

Supporting Statement for Paperwork Reduction Act Submissions

Pay for Success Pilot Application Requirements

OMB Control Number 2502-0613

HUD-2530, Form SF 424 family of forms, HUD-2880, HUD-424-CBW, HUD-9250, Certification of Owner Eligibility, Cooperative Agreement, Site-Specific Environmental Review (Part 1 of 2), and Office of Multifamily Housing Pay for Success Program Narrative Template

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information. Include a statement regarding the changes for this submission.

Title LXXXI of the Fixing America's Surface Transportation Act (Public Law 114-94) authorizes the Department of Housing and Urban Development (HUD) to establish a demonstration program under which the Secretary may execute budget-neutral, performance-based agreements in fiscal years 2016 through 2019 that result in a reduction in energy or water costs. The legislation authorizes HUD to implement this pilot in up to 20,000 units of multifamily buildings participating in the project-based rental assistance (PBRA) program under section 8 of the United States Housing Act of 1937; supportive housing for the elderly program operating under section 202 of the Housing Act of 1959; and supportive housing for persons with disabilities under section 811(d)(2) of the Cranston-Gonzalez National Affordable Housing Act. The Statute authorizes HUD to execute performance-based agreements in fiscal years 2016 through 2019 covering up to 20,000 units in eligible properties. HUD is responsible for submitting annual program evaluation reports to Congress for the duration of the Pilot.

HUD is authorized under this legislation to establish a competitive process for selecting one or more qualified applicants to serve as Intermediaries who will, per agreements with HUD, be responsible for initiating and managing an energy and water conservation retrofit program at eligible properties. For the purpose of this program, applicants are defined as entities applying to participate. The documents that are the subject of this notice are those used by applicants applying to participate in this program. This information will allow applicants to submit their proposal and for the government to evaluate this information. This is a revision of a currently approved information collection request.

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.

- Form HUD-2530, Previous Participation Certification, is completed by the Intermediary. The Intermediary submits the form to HUD via grants.gov as part of the application package for the PFS pilot. The type of information collected includes the Intermediary's (principals) Name, Address, Social Number/IRS Employee Number, Signature, etc. The form is required to provide HUD with a certified report of all previous participation in

HUD multifamily housing projects by those parties making application and is used by HUD to determine eligibility to participate in Multifamily programs.

- ***SF-424 family of forms, Application for Federal Assistance and Assurances, is completed by the Intermediary. The Intermediary submits this family of forms to HUD via grants.gov as part of the application for the PFS pilot. The type of information collected includes the Intermediary's Name, EIN/TIN, Address, Email address, etc. This family of forms is required for use as a cover sheet for submission of preapplications and applications and related information under discretionary programs. Applicants are required to submit this form to HUD as part of the application package for the PFS pilot. [OGC-FH/ Concurrence: As explained more fully in our comment on the 60-day Notice, all applicable forms in the SF-424 family are required to be submitted, including appropriate assurances. We have edited this paragraph to reflect that requirement.]***
- Form HUD-2880, Applicant/Recipient Disclosure/Update Report, is completed by the Intermediary. The Intermediary submits the form to HUD via the grants.gov as part of the application package for the PFS pilot. The type of information collected includes the Intermediary's Name, address, phone number, social security number and EIN, etc. The Intermediary is required to submit this form in order to provide accountability and integrity in the provision of assistance that is administered by HUD.
- Form HUD 424-CBW (excel spreadsheet), Detailed Budget Worksheet, is completed by the Intermediary. The Intermediary submits this form to HUD via email or US mail for approval. The type of information collected includes a detailed description of budget as it pertains to each participating property. The Intermediary submits this form to HUD in program phases for completion of the retrofits in all participating properties in the PFS program.
- Form HUD-9250, Funds Authorization, is completed by the Owner. The Owner submits this form by email or by US mail to HUD for approval. The type of information collected includes Owner's name, address, mortgagee, etc. Owners are required to submit this form to HUD to request withdrawal from the Reserve for Replacements or Residual Receipts Funds.
- Certification of Owner Eligibility, Owner must complete this form to be eligible to participate in the Pay for Success pilot. Owner submits certification to HUD for approval via email or by US mail. The type of information collected includes Owner's name, iREMS number, address, signature, etc. Owners must provide a certification to HUD that they and the property meet HUD eligibility requirements in order to be able to participate in the Pilot.
- Cooperative Agreement is administered by HUD's Office of Multifamily Housing Programs, which will have oversight of the Intermediaries, ensuring compliance with all included provisions and authorizing payments when and if required conditions are met.

The type of information collected includes Date agreement was entered with Intermediary, total of units HUD awarded intermediary, signature and HUD official. The form is submitted to HUD/Intermediary via email or by US mail.

