

# Supporting Statement for Paperwork Reduction Act Submissions

## Application Submission Requirements - Section 811 Project Rental Assistance for Persons with Disabilities

OMB Control Number 2502-NEW

SF424; SF424supp; SFLLL; HUD-2880-HUD-424CB; HUD-2993; HUD-2990, HUD-96011, HUD-2994a, HUD-93205-PRA; HUD-96010; HUD-92235-PRA; HUD-92236-PRA; HUD-92237-PRA; HUD-92238-PRA; HUD-92239-PRA; HUD-92240-PRA; HUD-92241-PRA; HUD-92243-PRA

### A. Justification

1. On January 2011, the President signed the Frank Melville Supportive Housing Investment Act of 2011 which amended the Section 811 National Affordable Housing Act (Pub L. 111-374) and created new funding authority. In lieu of HUD providing this funding directly to owners/developers as in the traditional Section 811 program, this legislation created new project rental assistance authority directed to states to provide this project-based rental operating assistance for persons with disabilities to multifamily rental owners/developers. The primary purpose of this program is to identify, stimulate, and support innovative state-level strategies that will increase housing for extremely low-income persons with disabilities as a more efficient approach to this funding. As in the traditional Section 811 program, this project rental assistance funding covers the difference between the approved operating costs and debt service of the project and the tenants' contributions toward rent. In order to ensure that only qualified state housing agencies are selected, a Notice of Funding Availability (NOFA) will be published that requires applicants for grant funds to provide specific information that will allow HUD to evaluate, score and rank applications. It is important to obtain information from prospective applicants to assist HUD in determining if they have the administrative capacity and the statutory requirements to manage the program. These factors are critical in meeting statutory requirements and in protecting the Department's financial interest in projects funded under this program. Since this is new funding authority, there is no past history by which to actually estimate the number of applications.
2. This Section 811 Project Rental Assistance submission requirements are being collected in order for respondents to compete for receipt of a benefit. The HUD Section 811 Project Rental Assistance Program application submission requirements are necessary to assist HUD in determining an applicant's eligibility and capacity to administer these Project Rental Assistance Program funds to qualified multifamily rental owners for 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. This information will be used to rate and rank applications which will be collected electronically via grants.gov by the nationally established deadline date. HUD Headquarters will evaluate applications based on established criteria identified in the Notice of Funding Availability (NOFA), rate the applications, and make selection recommendations. This process occurs once a year.

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

#### Contents of Application Package:

- Part I:** Abstract. Requires applicants to submit an Abstract consisting of up to 3-5 pages which is a summary of the proposed project. The Abstract will not be scored and does not count toward the narrative page limit.
- Part II:** Formal agreement between the housing agency and the state health and human services and the state Medicaid Office.

**Part III:** Narrative response to Factors for Award

1. **Rating Factor 1 – Applicant’s and Applicant’s State Health and Human Services Agency and Applicant’s State Medicaid Office Relevant Experience and Capacity.** This includes the relevant experience of the management team and key staff and the capacity and readiness of the applicant and the State Health and Human Service/Medicaid Agencies to administer the program.
2. **Rating Factor 2 – Need/Extent of the State Program.** This includes limited quantitative analysis and documented need through existing partnerships or resources directed to a specific program or judicial requirement such as Olmstead.
3. **Rating Factor 3 - Soundness of Approach/Implementation Plan.** This focuses on the quality and effectiveness of the housing program and the integration of services. Applicants have to submit specific details on the program operation, administration, management and oversight. It also includes the program infrastructure and process and the calculation and justification of the funding request.
4. **Rating Factor 4 - Leveraging.** The applicant must identify and describe its strategy for using state administered or other housing programs to leverage the development of PRA units.
5. **Rating Factor 5 – Achieving Results, Program Innovation and Evaluation.** This focuses on innovation including the extent to which the proposed approach, system change, or activities are innovative. This rating factor also includes expanding cross-cutting policymaking and support knowledge.

