fund reservation within the last three funding cycles are not required to submit their organizational documents and IRS tax exemption rulings unless there has been a change since they were last selected. Instead, these applicants must submit only the project numbers of their latest application and modification, if any.

Exhibit 3: Requires narrative descriptions of the applicant's purpose, current activities, including their ability to enlist volunteers and raise private local funds and how long they have been in existence. The Sponsor is also required to provide a narrative description on their community ties, and experience in operating rental housing projects including integrated housing, as well as its experience with programs other than housing, such as the provision of services. This information includes the applicant's experience in serving persons with disabilities and minorities. This information will assist HUD in determining the applicant's overall previous experience and capacity to operate the proposed project over an extended period of time. This is consistent with the statute, along with other criteria, which requires applicants to be selected based on their ability to develop and operate the proposed housing.

In addition, the statute requires the Department to take action to ensure, among other things, that the supportive housing for persons with disabilities facilitates their access to the community at large and to suitable employment opportunities within such community. Also, the application must include any evidence of the applicant's experience in providing housing and/or supportive services.

The applicant must submit a description of local government support, including financial assistance, donation of land, provision of services, etc. The applicant must also submit letters of support for the Sponsor and for the proposed project from organizations familiar with the housing and supportive services needs of the target population (persons with disabilities) that the Sponsor expects to serve. Within this exhibit, the applicant also submits a narrative description of its efforts to involve persons with disabilities, including minority persons with disabilities, in the development of the application and its intent to involve such persons in the development of the project. The applicant must describe their plan for completing the proposed project.

The applicant also includes a description of the steps it took to identify and coordinate its application with other organizations that will not be directly involved in the project, but with which it shares common goals and objectives to complement and/or support the proposed project; and a description of the practical solutions that it will implement to compliment and/or support the proposed project so that the project will provide a comprehensive and holistic solution to the needs of persons with disabilities. Finally, the applicant includes a description of how the project will remain viable for the 40-year capital advance period.

It is important to note that many applicants will experience some relief of paperwork burden in preparing this exhibit because applicants that have participated in prior funding competitions will be able to utilize information and exhibits from previously prepared applications. Some examples include information regarding previous experience in the provision of housing and services: supportive services plan, community ties, and experience in serving minorities.

(c) Part 3 - The Need for Supportive Housing for the Target Population in the Area to Be Served, Site Control and/or Identification of Site and Suitability of Site, Adequacy of the Provision of Supportive Services and of the Proposed Project;

Exhibit 4: The applicant is to include a description of the proposed population and evidence demonstrating sustained effective demand for supportive housing for the proposed population in the market area to be served. The analysis should take into consideration the occupancy and vacancy conditions in existing comparable subsidized housing for persons with disabilities, State or local needs assessments of persons with disabilities in the area, the types of supportive services arrangements currently available in the area, and the use of such services as evidenced by data from local social service agencies. Also, the applicant must provide a description of how information in the community's or where applicable, the State's Consolidated Plan, Analysis of Impediment to Fair Housing Choice or other planning document that analyzes fair housing issues was used in documenting the need for project.

This exhibit also requires the applicant to: (1) describe the project, including the building design and whether or not the design will promote energy efficiency; (2) describe how the project will benefit the target population and the community in which it will be located; (3) provide information about the proposed project with evidence of site control (including a Phase I Environmental Site Assessment), or an identification of a site along with whether the site is properly zoned; (4) submit a statement that it is willing to seek a different site if the preferred site is not approved; (5) provide a description of any plans and the actions it has taken to create a mixed-financed project for applications with site control, if applicable; and (6) provide a copy of the letter sent to the State/Tribal Historic Preservation Officer (SHPO/THPO) that discusses the historical significance of the proposed project – a copy of the SHPO/THPO response letter must also be provided. Lastly, the applicant must include a map showing the location of site, the racial composition of the neighborhood, and any areas of racial concentration.

Information relative to the need for the housing, proposed residents, supportive services, and project characteristics (including site control or identification) is necessary to determine: (1) whether the applicant is proposing to serve an eligible population; (2) whether the applicant accurately assessed the need/demand for the project; and (3) that a project of the type proposed will accommodate the needs of the proposed disabled residents, will be compatible with and integrated into the surrounding neighborhood, and is marketable. This is important because the NAHA requires HUD to ensure that Section 811 capital advances are used to meet the special needs of persons with disabilities.

