Supporting Statement for Paperwork Reduction Act Submissions

Tenant Resource Network Program

OMB Control Number 2502-0601 (50080-TRNP, HUD-2880, HUD-96011, SF-LLL, HUD-92041, 96010-I, SF-424-CBW, SF-424)

A. Justification:

1. The purpose of TRN is to make grants to applicant organizations to assist, inform, educate and engage tenants of eligible Section 8-assisted properties regarding their rights, responsibilities and options in response to a property owner's filing a notice of Opt-Out or mortgage prepayment, in response to a second consecutive "Below 60" score of the property from the HUD Real Estate Assessment Center (REAC), (not yet under abatement), or in anticipation of a maturing mortgage on the property within 24 months of publication of this notice. The program aims to engage tenants in efforts to preserve eligible properties as affordable housing, and to provide tenants with information on their own rights and responsibilities based on 24 CFR Part 245 and guidance in HUD handbook 4381.5.

Approximately \$10 million dollars will be made available in FY 2010 funds under the authority of Section 514 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (MAHRA) for tenant outreach at properties defined by HUD as TRN-eligible. Awardees may also utilize grant funds for administrative activities and property assessments. TRN awards will be sized relative to the number of housing units an applicant proposes to serve, 400 minimum units per application. TRN is targeting eight combined statistical metro areas with the largest number of eligible housing units. Each grant is expected to be no less than \$200,000 and no more than \$720,000. Applicants may receive more than one award if they apply to work in more than one geographic area. No applicant will receive more than \$2,000,000, or 20% of the total amount available in the competition, whichever is smaller. TRN awards will be made through renewable cooperative agreements with a period of performance not to exceed 24 months. HUD will closely monitor compliance with reporting requirements, evaluate specific activities performed, and assess the outcomes and results achieved by those activities.

Eligible applicants are non profit organizations with current IRS 501(c) (3) tax-exempt status. Eligible applicants shall demonstrate a minimum of five years of tenant outreach and organizing work, and may not have an identity of interest with any owner or management entity of any property where TRN activities are proposed. Applicants may also make multiple applications for funds if they elect to apply jointly with small local, area-wide or regional team member. The team member must in this case independently verify that it does not have an identity-of-interest with owner or management entities at properties where work is proposed and will be evaluated as staff or contractor to the applicant.

TRN is part of the Department's strategy to meet the FY 2010-2015 Strategic Plan goal of preserving the affordability and improving the quality of federally assisted and affordable rental homes. HUD is therefore seeking applications that will make a measurable impact on preserving assisted housing and safeguarding tenants' access to housing assistance. TRN is also part of the Department's strategy to meet the FY2010 policy priorities of Capacity building and knowledge sharing. The Department will be seeking applications that support activities strengthen the capacity of nonprofit partners to implement HUD programs, coordinate on cross-programmatic, place-based approaches, and encourage ongoing communication, for example, sharing best practices of the program. Grants will be awarded to applicants that meet the threshold requirements described herein, and that receive the highest number of points based on the scoring criteria in the program NOFA. Threshold funding requirements are in the Fiscal Year 2010 HUD General Section.

In order to ensure that only those applicants that satisfy the eligibility criteria are selected, it is important to obtain information from prospective applicants to assist HUD in determining if the applicant has the administrative capacity and the ability to develop and administer tenant outreach activities to take advantage

this funding opportunity. 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.

B. Contents of Application Package:

- 2. The contents of the Application Package for a Tenant Resource Network Program Fund Reservation includes six parts. The sixth part includes prescribed forms, some of which are categorized as certifications and resolutions. The components of the application submission are:
 - **Part 1** Capacity for the Tenant Resource Network Program;
 - **Part 2** The Need for TRN in the Target Area to be served;
 - Part 3 Soundness of Applicant's Approach to Develop and Carry out the Proposed Outreach; and
 - Part 4 General Application Requirements, Certifications, and Resolutions.
 - Part 5 Achieving Results and Program Evaluation
 - Part 6 General Application Requirements, Certifications, and Resolutions.