- Site-Specific Environment Review (Part 1 of 2), this form should be used only to initiate site-specific reviews for individual HUD-assisted properties undertaking energy and water conservation retrofits under the Multifamily Energy and Water Conservation Pay for Success Pilot. Intermediary completes the form and any relevant documents for each site identified to participate in the PFS Pilot and submits it to HUD to upload in the HUD Environmental Review Online System (HEROS).
- Office of Multifamily Housing Pay for Success Program Narrative Template is completed by the Intermediary and is submitted to HUD via grants.gov. The type of information collected includes the Intermediary's name, EIN, organization name, etc. The narrative template is provided to Applicants under the Pay for Success Pilot program and will be evaluated by HUD.

APPLICATION INFORMATION. Application information submitted for the Pay for Success pilot will be submitted electronically via Grants.gov unless the applicant submits a waiver (see item d. below). The following specific submission requirements and evaluation criteria are codified in the NOFA:

- a. Curable deficiencies** (p. 3): application deficiencies that may be corrected with timely action. These could include omissions or obviously incomplete submissions of materials submitted in response to the rating factors. After notification by HUD that an application contains curable deficiencies, an applicant must correct the submission via email to applicationsupport@hud.gov within the amount of time specified in the notification. This information would only need to be submitted after the initial application if it was originally omitted and thus does not represent additional burden above what would already be required for a complete submission.
- b. Previous Participation Certification (Form 2530)** (p. 9): covered under notice 2502-0118.
- c. Eligibility Requirements for Applicants of HUD's Grant Programs** (p. 9): covered under 2501-0017.
- d. Obtaining an application package and DUNS number** (pp. 10-11): - covered under 2501-0017.
- e. Required Standard Forms** (p. 10): The SF-424 (OMB number 4040-0004) and Form HUD-2880.
- f. Executive Summary** (p. 9): The applicant must submit an executive summary of no more than four pages which contains the following information: and overview of program parameters (size and geographical dispersion, of proposed portfolio of units and projects, projected sources of funding with amounts); a program description and activities to be performed by the applicant and timeline with major project milestones; and required experience and qualifications possessed by applicants and identified partners and service providers. The executive summary draws from information included in the rating factors, so the burden for generating the executive summary will consist in drawing from and summarizing available information.
- g. Rating Factors (pp. 17-19):** HUD will use applicants' response to the Rating Factors (RFs) to evaluate applicants' qualifications and approach to the Intermediary role. Responses will be submitted via Grants.gov using the standard submission process described in the NOFA.
 - (1) RF 1, sub-factor 1.1 - Required Experience** (p. 17): applicants will submit a narrative describing their experience and their partner(s)' experience in the enumerated areas. They may also include supporting documentation such as signed letters of recommendation from organizations with whom the applicant has worked previously

and any other documentation that would help establish the applicant's and partners' track record of performance. Applicants with partners will need to undertake the added effort of collecting information on those partners' experience, with the amount of burden depending on the proportion of the required experience being provided by the applicant and partner(s).

- (2) **RF 1, sub-factor 1.2 - Additional Qualifications** (p. 17): applicants will detail other relevant experience they and/or their partners possess. For each individual associated with either the applicant or partners who is designated as key personnel due to their prospective role in the five functions listed in the rating factor, the applicant will provide a resume/CV and a short description of their relevant experience and what role(s) they will have. Applicants with partners will need to undertake the added effort of collecting information from those partners about any partner staff designated as key personnel.
- (3) **RF 2, sub-factor 2.1 - Work Plan** (pp. 17-18): applicants will submit a narrative that constitutes a comprehensive plan for implementing a successful PFS-financed EWC program as described in the NOFA and including the tasks enumerated in the sub-factor. Applicants proposing to share responsibility for any aspect of the work plan with partners identified in Rating Factor 1 will develop the work plan jointly with those partners. List of tasks and responsibilities the work plan is required to include:
- o a summary of the strategy for recruiting owners of eligible properties to participate;
 - o Selecting and overseeing qualified Service Providers as applicable;
 - o performing energy and water conservation assessments and generating scopes of work for retrofits;
 - o performing reserve analysis to assess the benefits and risks of using property-level reserve funds;
 - o approaches to completing retrofits in occupied apartments;
 - o purchasing equipment and managing installations;
 - o monitoring post-retrofit operation at properties and ensuring that corrective actions are taken where necessary;
 - o collecting data and reporting to HUD; and
 - o retaining and managing an Independent Evaluator.
- (4) **RF 2, sub-factor 2.2 - Property Recruitment** (p. 18): applicants detail a comprehensive strategy for recruiting properties to retrofit under the program and the characteristics of their desired portfolio. This may include tabular data in addition to a narrative (HUD has included data on all eligible properties as an attachment to the NOFA to assist applicants). Depending on the applicant, the response to this sub-factor may include information collected by the applicant from owners of eligible properties.
- (5) **RF 2, sub-factor 2.3 - Budget Forecast** (p. 18): Applicants will use HUD Form 424-CBW (OMB collection number 2501-0017, exp. 03/31/2019) to detail their expected budget for two program phases: the program initiation period--starting with the applicant's selection as an Intermediary and running through the completion of retrofits in all participating properties--and the remainder of the payback period following the completion of retrofits. Applicants will also provide a narrative justification for the forecasted top-line budget numbers.
- (6) **RF 2, sub-factor 2.4 - Prospective Funding Sources** (p. 18): Applicants will provide a table giving the dollar amount and percentage of funds from each major source with narrative detailing their strategy for assembling all the funds needed. More points will be awarded to applicants with firmer commitments and/or more-developed financing strategies. To provide a sufficient response to this sub-factor, applicants that are not

