
19. Certification for Paperwork Reduction Act Submissions

On behalf of the U.S. Department of Housing and Urban Development, I certify that the collection of information encompassed by this request complies with 5 CFR 1320.9.

Note: The text of 5 CFR 1320.9, and the related provisions of 5 CFR 1320/8(b)(3) appears at the end of the instructions. The certification is to be made with reference to those regulatory provisions as set forth in the instructions.

The following is a summary of the topics, regarding the proposed collections of information that the certification covers:

- (a) It is necessary for the proper performance of agency functions;
- (b) It avoids unnecessary duplication;
- (c) It reduces burden on small entities;
- (d) It uses plain, coherent, and unambiguous terminology that is understandable to respondents;
- (e) Its implementation will be consistent and compatible with current reporting and recordkeeping practices;
- (f) It indicates the retention periods for recordkeeping requirements;
- (g) It informs respondents of the information called for under 5 CFR 1320.8(b)(3):
 - (i) Why the information is being collected;
 - (ii) Use of the information;
 - (iii) Burden estimate;
 - (iv) Nature of response (voluntary, required for a benefit, or mandatory);
 - (v) Nature and extent of confidentiality; and
 - (vi) Need to display currently valid OMB control number;
- (h) It was developed by an office that PHAs planned and allocated resources for the efficient and effective management and use of the information to collected (see note in item 19 of the instructions);
- (i) It uses effective and efficient statistical survey methodology; and
- (j) It makes appropriate use of information technology.

If you are unable to certify compliance with any of these provisions, identify the item below and explain the reason in item 18 of the Supporting Statement.

Signature of Program Official: X Dominique Blom, Deputy Assistant Secretary	Date:
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Signature of Senior Officer or Designee: X Colette Pollard, Departmental Reports Management Officer, Office of the Chief Information Officer	Date:
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Supporting Statement for Paperwork Reduction Act Submissions

A. Justification:

1. Why is this information necessary?

The Quality Housing and Work Responsibility Act of 1998 (P.L. 195-276, approved October 21, 1998), also known as the Public Housing Reform Act, created Section 35 of the U.S. Housing Act of 1937, 42 U.S.C. 1437. Section 35 allows PHAs to own, operate, assist or otherwise participate in the development and operation of mixed-finance projects. Mixed-finance development refers to the development or rehabilitation of public housing, where the public housing units are owned in whole or in part by an entity other than a PHA. Prior to this, all public housing had to be developed and owned by a Public Housing Authority (PHA). However, Section 35 allowed PHAs to provide Section 9 capital and operating assistance to mixed-finance projects, which are also financially assisted by private and other resources. Private and other resources include tax credit equity, private mortgages and other federal, state or local funds. Section 35 also allows non-PHA owner entities to own and operate mixed-finance projects that contain both public housing and non-public housing units, or only public housing units. Along with public housing unit development, mixed-finance real estate development or rehabilitation transactions are used to extend public housing appropriations in housing development and to develop mixed-income housing, where public housing residents are anonymously mixed in with affordable and market rate housing residents.

In order to approve the development of mixed-finance projects, HUD collects certain information from each PHA/Ownership Entity. Under current regulations, HUD collects and reviews the essential documents included in this ICR in order to determine whether or not approval should be given. After approval is given and the documents are recorded by the associated county, HUD collects the recorded versions of the documents in this ICR, along with all financing and legal agreements that the PHA/owner entity has with HUD and with third-parties in connection with that mixed-finance project. This includes unique legal documents along with standardized forms and “Certifications and Assurances,” which are not exempted under PRA. Regulations for the processing of mixed-finance public housing projects are at 24 CFR part 905 subpart F (§905). §905 has replaced 24 CFR part 941 Subpart F, which was cited in the supporting statement for the previous OMB approval of this information collection.

2. How is this information to be used?

This information is collected to ensure that the mixed-finance development effort has sufficient funds to reach completion, remain financially viable, and follow HUD legal and programmatic guidelines for housing project development or rehabilitation, ownership and use restrictions, as well as preserving HUD’s rights to the project.

PHAs must provide information to HUD before a proposal can be approved for mixed-finance development. Information on HUD-prescribed forms and in HUD-prescribed contracts and agreements provides HUD with sufficient information to enable a determination that funds should or should not be reserved or a contractual commitment made. Regulations at 24 CFR part 905.606, “Development Proposal” states that a Mixed-finance Development Proposal (Proposal) must be submitted to HUD in order to facilitate approval of the development of public housing. The subpart also lists the documentation that is required to support the Proposal. The documentation is submitted using the collection documents (ICs) in this ICR.

This table lists the ICs that the Respondents submit under §905, with a description of changes to them, if any.

