

Paperwork Reduction Act Submission

Please read the instruction before completing this form. For additional forms or assistance in completing this forms, contact your agency's Paperwork Reduction Officer. Send two copies of this form, the collection instrument to be reviewed, the Supporting Statement, and any additional documentation to: Office of Information and Regulatory Affairs, Office of Management and Budget, Docket Library, Room 10102, 725 Seventeenth St. NW, Washington, DC 20503.

1. Agency/Subagency Originating Request:

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

2. OMB Control Number:

a. NEW b. None

3. Type of Information Collection: (check one)

- a. New Collection
- b. Revision of a currently approved collection
- c. Extension of a currently approved collection
- d. Reinstatement, **without change**, of previously approved collection for which approval PHAs expired
- e. Reinstatement, **with change**, of previously approved collection for which approval PHAs expired
- f. Existing collection in use without an OMB control number

For b-f, note item A2 of Supporting Statement instructions.

4. Type of review requested: (check one)

- a. Regular
- b. Emergency - Approval requested by
- c. Delegated

5. Small entities: Will this Information Collection have a significant economic impact on a substantial number of small entities?

- Yes No

6. Requested expiration date:

- a. Three years from approval date b. Other (specify)

7. Title:

Public/Private Partnerships for the Mixed-Finance Development of Public Housing Units

8. Agency form number(s): (if applicable)

HUD-50030; HUD-50029

9. Keywords:

Housing, Public Housing, Contractor, ACC contract, TDC, development, modernization, rehabilitation

10. Abstract:

In 1998, the HUD Reform Act allowed Mixed-Finance public and affordable housing development. Mixed-Finance is the process where public housing funds are mixed with other government and non-government financing in order to encourage the development of mixed-income housing that includes public housing units. In addition, Public Housing Authorities (PHAs) may use other sources of financing to supplement their development or rehabilitation of public housing units. The form and agreements in this Information Collection pertain to the financial closing of a Mixed-Finance housing project's development or rehabilitation. They describe the ownership of, type, size and number of, construction period and permanent financing of, the restrictions on the usage of, and HUD and Federal Government rights to, the public, affordable and market rate rental housing units that are being developed or rehabilitated.

11. Affected public: (mark primary with "P" and all others that apply with "X")

- a. Individuals or households
- b. Business or other for-profit
- c. Not-for-profit institutions
- e. Farms
- f. Federal Government
- g. **P** State, Local or Tribal Government

12. Obligation to respond: (mark primary with "P" and all others that apply with "X")

- a. Voluntary
- b. **P** Required to obtain or retain benefits
- c. Mandatory

13. Annual reporting and recordkeeping hour burden:

- a. Number of respondents: 110
- b. Total annual responses: 560
- Percentage of these responses collected electronically: 0
- c. Total annual hours requested: 3,322.5
- d. Current OMB inventory: 0
- e. Difference (+,-): 3,322.5
- f. Explanation of difference:
 - 1. Program change: 3,322.5
 - 2. Adjustment: 0

14. Annual reporting and recordkeeping cost burden: (in thousands of dollars)

- Do not include costs based on the hours in item 13.
- a. Total annualized capital/startup costs: 0
- b. Total annual costs (O&M): 0
- c. Total annualized cost requested: 0
- d. Total annual cost requested: 0
- e. Current OMB inventory: 0
- f. Explanation of difference:
 - 1. Program change:
 - 2. Adjustment:

15. Purpose of Information Collection: (mark primary with "P" and all others that apply with "X")

- a. Application for benefits
- b. Program evaluation
- c. General purpose statistics
- d. Audit
- e. **X** Program planning or management
- f. Research
- g. **P** Regulatory or compliance

16. Frequency of recordkeeping or reporting: (check all that apply)

- a. Recordkeeping b. Third party disclosure
- c. Reporting:
 - 1. On occasion 2. Weekly 3. Monthly
 - 4. Quarterly 5. Semi-annually 6. Annually
 - 7. Biennially 8. Other (describe) per financial closing/recordation of documents

17. Statistical methods:

Does this Information Collection employ statistical methods?

- Yes No

18. Agency contact: (person who can best answer questions regarding the content of this submission)

Name: **Lawrence Gnessin**
Phone: **202-402-2676**

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 PHAs 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.