entirely self-funding will need to collect and store this information from sources including third-party investors that demonstrates the amount of firm financial commitments. As applicants will not have assembled their prospective portfolios at the time of application, the contribution from property-level reserves will be stipulated and not draw from any property-specific data.

(7) RF 2, sub-factor 2.5 – Timeline (p. 19): Applicants will provide a timeline with major programmatic milestones in the form of a list. Programmatic timelines include successful recruitment of all participating properties, the beginning of retrofits, and retrofits being 50% and 100% complete.

(8) RF 3 – Risk Analysis and Mitigation Strategy (p. 19): In narrative form, applicants will provide an analysis of the key risks involved in carrying out the PFS Pilot and their approach to mitigating those risks.

PROPERTY-LEVEL COLLECTIONS. The following information will be collected and used during the period of performance for each Cooperative Agreement between HUD and the Intermediary (each property being retrofit under this pilot will have its own unique cooperative agreement).

h. Cooperative Agreement with HUD (p. 8) – Intermediaries will enter into a cooperative agreement with HUD for each property they will retrofit under this program. The primary purpose of cooperative agreements is to enable HUD to make performance-based payments to intermediaries after each retrofit has been completed but all requirements (including information submissions detailed below) will also be codified therein.

i. PFS Contract between the Intermediary and property owner (pp. 27-28) - A PFS contract must be attached as an exhibit to the Cooperative Agreement for the Intermediary to be eligible to earn performance payments for the units associated with the PFS contract. Among the provisions, this contract must include a specific description of all units being retrofit and disclosure of any incentive payments from the Intermediary to the Owner or any cost savings on Owner-paid utilities being recovered from the Owner to tie any eventual performance payment under the Cooperative Agreement to the actual physical improvements to HUD-assisted units. The PFS Contract will also codify required submissions (detailed below) on the part of the property owner. The intermediary and property owner are responsible for drafting and executing the PFS contract before submitting to HUD. In addition to a description of affected units, PFS contracts must contain the following provisions:

- Confirmation that the PFS Contract shall terminate on the earlier of its scheduled termination date or the termination of the Intermediary's Cooperative Agreement.
- In the event of any inconsistency between the PFS Contract and the Cooperative Agreement, the terms of the Cooperative Agreement shall prevail.
- For any property in which the current affordability restrictions expire prior to the seventeenth (17th) anniversary of the execution of the PFS Contract, agreement to extend affordability in accordance with the approach offered in the Cooperative Agreement.
- Agreement to provide any utility bills and other energy and water consumption and cost data requested by an Intermediary during the term of the PFS Contract and to obtain tenant utility release forms as necessary for the determination of savings to HUD.
- Acknowledgement that final decisions regarding the use of the property-level reserves controlled by HUD will be made by HUD in accordance with the protocol set out in the Cooperative Agreement.
- A hold harmless and indemnification of HUD with respect to its role in the PFS Pilot including but not limited to the selection of the Intermediary, the development of the

scope of work and the operation of all improvements to the property resulting from the PFS Pilot.