The applicant must submit a statement indicating that they are willing to seek a different site if the preferred site is un-approvable and that site control will be obtained within six months of notification of fund reservation. Information relative to the site is evaluated to determine that the site is acceptable from an environmental and location standpoint for the intended use, and that the applicant has control of the site or has identified a site for which it feels it can gain control within six months from the fund reservation, if selected. It is also reviewed to assure that proper zoning can be obtained. For sites identified but not under the applicant's control, the applicant provides the specific street address and includes information on how the site will promote greater housing opportunities for persons with disabilities and affirmatively further fair housing. In addition, the applicant provides information on the suitability of the site for persons with disabilities. Sites that are identified, but not under the Sponsor's control do not receive an environmental review at this evaluation stage. The information on the site will assist the Department in determining the suitability of the site before the applicant purchases it. Information with respect to the promotion of an energy efficient building design will be used to assist HUD in determining compliance with the energy efficiency standards in accordance with Section 109 of NAHA. The information required under this exhibit is in accordance with Section 811 of the NAHA

Exhibit 5: The applicant's supportive services plan includes: (a) a detailed description of the type of disabled population that the proposed project will serve and how potential residents will be referred and admitted to the project; (b) for those applicants requesting an approval to limit occupancy, they must submit the following: a description of the population of persons with disabilities to which occupancy will be limited; an explanation of how limiting occupancy would promote the goals of the Section 811 Program; an explanation of why the housing and/or services needs of the potential residents cannot be met in a more integrated setting; a description of their experience in providing housing and/or supportive services to proposed occupants; and a description of how the applicant will ensure that occupants will be integrated into the neighborhood and community.

This exhibit also requires the applicant to provide a detailed description of the supportive services needs of the intended residents and a list of community service providers with evidence of each provider's capability and experience. They must also identify the extent of State and/or local agency involvement in the project. For those applicants that will be making any supportive services available to the residents, a letter providing a description of the supportive services that will be made available to the residents, assurance that any supportive services will be based on the resident's need, and a commitment to make supportive services available for the life of the project, must be provided.

Applicants must address how the residents will be afforded opportunities for employment as well as whether the project will include a unit for a resident manager. Lastly, applicants must provide a statement indicating that they will not condition occupancy on the resident's acceptance of any supportive services.

(d) Part 4 - General Application Requirements, Certifications and Resolutions

Exhibit 6: To assist HUD in determining if the applicant is over-committed and to provide an incentive for previously selected applicants to get their projects to initial closing within the 18-month term of the fund reservation, the applicant submits for HUD's review a list of all Section 202 and Section 811 applications submitted for the current fiscal year funding round. The applicant is also to provide a list of projects previously funded and indicate whether the project has initially closed, if the project was older than 24 months when it initially closed or if older than 24 months and has not initially closed. They must also provide the reasons for any delay and whether amendment money was or will be needed for any of the projects and those projects which have not been finally closed. This is information that an applicant who participated in a prior year application process can easily update, if necessary, and resubmit for the current year. In the rating process, HUD will deduct points from the application if previously selected Sponsors took longer than 24 months to get the project to initial closing and if amendment money was required as a result, unless the delay and the need for amendment money was beyond the Sponsor's control.

Exhibit 7: Only those Section 811 applicants with site control must submit a statement identifying all persons occupying the property by race/minority group, and status as owners or tenants on the date of submission of the application for capital advance. Information is also submitted estimating the cost of relocation payments and other services, identifying the staff organization that will carry out the relocation activities, and identifying all persons who have moved from the site within the past 12 months. For proposals involving the acquisition of existing properties, this exhibit assists the Department in determining whether the acquisition will result in the displacement of existing occupants, and obtaining the applicant's relocation plans/costs. The information is consistent with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Act of 1970, as amended.

