2014 SUPPORTING STATEMENT
Rural Community Development Initiative (RCDI)
OMB No. 0575-0180

A. Justification

1. Explain the circumstances that make the collection of information necessary.

In the Consolidated Appropriations Act, 2014 (Pub. L. 113-76), Congress authorized the Rural Community Development Initiative (RCDI). Congress created the RCDI in Fiscal Year 2000 with an appropriation of $6 million under the Rural Community Advancement Program. The Community Facilities Division under the Rural Housing Service (RHS) administers this grant program. These grants are made to qualified intermediary organizations that will provide financial and technical assistance to recipients to increase their capacity and ability in the areas of housing, community facilities, and community and economic development in rural areas. Intermediaries may be private or public (including tribal) organizations. The intermediary will be required to provide matching funds in an amount equal to the RCDI grant. Eligible recipients are nonprofit organizations, low-income rural communities, or federally recognized tribes.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the Agency has made of the information received from the current collection.

The information will be collected from applicants (intermediaries), grantees (intermediaries that receive funds), recipients (entity that receives assistance from the intermediary), and beneficiaries (entities or individuals that receive benefits from assistance provided by the recipient) by RHS staff in the National Office and Rural Development field offices. This information is used to determine applicant and recipient eligibility, project feasibility, and to ensure that grantees operate on a sound basis and use grant funds for authorized purposes. The Notice of Funds Availability (NOFA), published in the Federal Register, provides instructions for completing an application.

Reporting Requirements - Non Forms

Data Universal Number System (DUNS) and System for Award Management System (SAM)
All grant applications must provide a DUNS number when applying for Federal grants. A DUNS number is a unique nine-character number used to identify your organization. It can be obtain by visiting the DUNS & Bradstreet website or by calling the toll free number. The estimated number of respondents is 110 and the average response time is estimated to be 15 minutes.

Certification of Non-Lobbying Activities

A written statement (normally on company letterhead) is required to certify whether or not lobbying activities have occurred. This document certifies that the applicant has not been involved in lobbying activities in connection with any Federal contracts, grants and loans. It also requires the applicant to complete and submit Standard Form LLL, "Disclosure of Lobbying Activities" if such activity has taken place. The estimated number of respondents is 110 and the average response time is estimated to be 15 minutes.

Application

The written portion of the application consists of the following components.

1. A summary page listing the applicant's name, address, telephone and fax numbers, contact person, county and congressional district where applicant is located, amount of grant request, applicant’s tax identification number, number of recipients, and source and amount of matching funds.

2. A detailed Table of Contents containing page numbers for each component of the application.

3. A project overview, no longer than five pages, which should include:

    a. The type of financial and technical assistance to be provided and how it will be implemented.

    b. How the capacity and ability of the recipients will be improved.

    c. The overall goal to be accomplished.

    d. The benchmarks to be used to measure the success of the program.

4. Organizational or other documents for the intermediary that confirm their existence for a minimum of 3 years as the applicant entity which can include:

    a. A business charter/ license,

    b. A certificate of incorporation or good standing from the Secretary of the State of incorporation, or other similar and valid documentation of nonprofit status, or

    c. For federally recognized tribes, the page listing their name from the current Federal Register list of tribal entities.

5. Verification of matching funds, i.e., a copy of a bank statement if matching funds are in cash or a copy of the confirmed funding commitment from the funding source.

6. The following information for each recipient:

a. Recipient's entity name,

b. Complete address (mailing and physical location, if different),

c. County where located,

d. Number of congressional district where recipient is located,

e. Contact person's name and telephone number, and

f. Documentation on the population composition of the service area of the recipient.

7. Submit evidence the recipient entity is eligible.

   a. Nonprofits – provide a valid letter from the IRS, confirming certificate from the Secretary of State, or other valid documentation of nonprofit status.

   b. Low-income community – provide a copy of the 2010 census data to verify the population and evidence that the median household income is at, or below, 80 percent of either the State or national median household income. The agency will only accept data and printouts from htttp://www.census.gov. The applicable RD State Office can assist in determining the eligibility of an area.

   c. Federally recognized tribes – provide a copy of the page listing the Tribe's name from the current Federal Register list of tribal entities published by the Bureau of Indian Affairs on August 11, 2009, volume 74, number 153, page 40218.