Signature of Program Official: X Dominique Blom, Deputy Assistant Secretary	Date:
---	-------

Signature of Senior Officer or Designee: X Colette Pollard, Departmental Reports Management Officer, Office of the Chief Information Officer	Date:
---	-------

Supporting Statement for Paperwork Reduction Act Submissions

A. Justification:

1. Why is this information necessary?

Section 9 of the U.S. Housing Act of 1937, 42 U.S.C. 1437q, and Section 24 of the 1937 Housing Act, 42 U.S.C. 1437v, were amended on October 21, 1998 when Congress enacted the Quality Housing and Work Responsibility Act of 1998 (P.L. 105-276, approved October 21, 1998) (referred to as the “Public Housing Reform Act”). The Public Housing Reform Act made sweeping changes to HUD’s public and assisted housing programs. Among other changes, Section 539 of the Public Housing Reform Act allows PHAs to own, operate, or assist in the development of Mixed-Finance Projects, i.e., projects that are developed using a mixture of Section 9 or Section 24 public housing funds along with other Federal, State or local public funds, equity derived from the sale of Tax Credits or other private funds and projects that are owned by a partnership that includes the PHA, but that are not wholly owned by the PHA. HUD regulations implementing Section 9 are found in 25 CFR 968 and 24 CFR 941.

Along with public housing unit development, Mixed-Finance real estate development or rehabilitation transactions are used extend public housing appropriations in housing development and to develop mixed-income housing, where public housing residents are anonymously mixed in with affordable and market rate housing residents. In order to implement the Mixed-Finance housing development, HUD collects certain information from each PHA or PHA/ownership entity.

2. How is this information to be used?

This information is collected to ensure that the Mixed-Finance development effort has sufficient funds to reach completion, remain financially viable, and follow HUD legal and programmatic guidelines for housing project development or rehabilitation, ownership and use restrictions, as well as preserving HUD’s rights to the project.

PHAs must provide information to HUD before a proposal can be approved for mixed-finance development. Information on HUD-prescribed forms and in HUD-prescribed contracts and agreements, provides HUD with sufficient information to enable a determination that funds should or should not be reserved or a contractual commitment made. Regulations 24 CFR part 941 subpart F state the contents of a full Mixed-Finance proposal and evidentiary materials required for a Mixed-Finance development financial closing and evidentiary recordation. The regulations also list and describe the specific documentary submission requirements.

HUD Mixed-Finance approvals require the submission by the requesting PHA of the following documents:

Form/Document	Title	Description
HUD-50030	Final Mixed-Finance Rental Term Sheet consistent with the Mixed-Finance ACC Amendment	Summarizes development terms of a Mixed-Finance rental project
Unique Legal Document proposed in the Rule	Mixed-Finance Amendment to the Annual Contributions Contract	Legal contract between HUD and the PHA. This document contains the terms and conditions of the Mixed-Finance transaction.
Unique Legal Document proposed in the Rule	Regulatory and Operating Agreement	Legal document that states the low-income rental and other restrictions on the use of housing units within the Mixed-Finance development.
Unique Legal Document proposed in the Rule	Mixed-Finance Declaration of Restrictive Covenants	Legal document that states the public housing units will be available for use by eligible low-income families in accordance with all applicable public housing requirements for the maximum period required by law
Unique Legal Document proposed in the Rule	Mixed-Finance Final Title Policy	Title insurance policy issued on the Mixed-Finance development.
Unique Legal Document proposed in the Rule	Mixed-Finance Legal Opinion	Opinion by the attorney representing the PHA that the PHA has the authority to enter into all agreement and that Mixed-Finance development legal evidentiaries are correct and legally sufficient.
Unique Legal Document proposed in the Rule	Mixed-Finance Certifications and Assurances	Certification by the PHA that HUD’s statutory and regulatory requirements will be met in the production of the Mixed-Finance development.
HUD-50029	Final Homeownership Term Sheet	Summarizes development terms of a Homeownership project

Unique Legal Document	Homeownership Addendum	Agreement between HUD and PHA implementing Homeownership project development terms.
-----------------------	------------------------	---

3. Describe whether, and to what extent, the collection of information is automated?

HUD plans to have the HUD-50029 and HUD-50030 filled in online through a Mixed-Finance support contract that is in the procurement process. Other documents are unique legal documents and collection cannot be automated.

4. Duplication of Information

This information is not being collected elsewhere. The information being collected is specific to each Mixed-Finance development transaction.

5. Does the collection of information impact small businesses or other small entities?

This collection of information does not significantly impact small businesses or entities.

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or is conducted less frequently.

The Department would not have the information necessary to determine the risk of investing public housing funds in a Mixed-Finance development transaction and would be unable to approve any Mixed-Finance transaction financial closings. Mixed-Finance public and affordable housing development would cease.

7. Explain any special circumstances

This request for approval of an Information Collection number is to separate the Mixed-Finance Information Collection from other, less complex public housing development Information Collections. All documents were previously included in OMB 2577-0157, "Public Housing Capital Fund Financing." The burden hours have been subtracted from OMB 2577-0157 and are being added back through this request. See question 15 for details.

8. Identify the date and page number of the Federal Register notice soliciting comments on the information.

The Notice of Proposed Information Collection for Public Comment; Public/Private Partnerships for the Mixed Finance Development of Public Housing Units was published in the *Federal Register*, Volume 75, page 59284, on September 27, 2010. Two comments were received and are attached.