- So long as the property has a subsidy or mortgage relationship with HUD or the Federal Housing Administration (FHA), agreement to maintain all improvements made under the PFS Pilot in good working order and ensure that any replacement of such improvements results in equal or better energy or water efficiency than the improvements installed under the PFS Pilot.
 - Confirmation that: HUD has made no representation or warranty to the Owner with respect to the improvements to be installed under the PFS Pilot or their cost or effectiveness; the PFS Contract does not modify or replace any existing agreement between the Owner and HUD or FHA; except as expressly set forth in the Cooperative Agreement, nothing in the PFS Pilot modifies HUD guidance; owners shall have no liability to Intermediaries for costs incurred by the Intermediary; and the Owner and Intermediary acknowledge that HUD is a third-party beneficiary of the PFS Contract.
- j. **Standard Documentation:** Intermediaries or property owners will submit the following documentation to HUD either electronically or on paper for each property being retrofit, as provided for in the Cooperative Agreement and PFS Contract respectively:
- (1) **Owner Agreement Regarding Replacement of Installed Equipment** (p. 23) – Each Owner will provide to HUD its written agreement that so long as the property receives assistance from HUD in any form, when replacing equipment installed under the PFS Pilot it will do so with equipment of like or better efficiency.
 - (2) **Owner Certification of Eligibility** (pp. 22-23) - To be eligible to participate, Owners must complete the Owner Certification of Eligibility certifies that they and the property meet the below requirements:
 - o Owners must be in good standing - Eligibility criteria will include compliance with all business agreements with the Department and project operations must meet HUD standards. If there is non-compliance that the Owner believes will be cured through the transaction, the Owner must submit, together with its certification, a statement from the HUD field office with jurisdiction that program participation can reasonably be expected to cure all outstanding non-compliance issues.
 - o ***Owners in current compliance and will comply with all applicable fair housing and civil rights requirements, including all applicable physical accessibility requirements, contained in 24 CFR 5.105(a), including but not limited to the Fair Housing Act, Title VI of the Civil Rights Act of 1964, Title II of the Americans with Disabilities Act, Section 504 of the Rehabilitation Act of 1973, and their implementing regulations, and HUD’s Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity requirements, contained in 24 CFR 5.105(b), and submit a certification of compliance with these requirements. [OGC-FH/ Concurrence: We have proposed the edits above to more accurately describe civil rights and fair housing requirements. Additionally, the multifamily housing that is covered in this pilot program is subject to HUD’s Equal Access Rule and owners must comply with those requirements. By only referencing 24 CFR 5.105(a), it is confusing whether 5.105(b) also applies. We recommend adding 5.105(b) to this certification, as we have done above, to ensure that owners are aware of all

applicable requirements and are certifying that they will comply with these requirements.]***

- O The property must have a current 60 or above Real Estate Assessment Center (REAC) Physical Assessment Subsystem (PASS) score.
- O The property must have received satisfactory Management and Occupancy Review ratings for its most recent MOR. If the project received a less than satisfactory rating in any section of its last Management and Occupancy Review, the Owner must provide written comments regarding the status of any corrective action in progress, target dates for completing these actions, and any other corrective actions taken.
- O The Owner is current in the submission of Annual Financial Statements in the form required by the Department and Monthly Accounting Reports for the prior three-year period and Excess Income Reports for the prior seven-year period, and has resolved all compliance flags, if any. All excess income, regardless of the time frame, owed to the Department must be paid in full prior to execution of the PFS Contract.

(3) Work Plan (table p. 25) – The Intermediary will submit to HUD a work plan consisting of a description of all documentary deliverables and due dates and a proposed approach to periodic consultation with HUD for the purposes of oversight. This document will allow HUD to establish clear expectations for the timing of all subsequent intermediary submissions.

(4) Request for Approval of Independent Evaluator (pp. 24-25) – Intermediaries will submit to HUD a description of the proposed Independent Evaluator’s experience, qualifications, and capacity, and financial independence to serve in the role, which will largely be provided to the intermediary by the proposed independent evaluator. The minimum qualifications for the Independent Evaluator will be the following:

- O Holding at least one of the following qualifications/professional designations: 1) Certification to complete building energy audits by RESNET, BPI, or their training providers; 2) Certified Energy Manager (CEM); 3) State-level equivalent of a certified energy auditor certification; 4) RESNET certified Home Energy Rater or BPI Certified Building Analyst; or 5) professional architect or registered professional engineer.
- O Agreeing to pursue the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) sustainability certification program, within 12 months of it being available.
- O Not being under suspension or debarment by HUD or involved as a defendant in criminal or civil action with HUD.

It is expected that intermediaries will maximize the number of properties covered by each approved independent evaluator, although this will depend on each independent evaluator’s capacity and the size and geographical distribution of properties being retrofit. If the same Independent Evaluator is being used for other properties being retrofit by the same intermediary, HUD’s previous approval should be included. HUD approval of an independent evaluator for every EWC retrofit project is crucial to prevent waste, fraud and abuse and ensure the greatest achievable accuracy in the measurement of utility savings.

(5) Site-specific environmental review (pp. 23-24): Per 24 CFR Part 50, HUD is responsible for ensuring compliance of all projects, defined as activities undertaken directly by HUD or proposed for HUD assistance or insurance, with the National Environmental Protection Act’s requirement to protect, restore and enhance environmental quality. The information collected using this form will all HUD to ensure all interventions in HUD-

assisted properties under the Multifamily Energy and Water Conservation Pay For Success Pilot are fully compliant with these requirements. For each property being retrofit under this program, the Intermediary will use the attached form (covered under this collection) "Site-Specific Environmental Review - Part 1 of 2" to report on the following: high-level description of the project's scope of work; whether the property lies within a Coastal Barrier Resource unit; whether the property lies within a floodplain and proof of any required flood insurance policies; whether the project will destroy or modify a wetland; previous uses of the site and other evidence of contamination on or near the site; and whether any historic preservation policies apply to the site or the building(s). In the course of completing Part 2 of 2, HUD staff may require additional consultation with the Intermediary and/or property owner.