The Program application submission requirements are necessary to assist HUD in determining an applicant's eligibility and ability to develop and carry out outreach 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.

Applications must be received and validated by grants.gov no later than 11:59:59 P.M. Eastern Time on the application deadline date. HUD Headquarters will evaluate applications based on established criteria identified in the Notice of Funding Availability (NOFA), rate the applications, and make selections. Applicants will be notified of selection or non-selection by HUD Headquarters. This is the first time this process will be used for this program as it is a new funding opportunity for a new program.

The purpose and use of the four components of the Program application exhibits are described below:

Part 1 - Capacity for the Tenant Resource Network Program

This part requires applicants to submit a narrative summary that identifies the applicant and its known team members and collects basic information with regard to the proposed activities. HUD staff will use this part to obtain basic information regarding the proposed project. This part contains submissions about previous experience in and current capacity for the provision of outreach to tenant groups and HUD tenants.

This part requests several narrative descriptions from the applicant. The applicant must provide a description of their purpose and current activities. The applicant must include a description of the applicant's relevant experience with HUD tenants. The applicant must describe their plan for completing their proposed activities including a timeline for the grant period. The applicant must provide evidence that the proposed project will be completed in a timely manner, also reflecting their past performance.

The applicant must include a comprehensive sources and uses statement identifying all funds for the proposed activities including a description of other funding sources for the project (financial assistance or donation a volunteer) financial commitment letters with specific dollar amounts and letters of support from agencies, organizations, businesses and/or any other groups that will partner with them.

- A. Application Narrative Summary. This document will provide an overall summary of the applicant and the proposal. The Narrative Summary shall include:
- (1) The applicant name, address, phone number, email address, and website (if applicable).
- (2) A statement identifying whether the applicant is applying independently, or using local team members (as defined in the NOFA).

- (3) A statement identifying if the applicant is applying multiple times.
- (4) A brief (no more than two page) description of the applicant organization, including year of founding, confirmation that the applicant has five years experience performing tenant outreach and organizing activities, confirmation of nonprofit status, and names and titles of key personnel who would carry out TRN activities.
- (5) A brief (no more than two page) discussion of the proposed activities, including the number of properties and units to be served, the geographical area to be served, and the grant amount requested.
- (6) An indication if the applicant is requesting additional funds for performing required outreach activities in at least 50% of units in the Targeted Metro Areas identified in their application.
- B. Proposed Statement of Work. Applicants must submit a proposed Statement of Work (SOW) of no more than 10 pages that comprehensively outlines in chronological order the administrative and program activities and tasks to be performed during the grant period. The outline should identify all activities and tasks to be performed and by whom (e.g., applicant or team member, if applicable, and role of relevant personnel), and the products and deliverables that will be provided to HUD and when. The SOW should also include a schedule of activities and outcomes (with interim implementation steps), staff allocation over the term of the project; staff acquisition and training; and activities of affiliates, team members, staff and volunteers. The applicant must describe its project in detail and explain how it will support the goals and policy priorities contained in the General Section.

Part 2 – The Need for TRN in the Target Area to be served

This part requires applicants to submit a list and narrative summary that identifies the properties where they propose to provide outreach. The applicant is required to submit a precise list of those properties where TRN outreach is proposed. This listing is not a range or percentage, but a specific list of TRN-eligible properties, by name. The list should include a summary at the top of the document clearly listing the number of properties the applicant proposes to serve, and the total number of units (both assisted and unassisted) these properties include. This list may not include any proposed "newly eligible" properties; only those properties currently on the HUD-generated list may be selected for this part. If applying for additional grant funds, the list should clearly demonstrate that 50% of the identified units in the Targeted Metro Areas (identified by HUD) will be addressed by applicants.

