

Part A: Supporting Statement

Pay for Success Permanent Supportive Housing Demonstration (PFS Demonstration)

OMB Number: 2506-0207

Introduction

In 2010, the Obama Administration released *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness*¹, in which federal partners set goals to end veteran and chronic homelessness by 2015, and end family and youth homelessness by 2020. While the goal of ending veteran homelessness this year is foreseeable, there were still 84,291 individuals identified as chronically homeless in the United States in 2014². The reality of budget cuts and limited resources has pushed back the *Opening Doors* goal of ending chronic homelessness to 2017, stressing communities' critical need for permanent supportive housing (PSH). Being that the need for housing and services exceeds the resources available, it is essential for communities to prioritize those with the highest needs to maximize the impact of the homelessness assistance that can be provided. In addition to employing these strategies, communities can also make significant progress in ending chronic homelessness by securing alternate funding for interventions that work. The Pay for Success (PFS) Permanent Supportive Housing Demonstration will be used to meet the critical need for PSH and help meet the goal of ending chronic homelessness by 2017.

The purpose of the PFS Demonstration is to strengthen communities' ability to prevent and end homelessness by increasing the provision of permanent supportive housing (PSH), a proven evidenced-based practice. The PFS Demonstration is an opportunity to equip communities with a new financing mechanism for funding PSH projects that will prevent returns to homelessness and reduce recidivism among the reentry population. The PFS Demonstration is also a valuable opportunity to test ways of achieving greater cost efficiency in providing homelessness assistance while expanding communities' access to available funding for PSH.

A1 Need and Legal Basis

Why is this information necessary? Identify any legal or administrative requirements that necessitate the collection.

The Consolidated Appropriations Act, 2014 ([Pub.L. 113-76](#)) and the Consolidated and Further Continuing Appropriations Act, 2015 ([Pub. L. 113-235](#)) authorized the Department of Justice (DOJ) to make available \$10,000,000 for Pay for Success (PFS) programs implementing the Permanent Supportive Housing (PSH) model. On August 15, 2014, DOJ and HUD entered into

¹ United States Interagency Council on Homelessness, June 2010

² The 2014 Annual Homeless Assessment Report (AHAR) to Congress, October 2014

an interagency agreement that designates HUD as the agency responsible for implementing the PFS Demonstration. This PRA justification covers the requirements for application submission, according to the PFS Demonstration Notice of Funding Availability (PFS Demonstration NOFA). The PFS Demonstration application has one phase: eligible organizations submit applications in response to the PFS Demonstration NOFA. Selections of applications for funding under the PFS Demonstration are based on rating factors listed in the NOFA. The information solicited in the PFS Demonstration NOFA is necessary to assess applicants' qualifications and to select the most qualified and competitive grantees for award.

A2 Information Users

How is the information collected and how is the information to be used?

The information to be collected will be used to rate applications, to determine eligibility for the PFS Demonstration and to establish grant amounts. Applicants, which must be public or private nonprofit organizations, will respond to narrative prompts to demonstrate their experience and expertise in PFS financing and to describe their intended program design, both for PFS Demonstration activities, such as conducting a feasibility assessment and structuring a PFS transaction, as well as deal implementation activities, such as administering a PSH intervention, tracking outcomes, and making success payments.

Applications will be collected electronically via email submission. The information will be used to assess applicants' qualifications and to select the most qualified and competitive grantees for award. This will be the first time collecting information for this new program.

A3 Improved Information Technologies

Describe whether, and to what extent, the collection of information is automated (item 13b1 of OMB form 83-i). If it is not automated, explain why not. Also describe any other efforts to reduce burden.

HUD will require an electronic submission process for the PFS Demonstration application to streamline the application process and lessen reporting burden on applicants. The collection of information for the PFS Demonstration application is not automated in any way. Applicants will submit applications electronically and reviewers will review and score applications manually. Applicants do have the ability to request a waiver of this requirement per the HUD FY 2015 NOFA General Section.

A4 Duplication of Similar Information

Is this information collected elsewhere? If so, why cannot any similar information already available be used or modified?

To avoid duplication of information, the application collects each data element only once in narrative form. Information collected in the application has not been collected in the past since this is a new program. Information from other HUD programs cannot be used because the selections are based on current information presented by the applicant, which may not be a current or past recipient of HUD program funds. The creation of an electronic submission process is an attempt to lessen reporting burden on applicants.

A5 Small Businesses

Does the collection of information impact small businesses or other small entities (item 5 of OMB form 83-i)? Describe any methods used to minimize burden.

The need to consider all applications on an equal basis make it difficult to give special consideration to the burden placed on small entities by the collection of information. Instead, efforts were made to minimize the burden placed on all applicants, while at the same time ensuring that sufficient information would be provided to allow HUD to determine and select the best proposals.

A6 Less Frequent Data Collection

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

The information will be collected one time for the purposes of this NOFA; it is required to fully assess each applicant's qualifications for the specific purposes of the PFS Demonstration. All information collected is used to carefully consider applications for funding; if HUD collects less information, or collected it less frequently, the Department could not determine the eligibility of applicants for grant funds. Without the information, HUD will be unable to assess qualified applicants or substantiate grantee selection based on available data evidencing adequate expertise and experience in PFS financing.

A7 Special Circumstances

Explain any special circumstances that would cause an information collection to be conducted in a manner that would impose additional workload burden on recipients (see eight items listed in OMB guidance).