**Part IV:** General Application Requirements and Certifications. This section consists of certifications and other supporting documents to be completed by the Section 811 Project Rental Assistance applicant which includes:

- o SF424\_Application\_for\_Federal\_Assistance. Applicants must include the nine digit ZIP code (ZIP code plus four digits) associated with the applicant address in box 8d of the SF424. Also, be sure to provide a project name in Line 11 of the SF424 and use the same project name in all references to the application as the information will pre-populate the other forms contained in the application download package.
- o SF424 Supplement Survey on Equal Opportunity for Applicants titled “Faith Based EEO Survey” (SF424SUPP) on Grants.gov (optional submission).
- o SFLLL-Disclosure of Lobbying Activities. Note that federally recognized Indian tribes are not required to submit this form (see the General Section).
- o HUD-2880\_Applicant\_Recipient\_Disclosure\_Update\_Report titled “HUD Applicant Recipient Disclosure Report” on Grants.gov.
- o Form HUD-92239-PRA, Detailed Budget, which is a budget form for all PRA program funds.
- o HUD 2993 – Acknowledgement of Application Receipt, for applicants submitting paper applications only.
- o HUD96011\_Facsimile\_Transmittal (“Facsimile Transmittal Form” on Grants.gov). The form must be submitted with your application and be used as the coversheet for a facsimile sent for your application.
- o 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.
- o Form HUD-93205-PRA, Cooperative Agreement – Grantee and HUD legal document used to provide funds.
- o Form HUD-92241-PRA, Logic Model/Reporting. The requirement of this form supports HUD’s effort of ensuring that programs result in achievement of HUD’s strategic mission.

- o Quarterly Reports – Grantee reports updating HUD on the program and operational performance using grant funds submitted three times a year.
- o Annual Reports – Grantee reports submitted annually to update HUD on the program operation and performance.
- o Form HUD-92243-PRA, Affirmative Fair Housing Marketing Plan
- o Form HUD-92236-PRA, Model Lease
- o Form HUD-92238-PRA, Use Agreement – Grantee and owners will execute this agreement restricting the income and tenants in the PRA units
- o Form HUD-92235-PRA, Rental Assistance Contracts Part I- Grantees will execute this document with owners that have PRA units.
- o Form HUD-92237-PRA, Rental Assistance Contract Part II – Grantees will execute this document with owners that have PRA units.
- o Form HUD-92240-PRA, Agreement to Enter into Rental Assistance Contract – Grantees will execute this agreement with owners that will have PRA units.

**Part V.** Attachments. Applicants need to include letters of intent, state program descriptions and any additional information to document its program

**Other**

1. Handbook, Notices, etc.
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. Since the Section 811 Project Rental Assistance Program is a new program, it is anticipated that most items will only be required once from each applicant. Narrative plans will be required once as part of the initial application and revised plans may be required with additional information at the conclusion of the negotiation period with grant recipients.
5. This information collection will not have a significant economic impact on small entities.
6. The Department could not comply with the provisions of the law and Federal regulations if the collection was eliminated. This is a new program seeking innovative state strategies to provide affordable housing to extremely low income persons with disabilities with access to services. The application package uses standard OPM and HUD forms to the extent possible. No other existing forms can be substituted to obtain the required information included in the application. In the absence of the above information, the Department would not be able to assess the worthiness of applications, determine whether the state programs 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. 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 February 27, 2013 (Vol. 78, No. 79, page 13372). ***No comments were received***

HUD and U. S. Department of Health and Human Services (HHS) Assistant Secretary for Policy and Evaluation (ASPE) and the Centers for Medicaid and Medicare (CMS) are working together to increase the availability of affordable housing with access to services for persons with disabilities. This Section 811 Project Assistance Program is part of an important collaboration between HUD and HHS to create sustainable, collaborative system between housing and human services agencies. This new Section 811 program authority requires a close collaboration between the agencies in the development of this new program. HUD and HHS did joint site visits to the state government offices in North Carolina and Pennsylvania to discuss and review existing state project rental assistance programs. There have also been discussions with other state programs such as those in Vermont and Louisiana.

The Department has met with various disability advocacy organizations and will continue to do so to work on strategies to improve the overall 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 will continuously look for ways to streamline the application process to better serve our clients.

In addition, HUD will continue to meet with state housing, state Health and Human Services and State Medicaid Offices, Section 811 Project Rental Assistance nonprofit and for-profit developers and owners, 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 over the last year and will continue to consult with program participants during each annual funding cycle. Following is a housing consultant that has done considerable Section 811 work along with related work with state housing and human services agencies along with two state officials that HUD consulted with by telephone, meetings, and/or workshop sessions:

