

Supporting Statement for Paperwork Reduction Act Submission
Self-Help Homeownership Opportunity Program (SHOP)
OMB # 2506-0157

A. Justification

1. Circumstances that make the collection of information necessary

The current information collection approval (OMB control number 2506-0157). Community Frameworks and Tierra del Sol/Western States Consortium. Since 1996 when The Self-Help Homeownership Opportunity Program (SHOP) funds were first appropriated by Congress, the SHOP program has created over 57,000 units of affordable, homeownership housing that have transformed lives and neighborhoods.

SHOP is authorized by the Housing Opportunity Program Extension Act of 1996, Section 11. The purpose of SHOP is to provide grant funds to facilitate and encourage innovative homeownership opportunities on a national, geographically diverse basis through the provision of self-help homeownership housing programs. Generally, SHOP funds are appropriated by Congress annually. HUD publishes a SHOP Notice of Funding Opportunity (NOFO) that announces the amount of SHOP grant funds and the application criteria, including the rating and ranking system HUD will use to select grantees.

Eligible applicants are national and regional non-profit organizations (including consortia) that have the capacity and experience to develop self-help housing in at least two states. Grant funds may be used for land acquisition, the installation or improvement of infrastructure, and for reasonable and necessary planning, administration and management costs. The average SHOP expenditure for the combined costs of land acquisition and infrastructure improvements cannot exceed \$15,000 per SHOP unit. SHOP homeowners must contribute a significant amount of sweat equity towards the purchase of their units. Donated volunteer labor is also required. Successful applicants must leverage other public and private funds to pay for the construction or rehabilitation costs of each SHOP unit and for any other program costs that are not assisted with SHOP grant funds. SHOP units must be decent, safe, and sanitary non-luxury dwellings that comply with local building and safety codes and standards. These units must be sold to eligible low-income homebuyers at prices below the prevailing market price. The homebuyer's sweat equity contribution must not be mortgaged or otherwise restricted upon future sale of the SHOP unit. SHOP grantees may award SHOP funds to local non-profit affiliate organizations to carry out the grantee's SHOP program. These affiliate organizations must be located within the grantee's service area.

2. How the information is used.

HUD requires the collection of information to ensure the eligibility of SHOP applicants and the compliance of SHOP proposals, to rate and rank SHOP applications, and to select applicants for grant awards. Information is collected on an annual basis from applicants that respond to the SHOP NOFO.

The information is collected through each applicant's submission of forms SF-424, HUD-424 CB, HUD-424 CBW, SF-LLL, HUD-2880, HUD-2993, HUD-2995, HUD-96011; the narrative statements for Applicant Eligibility and SHOP Program Design and Scope of Work; and the narrative responses to Rating Factors 1 through 5 (as required by the SHOP NOFO).

HUD uses this information collection to determine: 1) the eligibility of a SHOP applicant; 2) the compliance of the applicant's proposed SHOP program design with statutory Threshold criteria; 3) the rating of the applicant's proposed SHOP program submission based on the five SHOP NOFO rating criteria; 4) the ranking of the applicant's proposed SHOP program submission compared to other applicants' submissions; and 5) the award of SHOP grant funds.

3. Use of technology.

Since FY2005, HUD has required applicants to submit applications electronically through grants.gov. Data such as semi-annual reports (which includes such information as activity and budget information as activity and budget information, drawdowns, performance reports, and Federal Financial reports will continue to be submitted via DRGR. Applicants must submit the required application forms and narrative statements in electronic form through www.grants.gov. Applicants must request a waiver to submit applications in paper form. If you cannot submit your application electronically, you must ask in writing for a waiver of the electronic grant submission requirements.

The Office of Rural Housing and Economic Development is currently utilizing the Disaster Recovery Grant Reporting System and LOCCS to manage its SHOP grants. Grants prior to FY2017 are managed via LOCCS. SHOP grants beginning FY217-FY2020 are managed via DRGR.

Currently, applicants must submit the required application forms and narrative statements in electronic form through www.grants.gov. Applicants must request a waiver to submit applications via email.

4. Efforts to identify duplication.

No duplication of efforts is caused by this collection. The information that is collected is unique to the SHOP program. No other HUD program collects information that is similar to the information collected by the SHOP program.

5. Impacts on small businesses or small entities.

The collection of information does not adversely impact small businesses or other small entities. The collection of information does not adversely impact small businesses national or regional nonprofit self-help housing organization (included consortia) or other small entities. No other HUD program collects this information.

6. Consequences if information is not conducted or is collected less frequently.

If information is collected less frequently, HUD will not have a process for making annual awards of SHOP grant funds. Potential grantees will not receive SHOP grant funds and will not provide additional units of self-help homeownership housing for low and moderate-income households.

7. Special circumstances.

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 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 study; **Not applicable**
- requiring the use of a 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**

There are no special circumstances that would cause an information collected to be collected in any of the manner or circumstances listed above.

8. Public notice of information collection.

The notice of proposed information collection was published in the Federal Register on March 25, 2021, vol. 86, No. 56, page 15956. Previous SHOP applicants were consulted to obtain feedback concerning the proposed information collection and hourly burdens.

9. Payment or gifts to respondents.

Information collection does not involve any payments or gifts to respondents.

10. Assurance of confidentiality.

Information collected through the SHOP NOFO applications is confidential until the SHOP grant awards have been announced. After the announcement of the SHOP grant awards, application information can be released in accordance with the requirements and limitations of the Freedom of Information Act.

11. Questions of a sensitive nature.

The information collected does not include information of a sensitive nature. The information that will be collected by HUD will not include information of specific individuals benefiting from SHOP. The forms that are included in the PRA Supporting Statement does not include forms that request personal information from individuals who receive benefits or assistance from the SHOP program.