- (6) Certification of Retrofit Completion** (table p. 26) - This document will include the information listed below, compiled with assistance from the property owner and the independent evaluator. This document 1) gives HUD a final accounting of all measures installed with associated installation costs, 2) establishes the utility consumption and cost baseline against which all future savings will be measured, and 3) provides forecasted consumption levels that will be used to calculate adjusted utility subsidies to owners and tenants until sufficient actual consumption data is available.
- List of installed measures with cost information
 - Weather- and occupancy-normalized pre-retrofit consumption baselines for each affected tenant- and owner-paid utility, and all component data used to calculate those baselines, including utility consumption, rates, utility allowances, and climatic and occupancy data, and the calculation methodology used.
 - Weather- and occupancy-normalized post-retrofit consumption projections for each affected tenant- and owner-paid utility, and all component data used to calculate those baselines, including utility consumption, rates, utility allowances, and climatic and occupancy data, and the calculation methodology used.
 - Recalculated pre-retrofit baseline utility allowances and post-retrofit utility allowances for each unit size/type calculated based on consumption data in b. and c. above.
 - Recalculated pre-retrofit baseline owner rental subsidy and post-retrofit owner renter for each unit size/type calculated based on b., c., and d. above.
 - Post-retrofit per-unit annual savings to HUD relative to pre-retrofit baseline
- (7) Invoices for Performance Payments** (table p. 26) - Invoices—the mechanism through which Intermediaries will request performance-based payments from HUD—will include thorough documentation of all calculations contributing to the calculation of the amount being invoiced (as provided in the work plan) as well as a written certification by the Independent Evaluator that 1) the performance payment has been calculated according to the methodology contained in the Cooperative Agreement; 2) no adverse changes to the qualifications of the Independent Evaluator have occurred since the last submission from the Independent Evaluator; and 3) no conflict of interest or apparent conflict of interest with the Intermediary or with respect to any property or Owner for which a Performance Payment is requested, which would preclude the IE from performing its obligations in a truly independent manner, exists to the best of its knowledge, before any performance payment can be made. Invoices will be compiled and submitted by the intermediary with assistance from the independent evaluator. Preparation of invoices will entail information collection and record-keeping burden on the part of intermediaries and independent evaluators as well as owners.

- k. Requests for property-level reserve funds** (p. 28): HUD’s oversight responsibilities for this program include ensuring that property-level reserve funds—funds paid to and held by property owners over which HUD exercises some control—are used properly. To this end, Intermediaries and property owners seeking to use property-level reserves to help fund installation costs will submit the following documentation to HUD.
- (1) Scopes of Work.** Intermediaries will work with owners to develop scopes of work. Scopes of work must include a list of measures to be installed at the property as well as high-level information on sources and uses of funds.
 - (2) Property Reserve Analysis.** Intermediaries will submit a 20-year reserve analysis that demonstrates that the retrofit will leave the property in as good or better financial shape as it would otherwise have been. The reserve analysis must present two scenarios: a Status Quo scenario and a Retrofit scenario. The reserve analysis must be based on a capital needs assessment (CNA) prepared by a CNA professional that is more recent than the later of the date of completion of the most recent major capital improvements to the property or two years prior to the date of the reserve analysis.
 - (3) Funds Authorization for property-level reserves.** The property owner will submit a Funds Authorization Form (HUD-9250) and otherwise follow standard operating procedure for requests of this type. (For more information, see: HUD Handbook 4350.1, Chapter 4, Reserve Funds for Replacements; and Notice H-1999-13, Revised Asset Management Procedures.) The information on the form must reflect the SOW and reserve analysis and includes the following:
 - o A narrative providing a detailed description of the work performed or to be performed;
 - o Copies of paid invoices if the withdrawal request is for reimbursement for work that has been performed;
 - o If a bid exceeds \$25,000 then copies of bids may be required.
 - o Mortgagor Certification; and,
 - o A list of appliances and/or major components that will be replaced along with a notation of whether or not the replacement items will be energy efficient products.
- l. Reporting post-retrofit modifications to the physical structure of the property** (p. 29): Changes to the physical structure of a property retrofit under this program may materially impact its energy and water performance and consequently affect the baseline assumptions used to calculate performance payments. In the event of a change in the physical structure of a property during the 12-year period of performance which materially impacts utility usage, the Owner and the Intermediary will mutually agree upon an equitable modification of the pre-retrofit baseline for Owner-paid utility and/or of the pre-retrofit baseline of tenant utility allowances to reflect the impact of the change on utility usage. An Independent Evaluator shall review the proposed modification and validate its equitability. The Intermediary will report the updated specifications to HUD, specifically: a list of all changes made and any the agreed-upon equitable modification of the pre-retrofit baseline for Owner-paid utility and/or of the pre-retrofit baseline of tenant utility allowances to reflect the impact of the change on utility usage.
- m. Requests to Assign Payments to Third Parties** (Cooperative Agreement, p. 10): In the event that the Intermediary wishes to assign performance payments to a third party, the Intermediary must submit to HUD a written request for approval.