	Information Collection Form/Document	Title	Description
1	HUD-50157	Mixed-Finance Development Proposal	The name of this document is being changed from “Mixed-Finance Rental Term Sheet” to “Mixed-Finance Development Proposal” in order to better reflect the wording of §905. The purpose of the document remains unchanged and its contents primarily the same. However, changes have been made to the document language to reflect changes in the regulations. The form number has changed.

	Information Collection Form/Document	Title	Description
2	Supplementary Document: Unique Legal Document	Mixed-Finance Amendment to the Annual Contributions Contract	No change
3	Supplementary Document: Unique Legal Document	Mixed-Finance Declaration of Restrictive Covenants	No change
4	Supplementary Document: Unique Legal Document	Mixed-Finance Final Title Policy	No change
5	Supplementary Document: Unique Legal Document	Mixed-Finance Legal Opinion	No change
6	Supplementary Document: Unique Legal Documents	Mixed-Finance Evidentiaries	No change
7	Supplementary Document: Unique Legal Document	Regulatory and Operating Agreement ("R&O")	No change
8	Supplementary Document: Unique Legal Document	Transition Plan	No change
9	HUD-50161	Mixed-Finance Development Certifications and Assurances	The name of this document is being changed from "Mixed-Certifications and Assurances" to "Mixed-Finance Development Certifications and Assurances" in order to better reflect the wording of §905. The document remains primarily the same. However, changes have been made to the document language to reflect changes in the regulations. The form number has also changed.
10	Supplementary Document: Unique Legal Document	Site Acquisition Proposal	No change
11	Supplementary Document: Unique Legal Document	Development Proposal	No change.
12	HUD-50156	Mixed-Finance Development Proposal Calculator	The name of this document is being changed from "Term Sheet Calculator" to "Mixed-Finance Development Proposal Calculator" in order to better reflect the wording of §905. The document remains otherwise unchanged.
13	HUD-50159	Mixed-Finance Homeownership Term Sheet	The form number has changed. No text change.
14	Supplementary Document: Unique Legal Document	Mixed-Finance Homeownership Addendum	No change
15	HUD-50158	Mixed-Finance Homeownership Certifications and Assurances	The number of this form will be changed from HUD-50154 due to a conflict with another form.
16	HUD-50160	Mixed-Finance and Homeownership Pre-Funding Certifications and Assurances	The form number has changed. No text change.
17	Supplementary Document: Unique Legal Document	Mixed-Finance Homeownership Declaration of Restrictive Covenants (HDRC)	No change

3. Describe whether, and to what extent, the collection of information is automated?

The collection is not automated for submission via Internet. However, the Mixed-Finance Amendment to the Annual Contributions Contract, the Mixed-Finance Homeownership Addendum, along with their respective Exhibits, and four formats for the Unique Legal Documents are posted at www.hud.gov/hopevi. The other HUD forms that are included in this ICR will be posted to this website as well. A number of manual financial calculations connected to form HUD-50030 and 50029 are being replaced with Excel form HUD-50150, which completes all calculations once basic financial information is entered. Models of the Unique Legal Documents are also available on the HOPE VI website. HUD requires Respondents to submit all ICs on CD/DVD to minimize paper use in printing.

4. Duplication of Information

There is no duplication.

5. Does the collection of information impact small businesses or other small entities?

This collection of information does not significantly impact small businesses or entities.

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or is conducted less frequently.

Without this information, HUD cannot determine whether public housing funds are being used for eligible activities and whether a project meets applicable public housing requirements. Without this information, HUD cannot provide assurance that appropriated funds are being used in accordance with current law and regulations.

7. Explain any special circumstances

Two of the ICs (10 and 11) relate to the development of projects that are 100% public housing, but use a due diligence methodology that is similar to Mixed-Finance.

8. Identify the date and page number of the Federal Register notice soliciting comments on the information.

The 60-day Notice of Proposed Information Collection for Public Comment; Public/Private Partnerships for the Mixed-Finance Development of Public Housing Units was published in the *Federal Register*, Volume 80; No. 147, page 45676, on July 31, 2015. No comments were received.

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

No payments or gifts to respondents are provided.

10. Describe any assurance of confidentiality provided to respondents.

The information provided is not of a confidential nature.

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

The information collected does not contain questions of a sensitive nature.

12. Annual Reporting Burden

Respondents are PHAs. The number of respondents is based upon historical records kept by HUD on the annual number of financial closings. The hours per response is based upon HUD staff experience working with the respondents. The cost per hour is based upon the average salary of HUD staff that process the submissions made by PHA staff, and upon the hourly rate of mixed-finance attorneys, where the IC is prepared by an attorney.