This information is being collected in a manner consistent with the guidelines in 5 CFR 1320.6. There are not special circumstances.

A8 Federal Register Notice/Outside Consultation

The PFS Demonstration NOFA has been published as a Federal Register notice on July 21, 2015, page 43107, vol 80, to solicit comments and public input. HUD consults regularly with DOJ, OMB, USICH, and the WH in developing the NOFA, including all application requirements.

A9 Payment/Gift to Respondents

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

There will be no payments or gifts to respondents.

A10 Confidentiality

Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation or agency policy.

No assurances of confidentiality are offered.

A11 Sensitive Questions

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

This information collection does not include any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. The information will collect program and system level data only, and no personally identifiable information will be collected regarding current or future program participants.

A12 Burden Estimate (Total Hours and Wages)

Estimate public burden: number of respondents, frequency of response, annual hour burden. Explain how the burden was estimated.

The PFS Demonstration application has two main components:

1. Required attachments; and
2. Narrative responses.

PFS Demonstration grantees will be public or private nonprofit entities acting as intermediaries that will partner with local stakeholders, which may include local government entities. In carrying out PFS Demonstration activities, intermediaries will assess the feasibility of a PFS project and/or structure PFS operations, including: partnership building, capital-raising activities, program design for the target population at the demonstration site, managing contracts with service providers, making success payments on behalf of the government entity, and managing third-party evaluators.

The public or private nonprofit applicants are responsible for submitting all required attachments and answering the narrative prompts, which ask for information regarding the applicant's proposed program design, organization experience, staff experience, and proposed budget. There are 69 narrative prompts in the current NOFA draft. The required attachments include:

- SF-424, Application for Federal Assistance (see Section of the 2015 NOFA General Section);
- SF-LLL, Disclosure of Lobbying Activities (see Section of the 2015 NOFA General Section);
- HUD-2880, Applicant/Recipient Disclosure/Update Report (“HUD Applicant Recipient Disclosure Report” on Grants.gov);
- Non-profit certification, for non-profit applicants only;
- Organization's Code of Conduct;
- Acknowledgement of Application Receipt (HUD2993), for applicants submitting paper applications only;

- SF-424, Supplement, Survey on Equal Opportunity for Applicants ("Faith Based EEO Survey (SF424 SUPP)" on Grants.gov) (to be completed by private nonprofit organizations only);
- HUD-96011, Third Party Documentation Facsimile Transmittal ("Facsimile Transmittal Form" on Grants.gov) to be used as the cover page to transmit third party documents and other information designed for each specific application for tracking purposes. HUD will not be able to match faxes to an application if the application does not contain the HUD-96011 fax cover page, and each fax submitted does not use the HUD-96011 as the cover page to the facsimile transmission;
- Letter of Interest from the government entity, establishing that the State or local government intends to partner with the applicant to pursue a PFS-financed PSH Intervention for the reentry population;
- Letter of Interest from an intermediary advisor, demonstrating that an entity with substantial PFS experience agrees to serve as the applicant's mentor for purposes of the PFS Demonstration;

Approximately nine applicants will submit applications including the attachments and narrative responses. Estimates of the public burden have been derived through program staff experience and are shown in the table below:

Submission Documents	Number of Respondents	Responses Per Year	Total Annual Responses	Hours per Response	Total Hours
PFS Demonstration NOFA Narratives	9	1	9	20	180.00
Subtotal	9	1	9	20	180.00
HUD-2880- Applicant/Recipient Disclosure/Update Report (2510-0011)	9	1	9	.17	1.53
SF-424- Application for Federal Assistance	9	1	9	.5	4.5
SF424SUPP-Voluntary Survey on Ensuring Equal Opportunity	9	1	9	.03	.27
OMB-SF-LLL-Disclosure of Lobbying Activities (where applicable)	9	1	9	.17	1.53
Nonprofit Certification	9	1	9	0	0
Organizations Code of Conduct	9	1	9	0	0

Letter of Interest from Government Entity	9	1	9	.5	4.5
Letter of Interest from Intermediary Advisor (only applicants with no direct PFS experience)	3	1	3	.5	1.5
Acknowledgement of Application Receipt (HUD2993) (only applicants granted waiver to submit a paper application)	2	1	2	.17	.34
HUD96011, Third Party Documentation Facsimile Transmittal	3	1	3	.17	.51
Subtotal	9	1	9	2.21	14.68
Total Application Collection	9	1	9	22.21	194.68

A13 Capital Costs

Estimate the annual capital cost to respondents or record keepers.

There are no capital costs to respondents or record keepers.

A14 Cost to the Federal Government

Estimate annualized costs to the Federal government.

Estimates of annualized cost to the Federal government (clerical and professional staff time)

<u>Review each Application</u> (\$43.52* per hr. x 2 hrs. x 2 reviewers x 9 applications)	\$1,566.72
<u>Notification of applicants</u> (\$43.52* per hr. x .5 hrs. x 6 awardees)	\$130.56
TOTAL	\$1,697.28

*this figure is based on a GS-13, step 1 salary

A15 Program or Burden Changes

Explain any program changes or adjustments in burden.

This is a new program, so there are no program or burden changes.

A16 Publication and Tabulation Dates

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

The results of this collection of information will not be published for statistical use.

A17 Expiration Date

Explain any request to not display the expiration date.

No approval is sought to not display the expiration date for OMB approval of the information collection.

A18 Certification Statement

Explain each exception to the certification statement identified in item 83i-19.

No exceptions identified.