

Supporting Statement for Paperwork Reduction Act Submissions
Public Housing Annual Contributions Contract and Inventory Removal Application
(2577-0075)

A. Justification:

1. Why is this information necessary?

Section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g) (“1937 Act”) permits the Secretary of HUD to make annual contributions to PHAs to achieve and maintain the low- income character of public housing projects. The Secretary is required to embody the provisions for such annual contributions in a contract guaranteeing payment. Governing regulations are 24 CFR part 905 for public housing development and 24 CFR part 990 for continued operation of low-income housing after completion of debt service.

Pursuant to Section 9 of the 1937 Act, PHAs must enter into a written contract with HUD governing the terms and conditions of their public housing. HUD calls this contract an Annual Contributions Contract (ACC). Under the contract, HUD agrees to provide funding to the PHA to support its program and the PHA agrees to administer the program in accordance with HUD regulations and requirements and the terms of the contract. HUD created forms HUD-53012 (ACC) to fulfill this contractual written requirement. All PHAs must have an executed ACC on file with HUD. This PRA collection amends the current ACC form.

HUD also requires PHAs that receive Capital Fund grants to maintain, improve, and develop their public housing under Section 9 of the 1937 Act to enter into a contractual agreement known as HUD-52840-A (Capital Fund ACC amendment).

Section 9 of the U.S. Housing Act of 1937, as amended, requires that public housing properties that are receiving funding under the 1937 Act be operated as public housing for a set amount of time based on the type and use of assistance that the PHA receives. PHAs that receive HUD assistance are required to maintain a Declaration of Trust (DOT) or Declaration of Restrictive Covenants (DoRC) in the case of mixed-finance public housing development against all property in each project that benefits from assistance. A DOT/DoRC is a legal instrument which provides public notice that the property was developed, maintained, or operated with Federal assistance and is, therefore, held in trust by the PHA for the benefit of HUD. The DOT/DoRC establishes that the property is to be operated as public housing in accordance with the terms and conditions of the ACC and restricts the PHA from transferring, conveying, assigning, leasing, mortgaging, pledging or otherwise encumbering the property without the expressed permission of HUD. HUD created form 52190 (Declaration of Trust/Declaration of Restrictive Covenants) to meet these requirements for certain funding. This PRA collection amends the DOT/DoRC form.

HUD also requires some PHAs to enter into a HUD-51999 (General Depository Agreement) in order to govern the treatment of depositories, monies and other financial assistance that HUD has provided to the PHA

When a PHA submits a voluntary application to HUD that indicates it intends to remove all of its public housing dwelling units from its inventory, HUD requires that the PHA indicate, in writing, its future plans for either termination of the public housing ACC or developing new public housing dwelling units. If the PHA plans to terminate its public housing program, HUD will ensure that all ACC personal and real property is removed, in accordance with 2 CFR §§ 200.310 – 200.316, and all remaining grant closeout procedures are complied with. Eventually, after all applicable close-out requirements have been satisfied, HUD will terminate its ACC with the PHA.

Under Sections 18, 22, 32, and 33 of the 1937 Act, the HUD Secretary also is authorized to approve requests from PHAs to remove certain public housing property (dwelling units, land, and non-dwelling structures) from their inventories through demolition, disposition, voluntary conversion, required conversion, or homeownership. In addition, due to HUD’s third-party beneficiary interest in public housing property under the ACC and DOT, HUD must approve condemnation of public housing property through eminent domain proceedings. Pursuant to 2 CFR 200.311(c)(1), PHAs may also request that HUD approval to retain ownership public housing property free from public housing use restrictions under the ACC and DOT. PHAs cannot remove public housing property from their inventory without HUD approval. HUD regulations implementing Sections 18, 22, 32, and 33 of the 1937 Act are found at 24 CFR part 970 (Section 18), 24 CFR part 972 (Section 22 and Section 33), and 24 CFR part 906 (Section 32).