	Form/Document	No. of Respondents	Frequency	Total Responses	Hours per Response	Total Hours	Cost per hour	Total Cost
1	HUD-50157 Mixed-Finance Rental Term Sheet	60	1	60	16	960	\$50	\$48,000
2	Supplementary Document: Unique Legal Document	60	1	60	24	1,440	\$50	\$72,000

	Mixed-Finance Amendment to the Annual Contributions Contract							
3	Supplementary Document: Unique Legal Document Mixed-Finance Declaration of Restrictive Covenants	60	1	60	0.25	15	\$225	\$3,375
4	Supplementary Document: Unique Legal Document Mixed-Finance Final Title Policy	60	1	60	16	960	\$225	\$216,000
5	Supplementary Document: Unique Legal Document Mixed-Finance Legal Opinion	60	1	60	1	60	\$225	\$13,500
6	Supplementary Document: Unique Legal Documents Mixed-Finance Evidentiaries	60	1	60	116	6,960	\$225	\$1,566,000
7	Supplementary Document: Unique Legal Document Regulatory and Operating Agreement	60	1	60	8	480	\$225	\$108,000
8	Supplementary Document: Unique Legal Document Transition Plan	60	1	60	8	480	\$225	\$108,000
9	HUD-50161 Mixed-Finance Development Certifications and Assurances	60	1	60	0.25	15	\$50	\$750
10	Supplementary Document: Unique Legal Document Site Acquisition Proposal	110	1	110	8	880	\$50	\$44,000
11	Supplementary Document: Unique Legal Document Development Proposal	50	1	50	80	4,000	\$50	\$200,000
12	HUD-50156 Mixed-Finance Development Proposal Calculator	60	1	60	1	60	\$50	\$3,000
13	HUD-50159 Mixed-Finance Homeownership Term Sheet	20	1	20	16	320	\$50	\$16,000
14	Supplementary Document: Unique Legal Document Mixed-Finance Homeownership Addendum	20	1	20	16	320	\$225	\$72,000
15	HUD-50158 Mixed-Finance Homeownership Certifications and Assurances	20	1	20	0.25	5	\$50	\$250
16	HUD-50160 Mixed-Finance and Homeownership Pre-Funding Certifications and Assurances	80	1	80	0.25	20	\$50	\$1,000

17	Supplementary Document: Unique Legal Document Mixed-Finance Homeownership Declaration of Restrictive Covenants	20	1	20	0.25	5	\$50	\$250
TOTALS		130		920		16,980		\$2,472,125

13. Additional Cost to Respondents

The hourly burden of this ICR has not changed. Additional cost to Respondents is limited to the hourly increase over the last three years of Respondents’ attorneys, who write the unique legal documents in this ICR. The total cost burden is increased by \$231,875, from \$2,240,250 to \$2,472,125.

14. Annualized cost to the Federal Government

The estimated annualized cost to the Federal Government is based on the hourly rate of approximately \$50 an hour and an annual rate of \$107,325, the 2015 General Pay Scale for a GS 14 Step 1 in the Washington, DC area. On average, this represents the staff of HUD’s Office of Public Housing Investments (OPHI), who process the typical mixed-finance transaction. There are approximately 40 employees that work on Mixed-Finance transactions approximately one-half of their time, including support and Management staff. 40 x ½ x \$107,325 equals \$2,146,100 of salary per year.

15. Explain any program changes or adjustments.

There are no changes in the hourly burden of this collection.

1. Burden hours have not changed. The total dollars have increased with the increase of attorney costs related to the development of Unique Legal Documents.
2. Text in the forms has changed to reflect the new regulation at 24 CFR §905, subpart F (§905), “Development Requirements,” which has superseded 24 CFR §941, subpart F (§941). Both §941 and §905 state the information that has to be included in a Mixed-Finance Development Proposal. The major change to Mixed-Finance due diligence in §905 is that specific evidentiary documents are not called out. It is now up to HUD’s implementing policy to determine which documents are necessary. For the sake of standardization, at this time HUD has maintained the requirement to submit the basic forms and unique legal documents that were in the previous ICR and are still included in this ICR. In anticipation of the final publication of §905, various other evidentiary documents were removed with submission of the previous ICR. This remains unchanged.
3. Two of the HUD form numbers had to be changed due to a conflict. Other forms from a new program were given the same numbers. The rest of the forms received new numbers in order to keep all Mixed-Finance related form numbers together.

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

The results of this Information Collection will not be published.

17. OMB Expiration Date

HUD is not seeking approval to avoid displaying the OMB expiration date.

18. Certification of Paperwork Reduction Act Submission

There is no exception to Item # 19 "Certification of Paperwork Reduction Act Submission."

B. Collections of Information Employing Statistical Methods.

This collection of information does not employ statistical methods.