Part 3 – Soundness of Applicant's Approach to Develop and Carry out the Proposed Outreach

This part requires evidence of the project owner's legal status. Applicants making multiple applications are not required to submit their organizational documents and IRS tax exemption rulings more than once. Instead, these applicants must submit only the project numbers of their other applications and the modifications, if any.

A. Organizational Summary. Applicant is required to submit an overview of the prospective applicant organization. This overview shall include resumes and brief biographical statements of all staff that will be involved with TRN grant activities, a discussion of the organization's mission, history and annual budget, and examples of the organization's specific experience performing tenant outreach activities (including confirmation that the organization has performed such work for a minimum of five years). If the application involves a sponsoring organization and a team member, this summary should clearly reiterate which organization will serve as the sponsor, but should include all requested information for both the sponsor and team member. As part of the Organizational Summary, applicants are encouraged to submit any written tenant outreach materials already produced, including those in languages other than English, as an example of prior work products.

B. Audited financial statements. Applicants must submit audited financial statements for the most recent fiscal year available. If available audited financial statements are more than three years old or are unavailable, the applicant may satisfy this requirement with applicant certified financial statements. Financial statements need not be audited but must be certified as true and correct by the applicant.

Part 4 – Leveraging and Community Support

The applicant is also required to submit a description of their community support, ties to the community at large, including minority and elderly communities and to the community of HUD tenants in particular, including minorities. The applicant should also explain their ability to enlist volunteers, raise private and local funds and how long they and their team members have been in existence.

Part 5 – Achieving Results and Program Evaluation

The applicant must submit a detailed description of how it will track measure and accomplish the following performance goals over the 24-month grant period. This part must include a statement signed by the applicant acknowledging the TRN performance measures upon which awardees will be evaluated in quarterly, year end and annual reports. Established performance measures include:

- 50% of project tenants participate meaningfully in workshops on options for the property, as documented in sign in sheets or evaluations;
- 50% of tenants participating in trainings indicate an increased understating of rights and options, as documented in evaluations or surveys;
- In the event of an opt-out, 75% of tenants eligible for vouchers demonstrate an understanding of the process to request vouchers, as documented in evaluations or surveys;
- 90% of owners of identified properties indicate a willingness to renew the Section 8 contract for minimum of 5 years as indicated in a letter signed by the owner and addressed to the grantee and or to HUD;
- 50% of owners of identified properties indicate a willingness to execute a rental assistance contract
 for a total of 20 years; as indicated in a letter signed by the owner and addressed to the grantee and/or
 to HUD;
- 50% of owners of identified properties agree to put in place a plan from the owner, approved by a majority of project residents (or an elected tenant leadership group), to address rehab needs and operate as affordable housing for an additional 20 years. In the event of two consecutive Below 60 REAC scores, the owner submits a satisfactory plan to HUD to address property condition in 75% of cases.

Note: If Section 8 is under abatement, HUD will remove these properties from the list. If a property on the list receives a 2nd Below 60 REAC assessment during the grant term, the TRN activity at that property shall be suspended until such time as a definitive determination is made by HUD and the project owner related to a property improvement plan or abatement of the Section 8 contract. If a decision is made to abate the Section 8, the role of the TRN awardee will be to assist in edifying the tenants of the building of the relocation process. In such a case, the TRN awardee will cooperate with the relocation contractor to ensure tenants are informed of their rights and responsibilities related to the relocation.