8. Address each of the "Evaluation Criteria" in narrative form. The "Evaluation Criteria" are:

   a. Building Capacity (60 points) – the applicant must demonstrate how they will improve the recipients' capacity, through a program of financial and technical assistance. The narrative must describe the nature of financial and technical assistance to be provided, explain how this assistance will develop or increase the recipients capacity, identify which RCDI purpose areas will be addressed, and describe how the results of the assistance will be measured. Points will be competitively awarded.

   b. Expertise (30 points) – The applicant must demonstrate that it has conducted programs of financial and technical assistance and achieved measurable results in the areas of housing, community facilities, or community and economic development in rural areas. The applicant should provide the name, contact information, and the type and amount of assistance provided for the past 3 years. Points will be competitively awarded.

c. Population (30 points) – The applicant must submit the census data from the following Web site in the form of a printout of the applicable “Fact Sheet” to verify the population figures for each recipient. The data can be accessed on the Internet at http://www.census.gov; click on “American FactFinder,” fill in field and click “Go”; the name and population data for each recipient location must be listed in this section. The population for recipients will be scored as follows: 5,000 or less (30 points); 5,001 to 10,000 (20 points); 10,001 to 20,000 (10 points); and 20,001 to 50,000 (5 points).

d. Income (30 points) - The applicant must submit the incom data from the following Web site in the form of a printout of the applicable “Fact Sheet” to verify the income figures for each recipient. The data can be accessed on the Internet at http://www.census.gov; click on “American FactFinder,” fill in field and click “Go”; the name and incom data for each recipient location must be listed in this section. Points will be awarded as follows: Less than 60 percent of state or national median household income (30 points); from 60 to 70 percent (20 points); greater than 70 to 80 percent (10 points); and in excess of 80 percent (0 points.

e. Soundness of Approach (50 points) – Applicants will be scored on the ability to provide the proposed financial and technical assistance based on prior accomplishments, the clarity of the proposed assistance and the implementation of the proposal, the cost effectiveness of the proposal, and how well the proposal fits the objective for which the applications were invited. Applicants must list the page numbers in the application that address these factors.

f. Specialty Criteria Points – These criteria include 1.Technical assistance for the development of Renewable Energy Systems and Energy Efficiency Improvements (20 points), 2. Regional collaboration (20 points), 3. Local investment points (20 points), 4. Investing in manufacturing communities (25 points), 5. Project Merit (20 points), 6. Support of Agency’s strategic goals (20 points), and 7. StrikeForce, Promise Zones and census tracts with poverty rates greater than or equal to 20 percent (20 points)

9. A timeline identifying specific activities and proposed dates for completion.

10. A detailed project budget that includes the RCDI grant amount and matching funds for the duration of the grant.

11. A grant agreement stating the applicant agrees to the amount and terms of the grant and to abide by the application requirements.

The estimated number of respondents is 110 and the average response time is estimated to be 10 hours. This also includes the time it takes to sign the grant agreement.

Association or Relationship with Rural Development Employee

A written statement acknowledging whether or not a relationship exists is required. The applicant has to identify any known relationship or association with a Rural Development employee, members of their families, known close relatives, or business associates. The estimated number of respondents is 110 and the average response time is estimated to be 15 minutes.

Grantees/Awardees – Reporting Requirements – Non-forms

Modification of Application for Reduced Grant Amount

If an applicant is awarded a grant that is less than the amount requested, they are required to modify their application to conform to the reduced amount. Any modifications must be within the scope of the original application. Based on previous history, the agency estimated the average number of respondents will be 20 and the average response time is estimated to be 60 minutes.

Project Performance Report

Grantees will be required to submit a project performance report, in narrative form, on a quarterly basis. The report will describe the activities that were funded during that quarter, who received funding, how much funding was used, and for what mission area were the funds used. The report can vary in length depending on the size of the project. The estimated number of respondents is 105 and the average response time is estimated to be 60 minutes.

Financial Reporting

A financial report will be submitted on a not more than monthly basis to indicate how grant and matching funds were used. The report should include who received funds, what was the amount of fund used, and for what purpose. The estimated number of respondents is 105 and the average response time is estimated to be 60 minutes.

Financial Management System

The system must enable the grantee to track fund usage as to who received funds, the amount of funds they received, retain financial records, and supporting documents. With respect to a financial management system, it is believed grantees would already have and maintain a recordkeeping system under normal business practices. The estimated number of respondents is 105 and the average response time is estimated to be 6 hours.