ADDITIONAL INTERMEDIARY REPORTING RESPONSIBILITIES. Intermediaries will have the following reporting requirements which will be codified in each cooperative agreement but cover the entire scope of the intermediary’s activities.

- n. **Quarterly progress reporting** (p. 26): During the initial phase of the program—between the execution of the intermediary’s first cooperative agreement with HUD and the completion of all planned retrofits—Intermediaries will submit quarterly reports regarding the status of all properties for which work under the PFS Pilot is unfinished until all projects have been completed. The reports shall summarize the work that has been completed, what remains to be done and the anticipated projected completion date. These reports will allow HUD to monitor progress intermediaries’ progress toward fulfilling their allotment of units to retrofit.
- o. **Qualification of new partners** (p. 25): Intermediaries must receive approval from HUD in the event that it becomes necessary to replace a partner entity performing one or more of the following core functions: project management, capital sources, oversight of SOW development and retrofit implementation from design through construction, and invoicing HUD. This In requesting HUD approval for a new partner entity, an Intermediary must collect and submit evidence from the proposed replacement partner entity of the following as applicable to their prospective role:
 - prior experience with similar retrofit projects;
 - names of key personnel to be assigned to the PFS Pilot and their relevant experience;
 - capacity to undertake simultaneously projects of the size proposed by applicant in multiple locations;
 - history of completing projects on time;
 - history of reducing and maintaining energy and water savings and costs over time;
 - prior experience overseeing third-party subcontractors;
 - prior experience collaborating with the other parties;
 - division of responsibilities among partners and subcontractors; and/or proposed budget and financial ability to fund all operational and retrofit costs.
- **Program evaluation** (p. 27): Per authorizing legislation, HUD will be responsible for submitting annual program evaluation reports to Congress starting no later than a year after that law’s enactment. Intermediaries may be required to work with a program evaluation team and provide relevant information, possibly including (but not limited to) information pertaining to retrofit implementation, program administration, post-retrofit behavioral interventions, and certain fees. Intermediaries may be asked to clarify or provide additional context for previously submitted information, including additional details on their sources and uses of funds.

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. Also describe any consideration of using information technology to reduce burden.

PFS Pilot applications will be submitted electronically through the Grants.gov application portal. OMB standard forms are utilized where possible to minimize information collection burden. Narrative response required as part of the application will be submitted in standard electronic formats.

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.

There is no duplication of reporting as this is a newly authorized program to competitively seek intermediaries to carry out water and energy conservation improvements at HUD-assisted multifamily properties. HUD does not currently collect the application data necessary for an applicant to put together a proposal and for HUD to evaluate it for application selection.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.

An entity without the capacity to assemble the information required to apply under this NOFA would not meet the threshold of being a plausible successful applicant—the required collections and analysis are directly related to the functions performed by the Intermediaries who are ultimately selected.

6. 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.

HUD is required by the PFS Pilot authorization to establish a competitive process by which entities can apply to this program. This information collection supports that provision of the law by allowing applicants to apply and for the government to evaluate the information provided. All of the collections are necessary for selecting well-qualified Intermediaries who will be able to implement a successful program and/or complying with statutory requirements for measurement and verification of savings. Measurement and verification of savings is both required by the statute and a prerequisite for maintaining the program's budget neutrality and minimizing the potential for waste, fraud, and abuse. The basis of payment in weather- and occupancy-normalized consumption savings relative to a rolling baseline requires the collection and verification of a large amount of data, including utility consumption, utility rates, local climate, unit occupancy, building characteristics and existing utility allowances. See NOFA Section VIII.E. for a detailed explanation.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

*** requiring respondents to report information to the agency more often than quarterly;**
N/A

*** requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
N/A

*** requiring respondents to submit more than an original and two copies of any document;**
N/A

*** requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;**

Records pertaining to performance-based agreement. Per Section 81001(b)(2) of the program authorization: "A performance-based agreement under this section shall include (A) the period

that the agreement will be in effect and during which payments may be made, which may not be longer than 12 years.” Intermediaries will be responsible for invoicing HUD for performance payments on an annual basis. These invoices will include data collected and submitted in previous invoices, so at the very least intermediaries would need to keep copies of those previous submittals in their records.

*** in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**

N/A

*** requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**

N/A

*** 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**

N/A

*** requiring respondents to submit proprietary trade secrets, 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.**

Yes. Social Security Numbers are part of a required submission, covered under 2501-0017.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden. 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, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported. Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years - even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

In accordance with 5CFR 1320.8(d), this information collection soliciting public comments was announced in the Federal Register on May 9, 2019, Volume 84, No. 89, Pages 20157. (3) Comments received.