This part consists of certifications and resolutions to be completed by the applicant, which includes optional forms and forms that may have already been submitted with other applications to the TRN program:

- (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. 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. This is an existing form.
- **(b)** SF-424-Supplement, Survey on Ensuring Equal Opportunity for Applicants. This form is for applicants that are private nonprofit 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. This is an existing form.
- (c) Grant Application Detailed Budget Form (HUD-424 CBW). The HUD 424-CBW must show the total cost of the project and indicate other sources of funds that will be used for the project. While the costs are based on estimates, the budget narrative work plan may include information obtained from various vendors, or it may rely on historical data. Applicants must round all budget items to the nearest dollar. A written budget narrative work plan must accompany the proposed budget explaining each budget category listed and must explain each cost category. Where there are travel costs for subcontractors or consultants, the narrative must demonstrate that the costs (per diem rates) are consistent with Federal Travel Regulations (41 CFR 301.11). This is an existing form.
- **(d)** Standard Form LLL, Disclosure of Lobbying Activities (OMB No. 0348-0046) discloses lobbying activities pursuant to 31 U.S.C. 1352. This is an existing form.
- **(e)** 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. This is an existing form.
- **(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. The Owner should complete and sign this form for this demonstration although the word Sponsor is used in the title. This is an existing form.
- **(g)** 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. This is an existing form.
- (h) Form HUD-96010, Logic Model. Requiring this form supports HUD's effort of ensuring that programs result in achievement of HUD' strategic mission. Applicants must complete and submit this form, and select from the list of activities and outcomes it offers. Instructions and a Microsoft Excel form are provided in the forms appended to the Instruction Download on http://www.grants.gov/applicants/apply_for_grants.jsp. Applicants that do not have access to Microsoft Excel may obtain a copy of the form in HTML fillable format along with a text format of the Master Logic Model listing, from HUD's website at http://www.hud.gov/offices/adm/grants/fundsavail.cfm. A training on using the Logic Model may be accessed at http://www.hud.gov/offices/adm/grants/training/training.cfm. This is an existing form.
- (i) Form HUD-96011, Facsimile Transmittal to be used for faxing third party letters and other documents for the applicant's electronic applications. Applicant must also submit any letters of support from tenant, housing or community organizations based in the geographical region where TRN activities are proposed. Letters of support are not required but community support is one area on which the application will be evaluated. Current IRS 501(c)(3) letter confirming nonprofit organization status.

- (j) Form HUD-50080-TRNP, LOCCS/VRS Payment Voucher for the Tenant Resource Network Program. The grantee will use the Financial Status Report and LOCCS Payment Voucher to set up or modify separate accounting procedures for TRN funds. Developing such procedures is essential for meeting accounting and reporting requirements of 24 CFR Part 84 and 85. Doing so will also help both the grantee and HUD better monitor use of funds. HUD staff will also review the LOCCS Payment Voucher in order to monitor use of funds for eligible costs. Grantees submit these forms on a quarterly basis. This allows the staff to track expenses and drawdown 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. This is a new form. OMB approval for the LOCCS form is # 2502-060.
- 3. Applicants must submit their applications electronically through Grants.gov. Applicants required submitting 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, 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 request a waiver 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. If a waiver is approved for the applicant to submit a paper application, HUD requires applicants to submit an original and four copies of the Demonstration Program Application be submitted to ensure expeditious processing. Seven HUD technical disciplines are involved in the review and assessment of applications: the Offices of Valuation, Architectural and Engineering, Housing Program/Project Manager, Fair Housing and Equal Opportunity, Economic and Market Analysis, 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 established deadline date.
- 8. In accordance with 5 CFR 1320.8(d), the agency's notice soliciting public comments was announced in the Federal Register on **May 5, 2014**, Volume **79**, Number **86**, Pages **25610**. No comments received.
 - 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 Headquarters 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 202 nonprofit sponsors/owners, housing consultants, industry groups, intergenerational families, and other interested HUD program staff. The Department consulted with various housing professionals representing the types of groups that are familiar with intergenerational housing (non-profit organizations, developers, service providers) and will continue to consult with these groups throughout this funding cycle. Following is a list of some of the housing professionals (Housing Consultants and Tenant Groups) that HUD consulted with by telephone, meetings, and/or workshop sessions:

North Carolina Low Income Housing Coalition—Vicki Parsons — vparsons@nchousing.org Housing Alliance of Pennsylvania — Joyce Sacco - Joyce@housingalliancepa.org Coalition on Homeless and Housing in Ohio — Emily Van Buren — emilyvanburen@cohhio.org

- 9. HUD does not provide any payment or gift to respondents, other than the award of funds and project rental assistance funds for those applicants 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. Also, since HUD 2880 requires a Social Security number from the applicant, the form addresses the Privacy Act.
- 11. The application submission requirements do not contain any sensitive questions.
- 12. Burden Estimate: This is a new collection. See the table on the next page for a breakdown of the respondents' burden hours.