In order to efficiently and effectively review requests from PHAs to remove public housing property from their inventory, HUD created the form known as HUD-52860 (“Inventory Removal Application”) (and its addendums A-G) to centrally collect information from PHAs that is required by the applicable sections of the Act and HUD regulations. This collection amends existing 52860 forms and adds two new addendums—the HUD-52860-A (for demolition and disposition) and the HUD-52860-G addendum (for retentions of certain public housing property under 2 CFR part 200). HUD-52860 organizes the information that PHAs are required to submit to HUD for approval of inventory removal requests and assists PHAs in submitting complete and correct applications. HUD-5837 applies when a PHA intends to remove all of its dwelling units from its ACC inventory and will alert HUD to its future plans for either termination of the public housing ACC or development of new dwelling units. In addition, this information request will assist HUD in maintaining accurate records of the federal public housing stock. In addition to submitting HUD-52860 regarding inventory removals electronically and HUD-5837 as a paper submission to HUD for review and approval, PHAs must also maintain all supporting documentation relating to these actions on file and report to the HUD local Office of Public Housing when the inventory removal action has been completed. Additional information about each form is as follows:

Annual Contributions Contract (ACC) (HUD-53012). Section 9 of the 1937 Act permits the Secretary of HUD to make grants (i.e, annual contributions) to PHAs to achieve and maintain the lower income character of public housing projects. The Secretary is required to embody the provisions for such payments in an agreement (i.e., ACC). The purpose of the ACC is to establish the contract between each PHA and HUD. The ACC authorizes HUD to fund the PHA and requires the PHA to manage and operate all of its public housing properties in compliance with the U.S. Housing Act of 1937 and all applicable regulations. This collection amends this ACC document by merging the current HUD-53012-A and HUD-53012-B forms into one document (HUD-53012) and adding requirements applicable to mixed-finance public housing development and making minor clarifications and updates, based on applicable statutes and regulations, on the contractual agreement.

Declaration of Trust (DOT) and Declaration of Restrictive Covenants (DoRC) (HUD-51290). The purpose of the Declaration of Trust (DOT) is to require PHA to remain seized of the title of public housing projects and other real property and to refrain from transferring, conveying, assigning, leasing, mortgaging, pledging, or otherwise encumbering or permitting or suffering any transfer, conveyance, assignment, lease, mortgage, pledge or other encumbrance of said property or any part thereof, appurtenances thereto, or any rent, revenues, income, or receipts therefrom or in connection therewith, or any of the benefits or contributions granted to it by or pursuant to the ACC. This collection amends this DOT document by merging the current HUD-51290-A (development) and HUD-51290-B (modernization) forms, into one document, as well as adding the Declaration of Restrictive Covenants (DORC) document for mixed-finance public housing developments into one form (HUD-51290).

General Depository Agreement (GDA) (HUD-51999). The purpose of the General Depository Agreement (GDA) is to ensure PHAs use financial assistance received from HUD or otherwise associated with public housing funds for purposes of public housing, by requiring such financial assistance to be deposited into interest-bearing accounts at financial institutions whose deposits or accounts are insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF). This collection makes a small change to the Notice provision of the GDA to require that notice be implemented by the Depository within 24 hours of receipt.

Inventory Removal Application (HUD-52860). The purpose of the Inventory Removal Application (HUD-52860) is to ensure PHAs comply with the statutory and regulatory requirements when removing public housing projects and other real property subsidized by HUD from their inventory through various programs, including Sections 18, 22, 33, 32 of the 1937 Act and eminent domain settlement agreements and retentions under 2 CFR 200.311. This application and approval process also ensures an accurate and up-to-date building and unit count for the PHA. HUD uses the PHA’s inventory of buildings and units for various purposes, such as funding and property inspections. This collection modifies this form to make it a better-tailored “global” form that applies to all removal actions. It is required in addition to the addendum related to the specific removal program.

Demolition/Disposition Addendum. (HUD-52860-A). This collection adds this new addendum to specifically address the requirements of 24 CFR part 970 for demolition and disposition removals. These requirements were previously included in the global HUD-52860.

Total Development Cost (TDC) and Rehab Cost Estimate Addendum. (HUD-52860-B). This information is required for all Inventory Removal Applications that propose a demolition under 24 CFR 970.15 or a disposition under 24 CFR 970.17 based on physical obsolescence. This collection makes formatting and instructional changes and refers users to the applicable HUD notice for more guidance.

Homeownership Addendum (HUD-52860-C) This information is required for all Inventory Removal Applications that propose a homeownership program under 24 CFR part 906. This collection makes formatting, instructional and other changes to provide clearer direction and to ensure PHAs are fully complying with the requirements of 24 CFR part 906.

Required Conversion Addendum (HUD-52860-D) This information is required for all Inventory Removal Applications that propose a required conversion under 24 CFR 972-Subpart A. This collection makes minor formatting, instructional and other changes to provide clearer direction and to ensure PHAs are fully complying with the requirements of 24 CFR part 972 Subpart-A.

