

2016 SUPPORTING STATEMENT

7 CFR Part 1944-N, Housing Preservation Grants  
(OMB No. 0575-0115)

A. Justification

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

Rural Housing Service (RHS) is authorized to make grants to eligible applicants to provide repair and rehabilitation assistance so that very low- and low-income rural residents can obtain adequate housing. Such assistance is made by grantees to very low- and low-income persons, and to co-ops. Grant funds are used by grantees to make loans, grants, or other comparable assistance to eligible homeowners, rental unit owners, and co-ops for repair and rehabilitation of dwellings to bring them up to code or minimum property standards. Where repair and rehabilitation assistance is not economically feasible or practical the replacement of existing, individual owner occupied housing is available.

These grants were established by Public Law 98-181, the Housing Urban - Rural Recovery Act of 1983, which amended the Housing Act of 1949 (Pub. L. 93-383) by adding section 533, 42 U.S.C. S 2490(m), Housing Preservation Grants (HPG). In addition, the Secretary of Agriculture has authority to prescribe rules and regulations to implement HPG and other programs under 42 U.S.C. S 1480(j).

Section 533(d) is prescriptive about the information applicants are to submit to RHS as part of their application and in the assessments and criteria RHS is to use in selecting grantees. An applicant is to submit a "statement of activity" describing its proposed program, including the specific activities it will undertake, and its schedule. RHS is required in turn to evaluate proposals on a set of prescribed criteria, for which the applicant will also have to provide information, such as: (1) very low- and low-income persons proposed to be served by the repair and rehabilitation activities; (2) participation by other public and private organizations to leverage funds and lower the cost to the HPG program; (3) the area to be served in terms of population and need; (4) cost data to assure greatest degree of assistance at lowest cost; (5) administrative capacity of the applicant to carry out the program. The information collected will be the minimum required by law and by necessity for RHS to assure that it funds responsible grantees proposing feasible projects in areas of greatest need. Most data are taken from a localized area; although some data are derived from census reports of city, county and Federal governments showing population and housing characteristics.

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.

Information is compiled initially by the applicant for consideration by RHS to determine eligibility for a grant to justify its selection of the applicant for funding. After funding, grantees collect information to report program accomplishments and to justify and support expenditure of grant funds. RHS uses the information to determine if the grantee is complying with its grant agreement and to make decisions regarding continuing with, modifying, or terminating grant assistance. If the information were not collected and presented to RHS, the Agency could not monitor the program or justify disbursement of grant funds. The information has been used to provide data to Congress.

Specifically, the burden to be cleared is as follows:

#### **REPORTING REQUIREMENTS - NO FORMS**

##### Relationship or Association with RHS

Applicant must inform RHS if there is any known relationship or association with an RHS employee to assure there is no conflict of interest.

##### OMB Circular A-122, 7 CFR 3015, 7 CFR 3016

Grantee must provide an adequate accounting of the expenditure of HPG funds in compliance with the terms of this regulation. Also, financial reports, audits and other paperwork are required to be submitted by the grantee to RHS. This is in accordance with authorizing statute.

##### Evidence of Income and Ownership (Individual Homeowners)

Each homeowner is required to submit evidence of income and ownership to the grantee in order for the grantee to properly determine whether the household meets the income and homeownership program requirements and to prevent assistance going to persons not eligible by law.

##### Evidence of Ownership (Rental Property Owner or Co-op)

HPG recipients (rental property owners and cooperative housing owners) must provide the grantee with proof of ownership to meet eligibility requirements of the authorizing statute.

##### Income Eligibility (Tenant or Rental Property Owner)

Tenants/non-tenants must meet program requirements. Tenants of rental property or co-op owners must meet the requirement of income eligibility established by law.

##### Ownership Agreement Between HPG Grantee and Rental Property Owner or Co-op

This agreement will include specific items as outlined in the instruction that are required by the authorizing statute to assure long-term benefit to low-income families renting repaired units.

##### Final Inspection Report

A final inspection report must be performed after a disinterested third party completes all work. The statute authorizing the HPG program mandates that the unit of general or local government or nonprofit organization will agree to have a disinterested third party inspect such repairs and rehabilitation.

#### Relocation and Displacement

Grantee must provide assistance for permanent or temporary relocation of displaced persons for units repaired or rehabilitated with HPG assistance. This is in accordance with the Uniform Relocation Assistance and Real Property Acquisition Act of 1970.

