

**Self-Help Homeownership Opportunity Program
Paperwork Reduction Act Submission**

SUPPORTING STATEMENT

A. Justification

1. Circumstances that make the collection of information necessary

The current information collection approval (OMB control number 2506-0157) expires July 31, 2011. An extension of the existing PRA approval is requested to permit the issuance of the FY 2012 and subsequent NOFAs, and ensure the availability of SHOP grant funding. Current SHOP grantees are Habitat for Humanity International, Housing Assistance Council, Community Frameworks and Tierra del Sol/Western States Consortium. Since 1996 when SHOP funds were first appropriated by Congress, the SHOP program has created over 23,000 units of affordable, homeownership housing that have transformed lives and neighborhoods.

The Self-Help Homeownership Opportunity Program (SHOP) is authorized by the Housing Opportunity Program Extension Act of 1996, Section 11. The purpose of SHOP is to provide grant funds to facilitate and encourage innovative homeownership opportunities on a national, geographically diverse basis through the provision of self-help homeownership housing programs. SHOP funds are appropriated by Congress, generally annually. HUD publishes a SHOP Notice of Funding Availability (NOFA) that announces the amount of SHOP grant funds and the application criteria, including the rating and ranking system HUD will use to select grantees.

Eligible applicants are national and regional non-profit organizations (including consortia) that have the capacity and experience to develop self-help housing in at least two states. Grant funds may be used for land acquisition, the installation or improvement of infrastructure, and for reasonable and necessary planning, administration and management costs. The average SHOP expenditure for the combined costs of land and infrastructure must not exceed \$15,000 per dwelling unit. SHOP homeowners must contribute a significant amount of sweat equity towards the purchase of their units. Donated volunteer labor is also required. Assisted units must be decent, safe, and sanitary non-luxury dwellings that comply with local building and safety codes and standards. These units must be sold to eligible low-income homebuyers at prices below the prevailing market price. The homebuyer's sweat equity contribution must not be mortgaged or otherwise restricted upon future sale of the SHOP unit. SHOP grantees may award SHOP funds to affiliates to carry out the grantee's SHOP program.

2. How the information is used.

HUD requires the collection of information in order to ensure the eligibility of SHOP applicants and the compliance of SHOP proposals, to rate and rank SHOP applications, and to select applicants for grant awards. Information is collected on an annual basis from applicants that respond to the SHOP NOFA.

The information is collected through each applicant's submission of forms HUD-424, HUD-424B, HUD-424CB, HUD-424CBW, SF-LLL, HUD-2880, HUD-2990, HUD-2993, HUD-2995,

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HUD 96010, HUD-96011; the narrative statements for Applicant Eligibility and SHOP Program Design and Scope of Work; and the narrative responses to Rating Factors 1 through 5 (as required by the SHOP NOFA).

HUD uses this information collection to determine: 1) the eligibility of a SHOP applicant; 2) the compliance of the applicant's proposed SHOP program design with statutory Threshold criteria; 3) the rating of the applicant's proposed SHOP program submission based on the five SHOP NOFA rating criteria; 4) the ranking of the applicant's proposed SHOP program submission compared to other applicants' submissions; and 5) the award of SHOP grant funds.

3. Use of technology.

Applicants must submit the required application forms and narrative statements in electronic form through www.grants.gov. Applicants must request a waiver to submit applications in paper form.

4. Efforts to identify duplication.

No duplication of efforts is caused by this collection.

5. Impacts on small businesses or small entities.

The collection of information does not adversely impact small businesses or other small entities.

6. Consequences if information is not conducted or is collected less frequently.

If information is collected less frequently, HUD will not have a process for making annual awards of SHOP grant funds. Potential grantees will not receive SHOP grant funds and will not provide additional units of self-help homeownership housing for low and moderate income households.

7. Special circumstances.

None.