Voluntary Conversion Addendum (HUD-52860-E) This information is required for all Inventory Removal Applications that propose a required conversion under 24 CFR 972-Subpart B. This collection makes minor formatting, instructional and other changes to provide clearer direction and to ensure PHAs are fully complying with the requirements of 24 CFR part 972 Subpart-B.

Eminent Domain Addendum (HUD-52860-F) This information is required for all Inventory Removal Applications that propose settlement agreement (in lieu of court proceedings) for public housing projects and other public housing property that a Taking Entity proposes to condemn through eminent domain proceedings under applicable state law. This collection makes minor formatting, instructional and other changes to provide clearer direction and to ensure PHAs are fully complying with the requirements of PIH Notice 2012-8.

Retention Addendum (HUD-52860-G) This collection adds a new form that applies to PHAs who are requesting to retain certain public housing property in accordance with 2 CFR 200.311(c) and PIH Notice 2016-20.

Notification of Closeout or Future Public Housing Development (HUD-5837). This collection adds a new form that applies to PHAs who are intending to remove all dwelling units in their portfolio from their inventory. This is notification to HUD of a PHA's intention to either closeout from the public housing program or develop new public housing units. Such removal may be through any available law or HUD program, which may include Sections 18, 22, 33, 32 of the U.S. Housing Act of 1937 or the Rental Assistance Demonstration (RAD) program). This form will alert HUD about its future plans for either termination of the public housing ACC or development of new dwelling units. HUD will use this information to provide targeted technical assistance, to ensure HUD has an accurate database of federal public housing inventory and assets, and to monitor PHA compliance with the ACC and applicable federal laws and regulations.

Capital Fund Program Amendment to the ACC (HUD-52840-A). This form amends a PHA's ACC each time HUD provides CFP assistance to a PHA for capital and management activities of PHA developments. This collection amends this form to change its format from PDF/Word to Excel only.

- 2. How is this information to be used?** ACCs establish the contractual relationship between HUD and PHAs administering public housing programs. ACCs are executed for development, acquisition, and all inventory removal actions. ACC covenant amendments are executed for projects that involve the use of capital funds. These 20-year ACC extensions also apply to situations when PHAs use capital funds for emergency and disaster grant activities, safety and security expenditures and for the renovation of community facilities. HUD action and PHA submissions are also required when capital funds are recaptured for non-compliance or when grant funds are not used within the obligation and expenditure time-limits.

This information also ensures HUD has an accurate database for the federal public housing inventory and enables HUD Field Offices to effectively monitor their portfolio. HUD uses the inventory information when determining the amount of funding a PHA is eligible for under the capital fund and other programs.

This Public Housing Inventory removal information is collected via an on-line electronic application (currently through the Inventory Management System/PIH Information Center (IMS/PIC)) and reviewed by HUD's Special Application Center (SAC) to ensure that PHAs meet the statutory and regulatory requirements necessary for HUD to approve the removal of public housing units from inventory (including retentions), with the exception of HUD-5837, which will be collected via paper submissions. HUD approval is necessary prior to PHAs removing their public housing property in order to protect the federal interest in the public housing property under the ACC and DOT. The HUD-5837 collects public housing close-out information and additional information about potential new public housing developments that will be developed in the future on surplus land for which the DOT may or may not be unencumbered in the future. The HUD-5837 is collected via paper submission and reviewed by HUD Field Office of Public Housing staff to support the effective monitoring of the federal public housing inventory and enables HUD Field Office of Public Housing staff to effectively monitor their portfolio.

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

HUD electronically collects public housing inventory data from the PHAs through its IMS/PIC system, an on-line data entry/database system. PHAs do not submit the actual paper HUD-52860 forms to HUD. Rather, PHAs provide all information required by the HUD-52860 forms electronically via submissions through the Inventory Removal module of IMS/PIC. The IMS/PIC system allows PHAs to attach supporting documentation electronically. PHAs will also be required to submit requests for retentions under of public housing property (free from public housing use restrictions) under 2 CFR 200.311(c)(1) to electronically through IMS/PIC.

4. Duplication of information. There is no duplication of information associated with this collection. The information required and collected with each action is not collected elsewhere. There is no similar information already available that may be used or modified for the purposes described in the response to question 2 above. Information is uniformly collected for award and distribution of operating subsidies and capital funds. PHAs initiate submission of information under this PRA.

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

No, the information being collected does not impact small businesses or other small entities.