Exhibit 8: This exhibit consists of certifications and resolutions to be completed by the Section 811 applicant, which includes:

- 8(a) Information requested on Form SF-424, Application for Federal Assistance serves several purposes. This form is used for the applicant to provide a funding matrix listing each program for which HUD funding is being requested. Pursuant to Executive Order (EO) 12372, the applicant submits this form to the State where it is used by the State to initiate the intergovernmental review process and the applicant certifies to the same on the form. The applicant also uses the form to certify that it is not delinquent on any Federal debt and that it is in compliance with the requirements regarding payments to influence Federal transactions, which are OMB requirements.
- 8(b): SF-424-Supplement, Survey on Ensuring Equal Opportunity for Applicants. This form is for applicants that are nonprofit private organizations. Its purpose is to assist the Federal government in ensuring that all qualified applicants, small or large, non-religious, or faith-based, have an equal opportunity to compete for Federal funding.
- 8(c): Standard Form LLL, Disclosure of Lobbying Activities (OMB No.0348-0046) discloses lobbying activities pursuant to 31 U.S.C. 1352.
- 8(d): Form HUD-2880, Applicant/Recipient Disclosure/Update Report, includes the Social Security and Employee Identification Numbers (OMB No. 2510-0011), is required by Section 102 of the HUD Reform Act of 1989. The applicant uses this form to disclose any other Government assistance, which may be provided in connection with the proposed project. This information assists HUD by ensuring that the applicant does not receive more assistance than is necessary to develop and operate the proposed project.
- 8(e): Certification of Consistency with the Consolidated Plan (Form HUD-2991) is a certification that the proposed activities/projects in the application are consistent with the jurisdiction's current, approved Consolidated Plan. A certifying official of the jurisdiction, where the project is located, must sign the plan.
- 8(f): Sponsor's Conflict of Interest Resolution (Form HUD-92041) is a certified Board Resolution that no officer or director of the Sponsor or Owner has or will have any financial interest in any contract with the Owner or in any firm or corporation that has or will have a contract with the Owner, including a current listing of all duly qualified and sitting officers and directors by title and the beginning and ending dates of each person's term.
- 8(g): Sponsors Resolution for Commitment to Project (Form HUD-92042) is a certified resolution from the applicant's Board acknowledging its responsibilities of sponsorship and long-term support of the project, its willingness to assist the Owner to develop, own, manage and provide appropriate services in connection with the proposed project, and that it reflect the will of the membership. Also, it shall indicate its willingness to fund the minimum capital investment, estimated start-up expenses, and the cost of any amenities or features that cannot be covered by the capital advance.
- 8(h): Certification of Consistency with RC/EZ/EC Strategic Plan (Form HUD-2990), if applicable. If the proposed project will be located in a Federally-designated Empowerment Zone (EZ), Enterprise Community (EC), an Urban Enhanced or Renewal Community, Strategic Planning Community, or Renewal Community, this is a certification by an authorized official that the project is located in one of these areas and that the proposed activities/project in the application are consistent with the Strategic Plan of the area.

8(i): Certification for Provision of Supportive Services (Form HUD-92043) is a certification by a State or local agency that the provision of supportive services is well designed to serve the special needs of the persons with disabilities for which the project is being developed, that the proposed project is consistent with State plans and policies, that necessary supportive services will be provided on a consistent, long-term basis, and the provision of supportive services will enhance independent living success and promote the dignity of those who will access the proposed project. This is a statutory requirement.

8(j): Form HUD-96010, Logic Model. The requirement of this form supports HUD's effort of ensuring that programs result in achievement of HUD's strategic mission.

8(k): Form HUD-96011, Facsimile Transmittal to be used for faxing third party letters and other documents for the applicant's electronic applications.

8(l): Form HUD-2994-A, You Are Our Client Survey, This is an optional form that may be used to provide suggestions and comments to the Department regarding the applicant's application submission experience.

3. Applicants must submit their applications electronically through Grants.gov. Applicants required to submit third party documentation can choose to either scan the documents to create electronic files or submit the required documentation to HUD by facsimile. Applicants may only use the fax method using the required HUD 96011, Facsimile Transmittal Form, to submit attachments that are part of their electronic application. All grant applications must be received and validated electronically by Grants.gov no later than the established application submission deadline. Under special circumstances such as preventing a hardship on a small agency, a waiver of the electronic submission may be approved. Applicants seeking a waiver of the electronic submission requirement must make the request in accordance with 24 CFR 5.1005. Applicants that are granted a waiver of the electronic submission requirement will not be afforded additional time to submit their applications.
4. No duplication exists in the collection. The information is available from no other source.
5. This information collection will not have a significant economic impact on small entities.
6. In the absence of the above information, the Department would not be able to assess the worthiness of applications, determine whether the projects and services meet statutory and regulatory requirements, or make sound judgments regarding the potential risk to the Government.
7. Applicants that are granted a waiver of the electronic submission process are required to submit an original and four copies of the Section 811 application to ensure expeditious processing. Six HUD technical disciplines are involved in the review and assessment of applications: the Offices of Valuation, Architectural and Engineering, Project Manager, Fair Housing and Equal Opportunity, Community Planning and Development, and the General Counsel. HUD requires concurrent reviews of the applications in order to meet schedules to obligate funds by the fiscal year-end.
8. In accordance with 5 CFR 1320.8(d), the agency's notice soliciting public comments was announced in the Federal Register on 04/22/2010, Vol. 75, No. 77, page 21020. No comments received.