12. Hourly burden of information collection. Cost per response has been change to reflect FY 2021 hourly cost per response

| Information Collection | Number of Respondents | Frequency of Response | Responses Per Annual | Burden Hour Per Response | Annual Burden Hours | Hourly Cost Per Response | Annual Cost |
|---------------------------------------|-----------------------|-----------------------|----------------------|--------------------------|---------------------|--------------------------|--------------|
| SF-424 | 10.00 | 0.00 | 0.00 | 0.00 | 00.00 | 0.00 | \$0.00 |
| HUD-424CB | 10.00 | 1.00 | 10.00 | 10.00 | 100.00 | \$70.45 | \$7,045.00 |
| HUD-424 CBW | 10.00 | 1.00 | 10.00 | 30.00 | 300.00 | \$70.45 | \$21,135.00 |
| SF-LLL | 10.00 | 0.00 | 0.00 | 0.00 | 0.00 | \$0.00 | 0.00 |
| HUD-2880 | 10.00 | 1.00 | 10.00 | .50 | 5.00 | \$70.45 | \$352.25 |
| HUD-2993 | 10.00 | 1.00 | 10.00 | .50 | 5.00 | \$70.45 | \$352.25 |
| HUD-2995 | 10.00 | 1.00 | 10.00 | .50 | 5.00 | \$70.45 | \$352.25 |
| HUD-96011 | 10.00 | 1.00 | 10.00 | .50 | 5.00 | \$70.45 | \$353.25 |
| Applicant Eligibility | 10.00 | 1.00 | 10.00 | 10.00 | 100.00 | \$70.45 | \$7,045.00 |
| SHOP Program Design and Scope of Work | 10.00 | 1.00 | 10.00 | 30.00 | 300.00 | \$70.45 | \$21,135.00 |
| Rating Factor1 | 10.00 | 1.00 | 10.00 | 25.00 | 250.00 | \$70.45 | \$17,612.50 |
| Rating Factor 2 | 10.00 | 1.00 | 10.00 | 25.00 | 250.00 | \$70.45 | \$17,612.50 |
| Rating Factor 3 | 10.00 | 1.00 | 10.00 | 55.00 | 550.00 | \$70.45 | \$38,747.50 |
| Rating Factor 4 | 10.00 | 1.00 | 10.00 | 30.00 | 300.00 | \$70.45 | \$21,135.00 |
| Rating Factor 5 | 10.00 | 1.00 | 10.00 | 25.00 | 250.00 | \$70.45 | \$17,612.50 |
| Total Annual Hour Burden | 10.00 | 1.00 | 10.00 | 242.00 | 2,420.00 | | \$170,489.00 |

NOTE: Hourly cost per response was updated from the FY2020 rate of \$68.75 to the FY2021 hourly cost per response rate of \$70.45.

Information will be collected once per applicant for each SHOP NOFO. The total estimated average GS-14-7 hourly burden for this information collection is 242.00 hours per applicant, or a total of 2,420.00 hours for an estimated 10 applicants. Estimates are based on information provided by previous applicants. Actual hours will vary depending on the proposed scope of the applicant’s program, the applicant’s geographic service area and the number of affiliate organizations. The information burden is generally greater for national organizations with numerous affiliates.

13. Estimated total cost to respondents.

There are no other costs to the respondents (other than those shown in item 12 above).

14. Estimated annualized cost to the federal government.

The cost to the federal government to review and rate SHOP applications and select SHOP grantees is estimated to be \$9,030.60 on an annual basis. This estimate is based on HUD experience with prior SHOP NOFO application cycles. HUD receives an average of 10 SHOP applications of which approximately 6 are eligible applicants.

The hourly cost reflects the rate of SHOP staff who are assigned to perform each of the required actions listed in the chart below. The hourly cost is based on HUD experience with previous SHOP NOFO application cycles.

| Information Collection | Number of Respondents | Frequency of Response | Responses Per Annum | Burden Hour Per Response | Annual Burden Hours | Hourly Cost Per Response | Annual Cost |
|------------------------|-----------------------|-----------------------|---------------------|--------------------------|---------------------|--------------------------|-------------|
| Eligibility Review | 10.00 | 1.00 | 10.00 | 2.00 | 20.00 | \$70.45 | \$1,409.00 |
| Threshold Review | 6.00 | 1.00 | 6.00 | 6.00 | 36.00 | \$70.45 | \$2,536.20 |
| Rating Application | 6.00 | 1.00 | 6.00 | 9.00 | 54.00 | \$70.45 | \$3,804.30 |
| Grantee Selection | 6.00 | 1.00 | 6.00 | 3.00 | 18.00 | \$70.45 | \$1,281.10 |
| Total | | | | | | | \$9,030.60 |

15. Explanation of program changes/adjustments revision.

This is an extension of a currently approved collection. Grantees are no longer required to submit the HUD-2990 (Certification of Consistency with the RC/EZ/EC-II Strategic Plan) and HUD-96010 (HUD Logic Model) as these forms have been retired. Consequently, the estimated total hours of information collection burden and annual cost to the Federal government have been reduced.

16. Publication of results.

Information collection results will not be published. However, SHOP grant awards will be announced.

17. Display of the expiration date for OMB approval of the information collection.

HUD will display the expiration date for the OMB approval of the information collection in the SHOP NOFO publication.

18. Explanation of each exception on the certification statement.

No exceptions are made to the certification statement identified in item 19, “Certification for Paperwork Reduction Act Submissions” of OMB Form 83-I.

B. Collections of Information Employing Statistical Methods

The collection will not employ any statistical methods due to the narrative nature of the information collection.