#### Documentation of Historical Preservation Process

Each applicant will provide, as part of its preapplication documentation submitted to RHS, a description of its proposed process for assisting very low- and low-income persons owning historic properties needing rehabilitation or repair. This is pursuant to agreement between RHS and the National Council on Historic Preservation which was based on related legislative requirements.

#### Determination if Dwelling is Located in Floodplain/Wetland, or an Archeological Property

The applicant must submit a description of its process for identifying properties that are located in a floodplain and/or wetland or archeological property in accordance with authorizing statute and the Agency's environmental regulations.

#### Documentation That Statement of Activities Submitted to State Single Point of Contact

Prospective applicants for the HPG Program must submit a Statement of Activities to the State single point of contact prior to submitting their preapplication to RHS. This will provide an opportunity for State and local governments to review the Statement of Activities pursuant to E.O. 12372.

#### Statement of Activities (Preapplication Requirement)

This comprehensive document is the basis for grantee selection and becomes the work plan for the funded project.

#### Quarterly and Final Performance Reports

RHS requires all grantees to provide quarterly progress reports to the local RHS office responsible for administering the program. It is an opportunity for RHS and the grantee to discuss operational problems, adjust objectives, and monitor progress in meeting the overall program goal.

The Agency does not consider the guide used for the Quarterly and Final Performance Report a form, since grantees have the option of presenting the data differently, though the data bits requested must be included in

their reports. This guide simplifies the preparation of the quarterly performance reports by grantees.

#### Extension and/or Revision of Grant Agreement

Used only when extending or revising the grant agreement, RHS and the grantee would execute this agreement where a substantial change in activities or additional time was needed to complete the program or use remaining available grant funds. No more than 25 percent of the grantees would likely execute a grant agreement amendment.

### **REPORTING REQUIREMENTS - FORMS**

#### AD 1049 (0505-0027) Certification Regarding Drug-Free Workplace Requirements

All preapplications for the HPG funds must include a signed Form AD 1049, "Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative I - Grantees other than Individuals." The grantee shall certify to the Agency that it will provide a drug-free workplace.

#### Form RD 1940-20 (0575-0094) Request for Environmental Information

To meet the Agency's environmental regulations, applicants shall submit Form RD 1940-20, "Request for Environmental Information," for the geographical area(s) proposed to be served by the HPG program. We estimate 200 respondents annually requiring 15 minutes to complete the form for a total of 50 man-hours.

#### Form RD 400-1 (0575-0018) Equal Opportunity Agreement

The applicant must submit an original and one copy of Form RD 400-1, "Equal Opportunity Agreement" to comply with the Agency's E.O. regulations. We estimate 200 respondents annually requiring 10 minutes to complete the form for a total of 32 man-hours.

#### Form RD 400-4 (0575-0018) Assurance Agreement

The applicant must submit an original and one copy of Form RD 400-4, "Assurance Agreement" to comply with the Agency's E.O. regulations. We estimate 200 respondents annually requiring 15 minutes to complete the form for a total of 50 man-hours.

#### SF 424 (4040-0004) Application for Federal Assistance (Non-Construction)

Applicants selected by RHS will be advised to submit a full application and an original and two copies of SF 424.1 as required under OMB's circulars.

### **REPORTING REQUIREMENTS - FORMS APPROVED UNDER OTHER OMB NUMBERS**

#### SF 270 (4040-0012) Request for Advance or Reimbursement

The grantee must submit to RHS an original and two copies of the RHS SF 270, "Request for Advance or Reimbursement," to request for advance or reimbursement as required under OMB's circulars.

## SF 425 (4040-0014) Federal Financial Report

SF-425, "Federal Financial Report", shall be submitted by the grantee to RHS on a quarterly basis as required under OMB's circulars. It also provides an important part of the process of monitoring the grantee's use of HPG funds on a quarterly basis. SF 425 also replaces SF 272 as of October 2009.

### **REPORTING REQUIREMENTS - RECORDKEEPING**

#### Grant Agreement

The Grant Agreement is the contractual agreement between RHS and the HPG grantee. It outlines the responsibilities of RHS and the grantee as well as remedial authorities available to RHS for nonperformance.

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.

Collection of information for this program is not automated but is kept manually by the grantees. The collection of information required by this instruction is minimal and is more a synopsis of grantees' activities rather than original data.

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.

Grantees selected for HPG assistance may have funding from other public or private sources for similar activities. Information and reports requested for grantees were examined to see if information compiled could be used for other reporting needs. HPG grants are for a specific purpose and the reports on the use of grant funds are not reported to any other agency.