The Department has met with various disability advocacy organizations and will continue to do so to work on strategies to improve the Section 811 Program. The Department will consider comments received from respondents of HUD-Form 2994, You Are Our Client Survey, as well as comments and recommendations received from the Hubs and Program Centers based on their experience with the program. The Department is continuously looking for ways to streamline the application process to better serve our clients.

In addition, HUD continues to meet with Section 811 nonprofit Sponsors, housing consultants, persons with disabilities including current and potential residents, and other interested HUD program staff. The Department consulted with various housing professionals representing the types of Sponsors that generally participate in the Section 811 program, i.e., minority organizations, small organizations, and non-minority organizations prior to 1995, and has continued to consult with program participants during each annual funding cycle. Following is a list of some of the housing professionals that HUD consulted with by telephone, meetings, and/or workshop sessions:

<p>Ann O’Hara Technical Assistance Collaborative, Inc 31 Saint James Ave Suite 710 Boston, MA 02116 617- 266-5657</p>	<p>Andrew Sperling National Alliance for the Mentally Ill (NAMI) 3803 N. Fairfax Dr., Ste. 100 Arlington, VA 22203 703 524-7600</p>	<p>Liz Savage Disability Policy Collaboration 1660 L Street, NW Washington, DC 20036 202-783-2229</p>
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- 9. HUD does not provide any payment or gift to respondents, other than the award of capital advance and project rental assistance funds for those sponsors selected for funding.
- 10. HUD does not ensure confidentiality. The applicant is informed of their privacy rights. Documentation and other information regarding each application submitted, including any letters of support, will be made available for public inspection for a 5-year period in accordance with the Freedom of information Act (5 U.S.C. 552), and HUD's implementing regulations in 24 CFR Part 15.
- 11. The application submission requirements do not contain any sensitive questions.
- 12. Burden Estimate:

Description of Information Collection (Application Submission Requirements)	Number of Respondents	Responses per Year	Total Annual Responses	Hrs per Response	Total Hours
Part 1: Exhibit 1, Form HUD-92016-CA Application for Capital Advance Summary Information - OMB Approval 2502-0462	136	1	136	46.0	6256
Part 2: Exhibit 2, Legal Status of Sponsor	136	1	136	2.0	272
Exhibit 3, Sponsor's purpose, community ties, and experience	136	1	136	9.0	1224
Part 3: Exhibit 4, Project information	136	1	136	12.9	1754
Exhibit 5, Supportive Services Plan	136	1	136	8.0	1088
Part 4: Exhibit 6, List of other applications submitted to any other HUD office	136	1	136	2.0	272
Exhibit 7, A statement that identifies occupants and relocation costs	11*	1	11	4.0	28
Exhibit 8, Funding Application, Certifications and Resolutions					
8(a) SF-424 - Application for Federal Assistance OMB Approval 4040-0004	136	1	136	1.0	136
8(b) SF-424-Supplemental, Survey on Ensuring Equal Opportunity for Applicants OMB Approval 1890-0014	136	1	136	0.05	7
8(c) SF LLL - Disclosure of Lobbying Activities OMB Approval 0348-0046	136	1	136	0.10	14
8(d) HUD-2880 - Applicant/Recipient Disclosure/ Update Report (2510-0011), OMB Approval 2510-0011	136	1	136	2.0	272
8(e) HUD-2991 - Cert of Consistency with the Consolidated Plan	136	1	136	0	0
8(f) HUD-92041 - Sponsor's Conflict of Interest Resolution OMB Approval 2502-0267	136	1	136	0.4	54
8(g) HUD-92042 - Sponsor's Resolution for Commitment to Project, OMB Approval 2502-0267	136	1	136	0.4	54
8(h) HUD-2990 - Certification of Consistency with the RC/EZ/EC Strategic Plan	136	1	136	0	0
8(i) HUD-92043 - Certification for Provision of Supportive Services, OMB Approval 2502-0462	136	1	136	0.4	54
8(j) HUD-96011 – Logic Model (2535-0114)	136	1	136	2	272
8(k) Form HUD-96011, Facsimile Transmittal OMB Approval 2535-0118	136	1	136	.06	8
8(l) Form HUD-2994 – You Are Our Client Survey OMB Approval 2535-0116	136	1		.50	68
Total	136	1	136	90.81	11,833