Audits

An A-133 audit report is required if $500,000 or more of Federal funds are expended in a one-year period. If Federal funds expended during a one-year period are less than $500,000 and there is an outstanding loan balance of $500,000 or more, an audit in accordance with generally accepted government auditing standards (GAGAS) would be required. The estimated number of respondents is 20 and the average response time is estimated to be 3 hours. This response time includes the time for an accountant to produce an audit.

Data Collection by Race, Sex, and National Origin

The grantee must collect and maintain data on recipients by race, sex, and national origin. The grantee must ensure that their recipients also collect and maintain data on beneficiaries (entities or individuals that receive benefits from assistance provided by the recipient) by race, sex, and national origin. This data is required by Title VI of the Civil Rights Act of 1964 and must be provided to RHS for compliance review purposes. This form is completed by both the intermediary and the recipients. The estimated number of respondents for the Intermediaries is 35. The estimated number of respondents for the recipients and beneficiaries is 1,225 for a total of 1,260, and the average response time is estimated to be 60 minutes.

<u>Final Project Performance Report</u>
This will be the last project performance report and must address the following items in addition to the previously stated requirements for the project performance report. These items are: (a) identify the most challenging or unexpected aspects of the program; (b) the strengths and limitations of the program and any advice that would be helpful to other organizations; and (c) identify any post-grant plans for the project and how they will be financed. The length of the report will vary depending on the size of the project. The estimated number of respondents is 105 and the average response time is estimated to be 60 minutes.

Reporting Requirements – Forms

<u>Form AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions" or other written documentation</u>
This form certifies that the applicant is not presently debarred, suspended, or voluntarily excluded from covered transactions by any Federal department or agency. The estimated number of respondents is 110 and the average response time is estimated to be 15 minutes.

<u>Form AD-1048, "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions" or other written documentation</u>
This form certifies that lower tier participants are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any Federal department or agency. The estimated number of respondents is 110 and the average response time is estimated to be 15 minutes.

<u>Form AD-1049, "Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative I - For Grantees Other Than Individuals"</u>
This form identifies the items that the grantee must certify to in order to carry out a drug-free workplace. The estimated number of respondents is 110 and the average response time is estimated to be 15 minutes.

<u>Form RD 400-1, Equal Opportunity Agreement" (OMB No. 0575-0018)</u>

All applicants and recipients are required to complete this form to comply with Equal Opportunity requirements. The estimated number of respondents is 110 and the average response time is estimated to be 10 minutes. This form was approved under OMB No. 0575-0018.

Form RD 400-4, "Assurance Agreement" (OMB No. 0575-0018)
All applicants and recipients are required to complete this form to comply with Civil Rights Acts and laws. The estimated number of respondents is 110 and the average response time is estimated to be 15 minutes. This form was approved under OMB No. 0575-0018.

Form RD 442-2, "Statement of Budget, Income, and Equity" (OMB No. 0575-0015)
This form serves as a budget and an income and expense statement. If Federal funds expended during a one-year period are less than $500,000 and there is an outstanding loan balance of less than $500,000 the grantee is required to submit a management report. This form is part of the management report. The estimated number of respondents is 110 and the average response time is estimated to be 90 minutes. This form was approved under OMB No. 0575-0015.

Form RD 442-3, "Balance Sheet" (OMB No. 0575-0015)
This form is used by grantees present their assets, liabilities, and net worth. If Federal funds expended during a one-year period are less than $500,000 and there is an outstanding loan balance of less than $500,000 the grantee is required to submit a management report. This form is part of the management report. The estimated number of respondents is 110 and the average response time is estimated to be 60 minutes. This form was approved under OMB No. 0575-0015.

Reporting Requirements – Form Burden Approved Under Other OMB Numbers

Standard Form 424, "Application for Federal Assistance"- common form – OMB No. 4040-0004
This form is used by applicants as a required factsheet for applications submitted for Federal assistance. The estimated number of respondents is 110 and the average response time is estimated to be 45 minutes.

Standard Form LLL, " Disclosure of Lobbying Activities" (OMB No. 4040-0013)
All applicants are required to complete this form, regardless of their involvement in lobbying activities. The estimated number of respondents is 110 and the average response time is estimated to be 10 minutes. This form is approved under OMB No. 4040-0013.