Although all non-profit groups are eligible to apply for the funding, four factors will limit applications. First, there is a small funding amount of only \$10 million. The average cost of preservation, depending on location, varies widely and can be very expensive, depending on the breadth and depth of outreach. Second, many tenants would prefer not to participate in organization or activities. Next, the communities served may not take advantage of the program because of lack of organization or access to the minimum units needed to apply. Last, although preservation and tenant education is a vital to the health of our affordable housing stock, it is not lucrative. Many potential respondents may be resistant at this time to pay application costs for such a small piece of the funding for a program that is not proven to work in their benefit. It is estimated that the total number of respondents may be more than 28 but it is not likely based on the above factors. Therefore, half or 14, is the estimated number of respondents. Each response will take 43.867 hours, with a total of approximately 614.18 for all respondents combined.

Hrs per esponse .5	Total Hours
.5	
	7
1	14
1	14
6.0	84
1	14
21.5	301
6.0	84
4.0	56
.75	10.50
.3	4.20
.1667	2.33
0	0
0	0
.4	5.60
0	0
1	14
0	0
.25	3.50
43.87	614.18
	6.0 1 21.5 6.0 4.0 .75 .3 1667 0 .4 0 1 0 .25

The number of respondents is an estimate based on estimated response for the amount of funds available and the type of housing to be developed

In estimating the cost to the applicants, it should be noted that in order to comply with the program requirements, the applicant might retain an attorney. In addition, as many private 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 and as such provides its services at no cost. In view of this, the following illustrates the estimated cost to the respondents:

Consultant (\$70 per hour)	\$3,070
Applicant	Pro bono
Attorney	1,575
Total Cost Per Respondent	\$4,645
Total number of responses	<u>x 100</u>
Total Estimated Annual Cost	\$46,750

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 HUD's 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 Program funds. The consultant may assist the applicant in preparing the Application Package to request Program funds 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 HUD Headquarters. 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 Headquarters staff. The cost to the Federal Government is based on an average salary at the GS-13/5 level, except for the General Counsel and the Program Assistant, which is at the GS-14/5 and GS-7/5 levels, respectively. Also included is the cost associated with the preparation and printing of the HUD NOFA for use by the applicants in assembling their individual Application.

HUD Staff Reviews	Total Hours per	Hourly	
	Application	Rate	Total
Headquarters Division Director	2	\$60	\$ 120
Economic and Market Analysis	2	\$43	\$86
Staff from FHEO	1	\$43	\$43
Housing Program Manager	4	\$43	\$172
Housing Project Manager (Field)	1	\$43	\$43
Headquarters Attorney	3	\$51	\$153
Clerical Assistant	1	\$21	\$21
Total Staff Time per Application	14		\$1,305
Total Annual Number of Responses			<u>x 100</u>
Total Annual Staff Time Cost to Government			\$13,005
Other Cost for All Applications			
Printing, Postage for NOFA/Other Related Docume	nts (200 copies)		\$250
Mailing Services			* <u>\$2,450</u>
Total Other Cost			\$2,700
Total Estimated Annual Cost to Government			\$15,705

- 15. This is an extension of a currently approved collection. The projection difference in the hours requested is based upon the estimated number of future respondents from historical data. The projection for the next three years will be fewer hours based on this data.
- 16. Collection of this information will not be published. Each application will be maintained with HUD Headquarters 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. occurs once for each application submitted.	Collection for this information