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or is conducted less frequently. The submission of ACCs, amendments, and associated documents and forms is a long-standing statutory and regulatory requirement of entities that conduct business with HUD. If HUD did not collect this information, the Department would be in noncompliance with the specific intent and directions of Congress. Without this information, HUD's interest in these properties may also be unprotected, resulting in the potential loss of affordable housing. If accurate inventory data is lacking, HUD would be at high risk of making incorrect payments to housing authorities. If this information were collected less frequently, it would unreasonably delay inventory removals by PHAs and prevent the 1937 Act from being properly carried out.

7. Explain any special circumstances. No special circumstances are applicable to this collection.

- requiring respondents to report information to the agency more than quarterly;
Not Applicable
- requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
Not Applicable
- requiring respondents to submit more than an original and two copies of any document;
Not Applicable
- requiring respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
Not Applicable
- in connection with a statistical survey, that is not designed to produce valid and reliable results than can be generalized to the universe of the study;
Not Applicable
- requiring the use of statistical data classification that has not been reviewed and approved by OMB;
Not Applicable
- that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
Not Applicable

- requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

Not Applicable

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

HUD published a Notice of Proposed Information Collection for public comments in the *Federal Register*, Volume 81; Number 40; Page 10651 on March 1, 2016. The public was given until May 02, 2016, to submit comments on the proposed information collection. HUD received no public comments.

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 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. The forms and collections associated with the Consolidated ACC and Inventory Removal Application requirements do not require the collection of private information.

12. Annual Reporting Burden

The annual reporting burden hours are based on estimated amounts of time for each action from the execution of a new ACC to the reporting of required information under specific sections of the ACC. Amendments for funding are submitted annually; ACC-related information in lines other than line 22 is submitted once, on occurrence. Inventory removal applications are submitted when PHAs make changes to their public housing inventory.

The information collection, recordkeeping, and reporting requirements will result in the following approximate burden:

	ACC Provision	Total Responses	Burden hours per response	Total Hours	Cost per hour	(\$ Total Cost
1	Execute new ACC via HUD form 53012	40.00	5.50	220.00	\$39.44	\$8,676.80
2	Terminate or amend ACC via HUD-5837	40.00	9.80	392.00	\$39.44	\$15,460.48
3	Request HUD approval of non-dwelling leases or agreements	114.00	6.40	729.60	\$39.44	\$28,775.42
4	HUD approval for easement uses	48.00	73.40	3523.20	\$39.44	\$138,955.00
5	Submit General Depository Agreement (GDA) via form HUD 51999	265.00	2.50	662.50	\$39.44	\$26,129.00
6	Request to terminate GDA	107.00	1.90	203.30	\$39.44	\$8,018.15
7	ACC revisions to change year end dates	23.00	11.20	257.60	\$39.44	\$10,159.74
8	ACC to consolidate PHAS	18.00	12.10	217.80	\$39.44	\$8,590.03
9	ACC revision to transfer programs	43.0	9.10	391.30	\$39.44	\$15,432.87
10	Request review of Conflict of interest	102.00	9.30	948.60	\$39.44	\$37,412.78
11	Request pooling of insurance	5.00	19.40	97.00	\$39.44	\$3,825.68
12	Request for new Declaration of Trust (DOT) via form HUD 52190	142.00	8.8	1249.60	\$45.23	\$56,519.40
13	Request DOT amendment or termination	221.00	9.20	2033.20	\$39.44	\$80,189.40
14	Amend ACC for Capital Fund Finance via form HUD 52840-A	73.00	10.80	788.40	\$39.44	\$31,094.49
15	Amend ACC for Mixed Finance Supplementary Legal Document	94.00	21.10	1983.40	\$50.00	\$99,170.00