<p>Lisa Sloane          Technical Assistance          Collaborative, Inc          31 Saint James Ave          Suite 710          Boston, MA 02116          617-266-5657</p>	<p>Mark H. Shelburne          Counsel &amp; Policy Coordinator          North Carolina Housing          Finance Agency          3508 Bush Street          Raleigh, NC 27609-7509          919-877-5700</p>	<p>Maura Collins          Policy &amp; Planning Manager          Vermont Housing Finance          Agency          164 St. Paul Street          Burlington, VT 05401          802-652-3434</p>
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9. HUD does not provide any payment or gift to respondents, other than the award of project rental assistance funds for those applicants selected for funding.
10. HUD does not ensure confidentiality. Applicants are 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. Estimate of the Annual Burden of the Burden:

Description of Information Collection (Application Submission Requirements)	Number of Respondents	Responses per Year	Total Annual Responses	Hrs per Response	Annual Burden Hours	Hourly Cost Per Response	Annual Cost
Abstract	55	1	55	5	275	25	6875.00
Inter-Agency Partnership Agreement with the housing agency, state Health and Human Services Agency & state Medicaid Office	55	1	55	40	2200	25	55000.00
Narrative Response to Rating Factors	55	1	55	80	4400	25	110000.00
SF-424 Application for Fed. Assistance OMB Approval 4040-0004	55	1	55	1	0	0	0.00
SF-424-Supplemental, Survey on Ensuring Equal Opportunity for Applicants OMB Approval 1890-0014	55	1	55	0.25	0	0	0.00
SF LLL - Disclosure of Lobbying Activities (0348-0046)	55	1	55	0.10	0	0	0.00
HUD-2880 - Applicant/Recipient Disclosure/ Update Report (2510-0011)	55	1	55	2	110	25	2750.00
HUD-92239 - Detailed Budget	55	1	55	5	275	25	6875.00
HUD 2993-Acknowledgement of Application Receipt (2577-0259)	55	1	55	0.40	22	25	550.00
Attachments including Letter of Intent, State Program Descriptions, etc.	55	1	55	15	825	25	20625.00
HUD - 96011, Facsimile Transmittal (	55	1	55	0.06	3.30	25	82.50
HUD-2994-You Are Our Client Survey OMB 2535-0116	55	1	55	0.50	27.50	25	687.50
HUD-93205-PRA Cooperative Agreement	15	1	15	8	120	25	3000.00
Needs Assessment	15	1	15	16	240	25	6000.00
HUD-92240-PRA, Agreement to Enter Into Rental Assistance Contract	250	1	250	4	1000	25	25000.00
HUD-92235-PRA HUD-92237-PRA Rental Assistance Contract (Part I and Part II)	250	1	250	40	10000	25	250000.00
HUD-92238-PRA, Use Agreement	250	1	250	4	1000	25	25000.00
HUD-92236-PRA Model Lease	3520	1	3520	1	3520	25	88000.00
HUD-92243-PRA, Affirmative Fair Housing Marketing Plan	15	1	15	8	120	25	3000.00
HUD-92241-PRA, Logic Model	15	1	15	8	120	25	3000.00
Quarterly Reports	15	4	60	8	480	25	12000.00
Annual Reports	15	1	15	8	120	25	3000.00
Total	5020		5065		24857.8		621,445.00
<b>Total for Previous Collection</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	-	<b>0</b>
<b>Grand Total</b>	<b>5020</b>		<b>5065</b>		<b>24858</b>	-	<b>621445</b>

Since Section 811 PRA eligible applicants are approximately 55 states and territories, and HUD will only accept one application from each state or territory, in any given fiscal year, there never will be not more than 55 applications submitted. In the next five years, we estimate the number of applicants to be lower than 55.

The above table provides a listing of only those forms that are completed by the applicants during the application, negotiation, approval and reporting. It also includes the burden hours that are applicable to the respective narrative requirements, as well. It is estimated that over a five year period that all 55 states and territories will submit applications.

### Reporting Requirements

Of those that submit applications, it is estimated that there will be approximately 25 selected for approval and will need to submit quarterly and annual.

13. There are no additional costs to respondents.
14. The majority of the work involved in reviewing the Section 811 PRA applications is performed by HUD Headquarters staff. The significant costs attributable to the promulgation of the application requirements will be the cost involved in reviewing the information submitted by the applicants, negotiating and awarding the grant funds. The average cost to the Federal Government is based on an hourly rate of \$40.55, at 23 hours per application (55) representing a GS-13, step-1. The annual rate is \$51,295.75.
15. This is a new collection. This collection is addressing the urgent need to provide housing for those extremely low income persons with disabilities who are in institutions and/or are homeless or at risk of institutionalization and homelessness.
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.