9. Explain any payments or gifts to respondents, other than remuneration of contractors or grantees.

No payments or gifts to respondents are provided.

10. Describe any assurance of confidentiality provided to respondents.

The information provided is not of a confidential nature.

11. Justify any questions of a sensitive nature, such as sexual, religious beliefs, and other matters that are commonly considered private.

The information collected does not contain questions of a sensitive nature.

12. Annual Reporting Burden

The annual reporting burden hours are based on the experience and estimated amount of time that takes to report the requested information. These respondent numbers are based on HUD's historic annual number of Mixed-Finance development project reviews and approvals. All respondents are PHAs, except for approximately two homeownership and three mixed-finance projects per year, which are implemented by units of local government under a relatively small, annual set-aside of HOPE VI Main Street appropriated funds.

	Form/Document	No. of Respondents	Frequency	Total Responses	Hours per Response	Total Hours	Cost per hour	Total Cost
1	Homeownership Addendum	40	1	40	8	320.0	\$50	\$16,000
2	HUD-50029	40	1	40	16	640.0	\$50	\$32,000

	Form/Document	No. of Respondents	Frequency	Total Responses	Hours per Response	Total Hours	Cost per hour	Total Cost
3	HUD-50030	70	1	70	16	1,120.0	\$50	\$56,000
4	Regulatory and Operating Agreement	70	1	70	8	560.0	\$200	\$112,000
5	Mixed-Finance Amendment to the Annual Contributions Contract	70	1	70	8	560.0	\$200	\$112,000
6	Mixed-Finance Certifications and Assurances	70	1	70	0.25	17.5	\$200	\$3,500
7	Mixed-Finance Declaration of Restrictive Covenants	70	1	70	0.25	17.5	\$200	\$3,500
8	Mixed-Finance Final Title Policy	70	1	70	0.25	17.5	\$200	\$3,500
9	Mixed-Finance Legal Opinion	70	1	70	1	70.0	\$200	\$14,000
	Totals			0		0		0

13. Additional Cost to Respondents

There are no additional costs to respondents other than those reported in Item 12.

14. Annualized cost to the Federal Government

The estimated annualized cost to the Federal Government is based on the hourly rate of approximately \$50 an hour and an annual rate of \$105,211, the 2010 General Pay Scale for a GS 14 Step 1. On average, this represents the staff of HUD’s Office of Public Housing Investments (OPHI) that processes the typical Mixed-Finance transaction. There are approximately 40 employees that work on Mixed-Finance transactions approximately one-half of their time, including support and Management staff. $40 \times \frac{1}{2} \times \$105,112$ equals \$2,102,240 salary per year.

15. Explain any program changes or adjustments.

REQUEST FOR NEW OMB PRA NUMBER:

Prior to this Information Collection, all of the documents listed herein were included in OMB 2577-0157, “Public Housing Capital Fund Financing.” The Mixed-Finance public and affordable housing development process permits the development of more public housing units, along with affordable housing units, using a smaller amount of public housing dollars plus other sources of financing, primarily Low-Income Housing Tax Credits. For this reason, its use by PHAs is increasing.

HUD is requesting that a separate PRA number be assigned to this Mixed-Finance Information Collection. The Mixed-Finance development approval process is much more complex than, and different from, public housing development using public housing funds alone. Due to the financial and ownership complexities of Mixed-Finance development, many third-party documents are legally necessary to establish the relationships between the PHA, ownership entity and their financiers. In accordance with the current version of 24 CFR part 941 subpart F, all of these third-party evidentiaries have to be copied or scanned, usually by the contracted attorneys that created them for the PHAs, and submitted to HUD.

Simultaneous with this request to form a separate Mixed-Finance Information Collection, HUD is finalizing a revised part 941 subpart F rule that streamlines the Mixed-Finance approval process by limiting the submission requirement to a small number of HUD forms, agreements and certifications that present the fundamental nature of each Mixed-Finance development transaction. HUD has learned which documents are required for review through 12 years of Mixed-Finance experience. Review of these core documents still allows HUD to make the same risk and approval determination regarding the investment of public housing funds by the PHAs. The numerous third-party

evidentiaries will be maintained by the PHAs for their own purposes, and, per the new rule, can be reviewed by HUD upon request.

Rule clearance has reached the point of Assistant Secretary signature.

16. If the information will be published, outline plans for tabulation and publication.

The results of this Information Collection will not be published.

17. OMB Expiration Date

HUD is not seeking approval to avoid displaying the OMB expiration date.

18. Certification of Paperwork Reduction Act Submission

There is no exception to Item # 19 "Certification of Paperwork Reduction Act Submission."

B. Collections of Information Employing Statistical Methods.

This collection of information does not employ statistical methods.