Standard Form 270, "Request for Advance or Reimbursement" (OMB No. 4040-0012)

This form is used by the grantee to request advances or reimbursement of cash outlays. The estimated number of responses is 105 and the average response time is estimated to be 60 minutes. This form is approved under OMB No. 4040-0012.

Standard Form 424-B, "Assurances - Non-Construction Programs" (OMB No. 4040-0007)

This form certifies that the applicant will comply with Federal Executive Orders and statutes. The estimated number of respondents is 110 and the total man-hours are 15. This form was approved under OMB No. 4040-0007.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection.

Applications may be filed electronically through the Grants.Gov website. The information required is specific to each applicant/grantee. The information needed to file the application and relevant documentation requires research and preparation of a unique grant proposal; therefore, automation would not reduce or eliminate the burden significantly. Every effort has been made to use information the borrower would already have on hand and to maximize the use of available information technology. The applicant has the option of filing the application electronically or by conventional methods. Written documents required from grantees/awardees can be submitted electronically as an email attachment.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

The information collected for this initiative will be specific and unique for each intermediary based on the program of technical assistance they provide to their recipients. There will be no similar or existing information that could be submitted; therefore, there will be no duplication.

5. If the collection of information impacts small businesses or other small entities (item 5 of OMB Form 83-1), describe any methods used to minimize burden.

The information collection required for this initiative places no burden on small entities beyond that performed in normal business practice.

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or conducted less frequently, as well as any technical or legal obstacles to reducing burden.

The information collected for this initiative is the minimum needed by RHS to determine eligibility and to monitor grantee performance. Failure to collect this information could result in improper use of Federal funds.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

a. Requiring respondents to report information more than quarterly.

Financial reports are due quarterly. When requesting reimbursement or advance payments, grantees can request payments on not more than a monthly basis as is required to indicate how grant and matching funds were used.

b.   Requiring written responses in less than 30 days.

There are no specific information collections requiring a response in less than 30 days.

c.   Requiring more than an original and two copies.

There are no specific information collection requirements for submitting more than an original and two copies.

d.   Requiring respondents to retain records for more than 3 years.

Grantees are not required to retain records for more than 3 years except in cases where there are unresolved audit findings.

e.   Not utilizing statistical sampling.

There are no such requirements.

f. Requiring use of statistical sampling which has not been reviewed and approved by OMB.

No such requirements exist.

g. Requiring a pledge of confidentiality.

There are no such requirements.

h. Requiring submission of proprietary trade secrets.

There are no such requirements.

8. If applicable, identify the date and page number of publication in the Federal Register of the agency's notice soliciting comments on the information collection. Summarize

public comments received and describe actions taken by the agency in response to these comments. Describe efforts to consult with persons outside the Agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, reporting format (if any), and on data elements to be recorded, disclosed, or reported.

The Agency published a notice in the Federal Register Vol. 78, No. 217, page number 67101 on November 8, 2013, soliciting comments from the public. No comments were received.

The following individuals were contacted regarding the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, reporting format (if any), and on data elements to be recorded, disclosed, or reported:

- Housing Assistance Council – In person interviews – August 22, 2013
    - Jeff Mosley
      Director, Training & Technical Assistance Division
      (202) 842-8600
    - Shonterria Charleston
      RCDI Program Manager
      Housing Specialist
      (404) 892-4824
    - Montika Moton
      Special Projects Assistant
      (202) 842-8600
- NeighborWorks-Telephone interview – September 10, 2013
    - Denise Bush
      Manager, Concurrence and Contracts
      (202) 760-4089
- Iowa Economic Development Authority-Telephone interview - August 27, 2013
    - Sheila Weisenbach
      Project Manager
      (515) 725-3007

All three organizations indicated they did not consider the paperwork associated with the RCDI program to be excessive. They agreed that it was not difficult applying for the program; program required standard information and that overall the paperwork, reporting burden and frequency of information collected was not a problem for them. The organizations thought the RCDI requirements were less than other grant programs.

Rural Development program staff in field offices work directly with grantees. The National Office of Rural Development has contacts with field staff who advise that they have not received negative comments from grantees regarding recordkeeping and data collection. The National Office staff works directly with national grantees and those grantees are not dissatisfied with the information that needs to be collected and reported for the grant application and disbursement processes.

9. <u>Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees</u>.