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 collection of information impacts no small businesses, as they are not eligible grantees. RHS will collect only that information necessary to protect the government's interest, to assure proper selection of grantees, and to monitor performance. Each item of information requested relates to a specific requirement established by Section 533 of the Law or is considered essential in order to present to Congress a report on grant use and activities.

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.

Grant funds are typically disbursed quarterly (but may be monthly) in advance of work being performed or in accordance with the budget and financial plan submitted by the applicant and approved as part of the selection process. Information collection takes place as the grantee requests additional funds; any less frequent collection could result in excess funds being disbursed or advanced.

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.
- b. Requiring written responses in less than 30 days.
- c. Requiring more than an original and two copies.
- d. Requiring respondents to retain records for more than 3 years.
- e. Not utilizing statistical sampling.
- f. Requiring use of statistical sampling which has not been reviewed and approved by OMB.
- g. Requiring a pledge of confidentiality.
- h. Requiring submission of proprietary trade secrets.

There are no special circumstances. Data collection plans are consistent with 5 CFR 13120.6.

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 has conducted a Management Control Review, detailed program reviews, and contacts made through telephone inquiries. The following is a typical list of HPG grantees that this Agency has consulted with:

a. Name and Location of Organization Consulted

(1) Mercy Housing 3120 Freeboard Drive, Suite 202, West Sacramento, California 95691

(2) Southeastern Indiana Regional Planning Commission, 405 W U.S. Hwy 50, Versailles, IN 47042

(3) Telamon Corporation 500 N. Academy Street, Kingstree, SC 29556

b. There were no major problems noted during these contacts.

As required by the Paperwork Reduction Act of 1995, a Notice of Request for Extension of a Currently Approved Information Collection was published on March 8, 2016 [Vol. 81, No. 45, pg. 12069]. No comments were received.

9. Explain any decision to provide any payment or gift to respondents, other than reenumeration of contractors or grantees.

No payment or gift has been provided to respondents.

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

No assurances of confidentiality are being provided to the grantee nor is any mandated by statute, regulation, or Agency policy.

11. 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.

This regulation does not include any questions that are of a sensitive nature.

Grantees, however, will provide assistance to very low- and low-income families and individuals (homeowners) and to rental property owners and co-ops where the tenants are very low- and low-income persons. Complete income information will be required from these recipients of loans and grants provided by the grantees in order to determine their eligibility and such information will be collected and reported for statistical purposes only. Income information is needed to comply with the intent of the law to provide assistance to very low- and low-income persons.

12. Provide estimates of the hour burden of the collection of information.

The burden for collecting information under this regulation is based on an estimated 1,246 respondents, 8,327 responses and 7,562 man-hours for completing the information collection requirements. We estimate that the average borrower makes \$14.00 per hour. This figure is based on the existing Agency reports and experience of Agency employees handling the elements in the burden.

The estimated annualized cost to the respondents is \$105,868. The respondents are public bodies and public and private nonprofit corporations.

Please see attached spreadsheet.

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

There are no capital or start-up costs.

14. Provide estimates of annualized cost to the Federal Government.

The estimated annual cost for RHS to develop and administer this regulation is \$2,416,473. Below is a breakdown of the employee positions and grade levels that administer this regulation. Salaries are based on a Step 5 for each grade level. Although there are 231 Rural Development servicing offices, there have only been an average of 103 grants awarded each year based on the past 3 fiscal years.

<b>National Office</b>	<b>No. Of People</b>	<b>Grade and Salary</b>	<b>Time</b>	<b>Cost</b>
Processing Staff	1	13/ \$123,746	.25	\$30,936
<b>State Offices (47 Offices)</b>				
Loan Specialist	47	11/12/ \$95,443*	.15	\$672,873
<b>Servicing Offices (231 Offices)</b>				
Loan Specialist/Technician	144	9/11/ \$79,290*	.15	\$1,712,664

Amounts based on the 2015 OPM D.C. locality salary table and include a 36.25% increase to account for benefits.

\* Represent average of two G.S. levels

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

There is a decrease in burden by 6,343 hours. This is due to a decrease in the number of respondents caused by a decrease in funding for the program.

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

The Agency has no plans for publishing the information collected for statistical purposes. The Agency prepares a report for Congress on very general terms, such as the number of units assisted and income levels of the HPG recipients. This information is taken from the final reports and summarized. The report has very limited distribution.

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

Multiple forms are cleared within multiple packages and the different expiration dates for each package will be confusing to the customer.

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

There are no exceptions requested.



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

This information collection is not related to the service center initiative and is not part of the one-stop shopping concept.