The number of respondents is an estimate based on response over a five-year period.

* No more than five percent of proposals will require relocation.

In estimating the cost to the applicants, it should be noted that in order to comply with the revised program requirements the applicant might retain an attorney. The applicant must either have control of a site or have identified a site, and if the applicant has site control, they must conduct a Phase I Environmental Site Assessment. In addition, as many nonprofit organizations do not have in-house expertise or staff to develop an application, the applicant usually hires a housing consultant. The applicant is a nonprofit organization and as such provides its services at no cost. In view of this, the following illustrates the estimated cost to the respondents:

Housing Consultant (\$ 64 per hour)	\$1920
Applicant (Sponsor)	Pro bono
Attorney	1,500
Total Cost Per Respondent	\$3420
Total Annual Number of Responses	<u>x136</u>
Total Estimated Annual Cost for Applicants	\$669,120

Additional costs for those 811 Sponsors who have site control:

Site Option Cost	\$ 500
Phase I Environmental Site Assessment	<u>3,750</u>
Subtotal	\$4,250
Approximate percentage of applicants with site control	<u>x .60</u>
Total average additional cost	\$2,550
Total number of responses	<u>x 136</u>
Total Additional Cost	\$346,800

Total Estimated Annual Cost Including Site Assessment \$1,015,920

It should be noted that many professionals work on a retainer basis and if the applicant does not obtain HUD approval, they do not collect a fee. The figures presented above are based on our own experience, as well as consultation with housing professionals in the field.

- 13. There are no additional costs to respondents. HUD recognizes that some applicants who are sincerely interested in providing housing may lack the staff and other resources to develop such a project. Therefore, in recognition of the need for these applicants to use the service of professional housing consultants, HUD permits a reasonable fee for consultant's services to be included in the Section 811 capital advance. The consultant may assist the applicant in preparing the application to request a Section 811 Capital Advance and throughout the final development of the project, should the applicant be selected for funding.

- 14. The majority of the work involved in reviewing the applications is performed at the local HUD Office. The significant costs attributable to the promulgation of the application requirements will be the cost involved in reviewing the information submitted by the applicants. Program procedures require the following reviews performed by the various Field Office staff. The cost to the Federal Government is based on an average salary at the GS-12 level, except for the General Counsel and the Clerical Assistant, which is at the GS-14 and GS- 7 levels, respectively.

HUD Staff Reviews

	Total Hours Per Application	Hourly Rate	Total
MF Hub/Program Center Director	0.5	\$62	\$ 31
Designated Design Architect	1	38	38
Valuation	3	38	114
Staff from FHEO	1	38	38
Project Manager	4	38	152
Staff from CPD	1	38	38
Field Office Attorney	3	53	159
Clerical Assistant	0.5	21	11
Total Staff Time Per Application	14		\$581
Total Annual Number of Responses			<u>x 136</u>
Total Annual Staff Time Cost to Government			\$ 79,016

Total Estimated Annual Cost to Government

\$79,016

15. This is a revision of a previously approved collection for which approval expires on July 31, 2010. This information is collected once each year.

The following changes have been made to this collection, but does not affect the public burden because it was optional and no data ever received:

- Form HUD-27300, Questionnaire for HUD's Initiative on Removal of Regulatory Barriers (optional form) is no longer required.

16. Collection of this information will not be published. Each application will be maintained with the HUD program Office in individual project files. However, a list of awardees will be made public, usually by *Federal Register* publication, upon completion of the selection process.

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.

B. Collections of Information Employing Statistical Methods

There are no plans to use statistical methods for collecting this information.