8. Public notice of information collection.

A notice of proposed information collection was published in the *Federal Register*, Vol. 76, No. 191, pages 6111-6112, dated October 3, 2011. Comments were received from one respondent. HUD has taken these comments into consideration in drafting the SHOP NOFA.

9. Payment or gifts to respondents.

Information collection does not involve any payments or gifts to respondents.

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10. Assurance of confidentiality.

HUD will ensure that documentation and other information regarding each application submitted pursuant to its FY2012 NOFAs are sufficient to indicate the basis upon which assistance was provided or denied. This material, including any letters of support, will be made available for public inspection for a 5-year period beginning not less than 30 days after the award of the assistance. Material will be made available in accordance with the Freedom of Information Act (5 U.S.C. § 552) and HUD’s implementing regulations (24 CFR part 15).

11. Questions of a sensitive nature.

The information collected does not include information of a sensitive nature.

12. Hourly burden of information collection.

Information will be collected once per applicant for each SHOP NOFA. The total estimated average hourly burden for this information collection is 265.5 hours per applicant, or a total of 2,655 hours for an estimated 10 applicants. Estimates are based on information provided by previous applicants. Actual hours will vary depending on the proposed scope of the applicant’s program, the applicant’s geographic service area and the number of affiliate organizations. The information burden is generally greater for national organizations with numerous affiliates.

Paperwork Requirement	Number of Respondents	Frequency	Hours per Response	Total Annual Hours
HUD-424	10	1	1	10
HUD-424B	10	1	.5	5
HUD-424CB	10	1	10	100
HUD-424 CBW	10	1	30	300
SF-LLL	10	1	.5	5
HUD-2880	10	1	.5	5
HUD-2990	10	1	1.5	15
HUD-2993	10	1	.5	5
HUD-2995	10	1	.5	5
HUD-96010	10	1	20	200
HUD-96011	10	1	.5	5
Applicant Eligibility	10	1	10	100
SHOP Program Design and Scope of Work	10	1	30	300
Rating Factor 1	10	1	25	250
Rating Factor 2	10	1	25	250
Rating Factor 3	10	1	55	550
Rating Factor 4	10	1	30	300

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Paperwork Requirement	Number of Respondents	Frequency	Hours per Response	Total Annual Hours
Rating Factor 5	10	1	25	250
Total Annual Hour Burden			265.5	2655

13. Estimated total cost to respondents.

There are no other costs to the respondents (other than those shown in item 12 above).

14. Estimated annualized cost to the federal government.

The cost to the federal government to review and rate SHOP applications and select SHOP grantees is estimated to be \$10,320 on an annual basis. This estimate is based on HUD experience with prior SHOP NOFA application cycles.

Required Action	Frequency of Action	Hours per Action	Number of Respondents	Number of HUD Staff Hours	Average GS Hourly Rate	Annual Cost
Eligibility Review	1	2	10	20	\$60	\$1,200
Threshold Review	1	6	6	36	\$60	\$2,160
Rating Application	2	10	6	120	\$40	\$4,800
Grantee Selection	2	3	6	36	\$60	\$2,160
Total						\$10,320

15. Explanation of program changes/adjustments.

A threshold submission and review have been added since the last OMB paperwork collection approval. The threshold requirement ensures that ineligible proposals are not selected for funding. Estimates of the total hours of information collection burden and annual cost to the federal government are based on HUD's most recent experience. Prior approval under this control number was based on an erroneous number of respondents.

16. Publication of results.

Information collection results will not be published. However, SHOP grant awards will be announced.

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17. Display of the expiration date for OMB approval of the information collection.

HUD will display the expiration date for the OMB approval of the information collection in the SHOP NOFA publication.

18. Explanation of each exception on the certification statement.

No exceptions are made to the certification statement identified in item 19, “Certification for Paperwork Reduction Act Submissions” of OMB Form 83-I.

B. Collections of Information Employing Statistical Methods

The collection will not employ any statistical methods due to the narrative nature of the information collection.