16	Amend ACC for Capital Grant	2820.00	3.90	10998.00	\$39.44	\$433,761.12
17	Amend ACC for Emergency Capital Fund Grant	38.00	2.60	98.80	\$39.44	\$3,896.67
18	Amend ACC Capital Fund for Safety and Security	75.00	1.30	97.50	\$39.44	\$3,845.40
19	Amend ACC to Recapture Capital Fund Grant	123.00	5.20	639.60	\$39.44	\$25,225.82
20	Amend ACC for Energy Performance Contract	38.00	5.10	193.80	\$39.44	\$7,643.47
21	Amend ACC for Community Facilities Grants	13.00	2.20	28.60	\$39.44	\$1,127.98
22	Removal of public housing property from ACC through demolition and/or disposition, including de minimis, via (Section 18) via HUD form 52860	120.00	4.50	540.00	\$39.44	\$21,297.60
23	Removal of public housing property from ACC through voluntary conversion (Section 22) via HUD form 52860	2.00	6.00	12.00	\$39.44	\$473.28
24	Removal of public housing property from ACC through required conversion (Section 33) via HUD form 52860	0	6.00	0	\$39.44	\$0
25	Removal of public housing property through homeownership (Section 32) via HUD Form 52860	4.00	10.00	40.00	\$39.44	\$1,577.60
26	Removal of public housing property from ACC through eminent domain HUD form 52860)	6.00	3.00	18.00	\$39.44	\$709.92
27	Removal of public housing property from ACC through retention actions under 2 CFR 200.311 via HUD form 52860	20.00	2.00	40.00	\$39.44	\$1,577.60
28	Supplementary Document: Unique Legal Document used by HQ Staff Mixed-Finance Amendment to the ACC	60.00	24.00	1440.00	\$50.00	\$72,000.00
	Totals	4,654.00	286.30	27,843.80		\$1,141,545.74

13. **Additional cost to respondents.** There are no additional costs to respondents other than as reported in Items 2, 27 & 28.

14. **Annualized cost to the Federal Government in 2017.**

The estimated annualized cost to the Federal Government for ensuring execution of the ACC, and those actions in Lines 1-11, 13-14 and Lines 16-21 in the table above, including any required review, is based on an average annual salary of field staff of \$82,042, or \$39.44 per hour, which is the 2017 General Pay Scale salary for a GS 13 Step 4. At \$39.44 per hour for an estimated 22,523 hours per year, the annual cost is \$888,307. This includes the HUD-5837 as part of the "Terminate or amend ACC" line (Line 2).

The estimated annualized cost to the Federal Government for Request for new Declaration of Trust (DOT) via form HUD 52190, Line 12, is based on the hourly rate of \$45.23. At this rare for an estimated 1,250 hours per year, the annual cost is \$56,538.

The estimated annualized cost to the Federal Government for inventory removals, Lines 22-27, is based on the hourly rate of \$39.44, from the 2017 General Pay Scale for a GS-13, Step 4, which represents the average grade of the staff at the Special Application Center (SAC). The SAC enables HUD's Office of Public and Indian Housing to assist PHA's in their efforts to efficiently and effectively meet the housing needs of their communities through the specialized review and approval of non-funded, non-competitive applications, related to the removal of public housing property from a PHA's inventory. The SAC has approximately 14 full-time employees that work on these programs. The average amount of time an employee spends reviewing an application is 4 hours. At \$39.44 per hour for an estimated 650 hours per year, the annual cost is \$25,636.

The estimated annualized cost to the Federal Government for to amend ACC for Mixed Finance line 15 and Supplementary Document: Unique Legal Document used by HQ Staff Mixed-Finance Amendment to the ACC line 28, is based on an average \$50.00 per hour legal cost. At \$50.00 per hour for an estimated 3,424 hours per year, the annual cost is \$171,150.

15. Explain any program changes or adjustments. This Information Collection estimate is revised for the following reasons: This collection adds supplementary submission requirements for the termination and amendment of the ACC. This collection also adds submission requirements for PHAs requesting to HUD to retain public housing property free from public housing restrictions pursuant to 2 CFR 200.311(c)(1).

Adjustment: This collection reduces the number of responses for many removal actions based on recent statistics and trends. The program changes and adjustments are due to: (1) a reduction of applications that PHAs are submitting under Sections 18, 22, 33, and 32 of the 1937 Act (lines 22-26); (2) the new retention option for public housing property that HUD is making available under 2 CFR 200.311 (line 27); and (3) a more precise estimate of the number of PHAs terminating their ACC due to a removal of all dwelling units from their ACC inventory (due primarily to the Rental Assistance Demonstration (RAD) program) and the need for HUD to ensure closer monitoring of its public housing portfolio while maintaining accurate records (Line 2). This information collection maintains the consolidation of information collections of OMB Control Number 2577-0270 and OMB Control Number 2577-0075 that occurred in 2014. The cost and time estimates are based on information from the eight regional field offices as well as information from PHAs. Assuming the RAD program is expanded, HUD anticipates that there will continue to be a reduction in PHA application submissions under Sections 18, 22, 33, and 32 of the 1937 Act. Further, HUD anticipates that while the initial amount of PHAs seeking to terminate their ACC will increase as the RAD program is expanded, it will then sharply decrease and stabilize on an annualized basis.

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."