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

No payment or gift will be granted to the respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for

the assurance in statute, regulation, or agency policy.

The confidentiality of applicant submitted information for the PFS Pilot will follow all existing statutes and regulations.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

N/A

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

The table below documents gives the estimated annual burden from each collection identified in Section 2 in terms of hours and dollars. For the purposes of this exercise, the number and frequency of responses (as distinct from respondents, the explanations for which are detailed after the table) will be approximated as follows:

- **Application Information (collections a.-g.)** – no more than 15 applicants are expected in responses to the NOFA. HUD anticipates that application demand for the program will be low due to the lack of appropriated funding to provide seed funding to participants; multiple risks borne by the applicant, including receiving third-party financing to be repaid by future utility savings; and the extensive capabilities and qualifications required to submit a competitive application.
- **Property-level Collections (collections h.-j.)** – an estimated three intermediaries will be selected. Burden estimates assume that 18,500 units—out of 20,000 allowed under the authorization—will ultimately be retrofit and they will be located in approximately 300 individual projects across the selected Intermediaries (given an average of 61 assisted units per eligible property nationwide).
- **Additional Intermediary Reporting Responsibilities (collections k.-m.)** – the three selected intermediaries will be responsible for these collections as a condition of participation.

<i>item #</i>	Number of Respondents	Frequency of Response	Responses Per Year	Burden Hours Per Response	Annual Burden Hours	Hourly Cost per Response	Total Annual Cost
Certification of Owner Eligibility	10	33.33	333	0.06	20	\$42.82	\$840
Cooperative Agreement	10	33.33	333	10	3,330	\$42.82	\$139,860
Site-Specific Environment Review Part 1 of 2	10	33.33	333	3.1	1,032	\$42.82	\$43,344

Office of Multifamily Housing Pay for Success Pilot Narrative Template	15	1	1	20	300	\$42.82	\$12,600
a.	3	0.33	1	1	1	0	
h.	3	33.33	100	10	1000	0	
l.	3	33.33	100	20	2000	0	
j. (1)	3	33.33	100	0	0	0	
j. (2)	3	33.33	100	0.06	6	0	
j. (3)	3	33.33	100	2	200	0	
j. (4)	3	33.33	100	1.11	111	0	
j. (5)	3	33.33	100	3.1	310	0	
j. (6)	3	33.33	100	60	6000	0	
J. (7)	3	33.33	100	0	0	0	
k. (1)	3	33.33	100	60	6000	0	
k. (2)	3	33.33	100	54	5400	0	
k. (3)	3	33.33	100	0	0	0	
l.	3	1.67	5	2	10	0	
m.	3	0.67	2	1	2	0	
n.	3	1.33	4	4	16	0	
o.	3	0.33	1	8	8	0	
p.	3	1	3	8	24	0	
Associated Forms							
Form HUD-2530							
Form HUD-2880							
Form HUD-424-CWB							
Form HUD-9250							
Standard Forms							
SF 424							
TOTALS:			1,000		4,401		\$196,644

EXPLANATION FOR ESTIMATES. Unless otherwise noted, burden for all one-time submissions is annualized over the first 3 years of the program.

- a. Less than 20% of applications will contain curable deficiencies
- b. Covered by grants.gov collection authorization
- c. Covered by grants.gov collection authorization
- d. Covered by grants.gov collection authorization
- e. Covered by grants.gov collection authorization
- f. One-time submission. The executive summary is assembled by the applicant from information already collected for the purpose of responding to rating factors.