There is no payment or gift to respondents.

10. <u>Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or Agency policy</u>.

There is no assurance of confidentiality provided to respondents for the information required.

11. <u>Provide additional justification for any question of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private</u>.

The information collected does not contain any questions of a sensitive nature such as sexual behavior, religious beliefs, or other matters commonly considered private.

12. <u>Provide estimates of the hour burden of the collection of information</u>.

The burden for collecting information, under this notice of funds availability, is based on an estimated 4,400 total annual responses and 5,556 estimated total man hours. Please see the attached spreadsheet for a complete breakdown of the hour burden and cost of the required collection information. This estimate was based on information in existing reports, and the experience of RHS employees gained from operating this program for 13 years.

The estimated total annual cost of the burden is $ $361,153. The wage class used for intermediaries was $78 per hour and for recipients the wage class was $51 per hour, using an average wage of $65 per hour. The dollar amounts used for the wage grade come from mean wages from the Bureau of Labor Statistics, May 2012 National Occupational Employment and Wage Estimates United States (http://www.bls.gov/oes/current/oes_nat.htm). Mean wages by occupation for the following classes: Financial Specialist 13-2000 and Bookkeeping Accounting & Auditing Clerks 43-3031.

13. <u>Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information</u>.

a. <u>Total capital and start-up cost component (annualized over its expected useful life)</u>.

There is no start-up cost involved.

b. <u>Total operation and maintenance and purchase of services component</u>.

There is no operation/maintenance cost associated with this collection.

14. <u>Provide estimates of annualized cost to the Federal Government</u>.

The annual cost, which includes benefits, travel, communication, supplies, etc., for RHS to develop and administer this initiative is $196,036. These costs are based on; a GS-13 program director in each state spending one percent of their time, a GS-12 loan specialist in each state spending 4 percent of their time on this initiative; two GS-13 loan specialist in the National Office spending 5 percent of their time; a National Office Division Director spending one-half percent of their time; and a selection panel comprised of four program directors at GS-13, two area directors at GS-13, two area specialists at GS-11 salaries and one technician at GS-07 salaries for one percent of their time. There is no travel expenses associated with the review as they are now done via computers. Below is a breakdown of the employee positions and grade levels that will administer this initiative. Salaries are based on a Step 3 for each grade level as of January 2013.

	Number of People	Grade	Salary	Time	Cost
National Office					
Division Director	1	15	$132,009	.005	$ 660
Loan Specialist	2	13	$ 94,969	.05	$ 9,496
State Office*					
Program Director	47	13	$ 87,278	.01	$ 41,020
Loan Specialist	47	12	$ 73,396	.04	$137,984
Review Panel					
Program Director	4	13	$ 87,278	.01	$ 3,491
Area Director	2	13	$ 87,278	.01	$ 1,746
Area Specialist	2	11	$61,234	.01	$ 1,225
Area Technician	1	7	$41,377	.01	$ 414
Total Government Cost					**$196,036**

**Some states will share a single state office as a result of downsizing and budget cuts.*

The annualized cost to the federal government reflects updated salary cost and a shifting of responsibility for program delivery to the Rural Development state office as well a different mix of individuals participating in the panel review process.

15. <u>Explain the reasons for any program changes or adjustments reported in items 13 or 14 of the OMB Form 83-1</u>.

With this renewal, annual responses increased by 930 to 4,400 and hours increased by 1,368 for a total of 5,556 in burden. The adjustment increase in both the number of responses and hours is due to a correction in previous errors in the calculation of burden.

16. <u>For collection of information whose results will be published, outline plans for tabulation and publication</u>.

RHS has no plans to publish the information collected under the provisions of this initiative.

17. <u>If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate</u>.

The Rural Community Development Initiative does not utilize any program specific form; however, it does utilize some forms approved in conjunction with other OMB Dockets. The information collected specific to this docket is prepared by intermediaries to document their grant proposal and to obtain reimbursement for cost expended in carrying out their program of technical assistance to develop the capacity of recipients to undertake projects related to housing, community facilities, or community and economic development.

18. <u>Explain each exception to the certification statement identified in item 19 on OMB 83-1</u>.

There are no exceptions requested.

19. <u>How is this information collection related to the Service Center Initiative (SCI)? Will the information collection be part of the one stop shopping concept?</u>

This information is not related to and will have no impact on the Service Center Initiative.