- g. See below (all one-time submissions):
 - (1) Baseline burden is 5 hours. Approximately 60% (9) of applicants will have partners, adding on average an hour of burden each for the applicant and the Partners themselves.
 - (2) Baseline burden is 8 hours. Approximately 60% (9) of applicants will have partners, adding on average 2 hours of burden each for the applicant and the Partners themselves.
 - (3) Burden for this response will not significantly differ significantly depending whether the applicant is formulating the work plan alone or collaboratively with partners.
 - (4) Without any consultation with property owners, this task is expected to take 8 hours. It is estimated that about 40% (6 out of 15) of applicants will engage with eligible property owners to collect more detailed information on potential portfolios, which will add on average 4 hours of burden each for the applicant and property owners contacted for this purpose.
 - (5) The budget forecast will be generated by the applicant with only de minimis participation from partners.
 - (6) The base burden is estimated at 2 hours. It is expected that most (80%) applicants will include third-party funding, which will add 2 hours of burden each to the applicant and external funders.
 - (7) This will take applicants approximately 1 hour.
 - (8) This will take applicants approximately 4 hours.
- h. One-time submission.
- i. One-time submission. Burden is expected to split approximately 75/25 between the intermediary and the property owner.
- j. See below:
 - (1) Per Section 3.3 in OPM's PRA Guide (<https://www.opm.gov/about-us/open-government/digital-government-strategy/fitara/paperwork-reduction-act-guide.pdf>), certifications are excluded from the definition of "information."
 - (2) Per Section 3.3 in OPM's PRA Guide (<https://www.opm.gov/about-us/open-government/digital-government-strategy/fitara/paperwork-reduction-act-guide.pdf>), certifications are excluded from the definition of "information." The reported hour burden is for small minority of participating properties (estimated at 3% of all participating properties) that would be brought into compliance by their participation.
 - (3) One-time submission. Burden for this response will not significantly differ significantly depending whether the applicant is formulating the work plan alone or collaboratively with partners.
 - (4) One-time submission. Assumes that Intermediaries will on average work with a total of three independent evaluators across all properties they are retrofitting. The burden for the information collection and documentation in advance of submitting for initial approval for each independent evaluator will be working on will be approximately 12 hours for the intermediary and 8 hours for the intermediary. Approval for subsequent approvals for the same independent evaluators to work on additional properties will entail 1 hour on the part of the intermediary.
 - (5) One-time submission. Part 1 will take intermediaries an average of 3 hours to complete with 1 hour of effort on the part of the owner. About 10% of reviews will require additional consultation by HUD with the intermediary and/or property owner, adding a total of 1 additional hour of effort combined.
 - (6) One-time submission. The burden will be split approximately 40/50/10 between intermediaries, independent evaluators, and property owners.
 - (7) The effort for this annual submission will be divided approximately 40/50/10 between intermediaries, independent evaluators, and property owners. Response frequency

assumes that only 25 invoices will be submitted in the first year of the program, 75 in the second year, and 100 in the third.

- k. See below (all one-time submissions):
 - (1) Burden split 70/30 between intermediaries and property owners.
 - (2) Burden split 90/10 between intermediaries and property owners. It is estimated that no more than 10% of properties will require a new capital needs assessment, which would entail an additional 40 hours of effort on the part of a CNA professional.
 - (3) Covered by 2502-0555.
- l. This will only be necessary in approximately 5% of retrofit projects within the first 3 years of the program. Burden is annualized over that time period and will split approximately 60/30/10 between intermediaries, owners, and independent evaluators.
- m. Estimated that there will be 6 total requests over the first 3 years of the program.
- n. Intermediaries are expected to complete all retrofits—and thus alleviate the need for these reports—within the first two years of their participation in the program. The effort from those eight reports has been annualized over the first 3 years of the program.
- o. Intermediaries are not expected to need to replace more than one partner during the first three years of the program. The burden will split approximately 70/30 between intermediaries and new partners.
- p. The program evaluator will initiate contact with intermediaries to gather information from intermediaries no more than once a year.

Item#	Number of Respondents	Frequency of Response	Responses Per Year	HUD Burden Hours Per Response	Annual Burden Hours	Hourly Cost per Response	Total Annual Cost
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Cooperative Agreement	10	33.33	333	10	3,330	\$42.82	\$139,860
Site-Specific Environment Review Part 1 of 2	10	33.33	333	3.1	1,032	\$42.82	\$43,357
Office of Multifamily Housing Pay for Success Pilot Narrative Template	15	1	1	20	300	\$42.82	\$12,600
a.	3	0.33	1	1	1	0	0
h.	3	33.33	100	10	1000	0	0
l.	3	33.33	100	20	2000	0	0
j. (1)	3	33.33	100	0	0	0	0
j. (2)	3	33.33	100	0.06	6	0	0

- (5) Base 2-hour review, with 10% requiring an additional hour after more information is submitted.
 - (6) review of one-time submission
 - (7) HUD staff will review invoice and ensure the amount of performance payment matches exactly the amount of savings realized by HUD due to reductions in utility expenditures before releasing a payment to the intermediary.
- k. See below
 - (1) review of one-time submission
 - (2) review of one-time submission
 - (3) OMB Approval No. 2502-0555
 - l. Review of one-time submission. This will be necessary for approximately 20% of retrofit projects.
 - m. Review of one-time submission.
 - n. Intermediaries are expected to complete all retrofits--and thus obviate the need for these reports--within the first two years of their participation in the program.
 - o. Intermediaries are expected to need to replace an average of two partners over the course of the course of their period of performance; this burden has been annualized accordingly.
 - p. The program evaluator will initiate contact with intermediaries no more than once a year. The program evaluation team (not yet identified) will expend some effort cataloging and analyzing this data.

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

This is a revision of a currently approved collection. Intermediaries will work with owners to install energy water conservation retrofits on properties that are eligible to participate in the PFS Pilot. Burden has increased with this revision and is reflected in item 13.

16. For collections of information whose results will be published, plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

This information collection will not be published.

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.

The OMB approval number and date will appear on the HUD-prescribed form.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

There are no collections of information that employ statistical methods.