Supporting Statement for Paperwork Reduction Act Submissions

A.   Justification:

1.   Why is this information necessary?

Under Section 9 of the U.S. Housing Act of 1937 (1937 Act) and the regulations at 24 CFR 905, the Public Housing Capital Fund Program (Capital Fund Program or CFP) provides financial assistance to public housing agencies (PHAs) to make improvements to existing public housing. Eligible uses of capital funds include the development, financing, and modernization of Public Housing.

The Energy and Performance Information Center (EPIC) system provides a streamlined way for PHAs to fulfill their Capital Fund reporting requirements under 24 CFR 905.300. By regulation, PHAs are required to submit 1) a CFP Five-Year Action Plan (HUD-50075.2) describing the capital improvements necessary to ensure long-term physical and social viability of the PHA's public housing developments, 2) a Capital Fund Annual Statement/Budget for each year (HUD-50075.1), 3) a Performance & Evaluation (P&E Report) (HUD-50075.1) as requested in EPICEPIC allows PHAs to submit copies of certifications of compliance and/or documentation to comply with the award, monitoring and/or close-out of a Capital Fund Grants in the Document Management Center. For example, a Capital Fund Annual Submission as defined in the annual Processing Guidance. Moreover, PHAs may request to use additional capital resources, such as Operating Funds, for Capital Fund purposes in EPIC

This information collection in EPIC also enables HUD to fulfill its oversight responsibilities. Field Office staff review and approve Five-Year Action Plans to verify that all work activities are eligible items under the Capital Fund and to assess the level and type of environmental review required. Upon Annual Statement/Budget submission, HUD performs validation checks to fulfill requirements to monitor statutory and regulatory restrictions on the funds, including limits on the percentage of funding that may be used for Administration, transferred to Operations, or used to undertake Management Improvements. HUD also uses the budget information to ensure that Housing Authorities participating in the Capital Fund Finance Program (CFFP) to leverage their limited capital funds are properly allocating funds for the debt service payments, and to reflect Capital Funds used as part of Rental Assistance Demonstration (RAD) program. For EPIC budget submissions found in compliance, HUD updates the Budget Line Items (BLI) obligations in the Line of Credit Control System (LOCCS) in accordance with the funds spread in EPIC; this enables PHAs to draw down funds without requesting manual updates or revisions from HUD Field Offices. Lastly. The P&E Report allows HUD to monitor other measures such as Lead-Based Paint hazard mitigation measures, installation information and actual costs/expenditures. HUD analyses PHA obligations of Capital Funds to report to Congress and interested stakeholders on spending patterns and to develop budgetary justifications.

In addition to collecting and using information in CFP Five-Year Action Plans and Budgets, several EPIC modules currently in use or in development collect additional key programmatic information or streamline PHA reporting.

Energy Efficiency Measures: The Core Activity/Energy module of EPIC collects information on Energy Efficiency Measures (EEMs) implemented with Capital Funds. UD previously reported aggregated data toward HUD's strategic goal on energy efficiency.

Signature of Senior Officer or Designee:	Date:
X Colette Pollard, Departmental Records Management Officer, Office of the Chief Information Officer	

Physical Needs Assessments: This functionality enables PHAs to download PIC data from EPIC in order to complete physical needs assessments. In the future, PHAs who wish to voluntarily submit their PNA data into EPIC may achieve time savings by drawing from items identified in the PNA to drop into their Five-Year Action Plan. Currently, PHA submission of PNA data to EPIC is strictly voluntary.

Energy Performance Contracts: Under 24 CFR 990.185, PHAs may qualify for conservation incentives when undertaking Energy Conservation Measures (ECMs) that are financed by an entity other than HUD through the use of an Energy Performance Contract (EPC). This allows PHAs the ability to privately finance energy improvements so that PHAs can use Capital Funds for other improvements. EPCs result in lower Operating costs for PHAs through reduced utility cost. The EPIC data system will collect information about the EPC process, including the energy efficiency improvements. The electronic submission process streamlines the former paper submission process and reduces the time for approval.

Public Housing Development: The EPIC data system will track development of public housing with Federal funds and through other means, including mixed-finance development, enabling more efficient review and submission of required development documents.

2. How is the data to be used?

As noted above, the information submitted in CFP Five-Year Action Plans is used by HUD to fulfill its oversight responsibilities. Field Office staff review and approve Five-Year Action Plans to verify that all work activities are eligible items under the Capital Fund and to assess the level and type of environmental review required. Upon budget submission, HUD performs validation checks to full requirements to monitor statutory and regulatory restrictions, including limits on the percentage of funding that may be used for Administration, transferred to Operations, or used to undertake Management Improvements. HUD also uses the budget information to ensure that Housing Authorities participating in the CFFP to leverage their limited Capital funds are properly allocating funds for the debt service payments, and to accurately reflect Capital Funds used as part of RAD transactions. For EPIC budget submissions found in compliance, HUD updates the LOCCS in accordance with the funds spread in EPIC; this enables PHAs to draw down funds without requesting manual updates or revisions from HUD Field Offices.

HUD analyzes PHA allocations of Capital Funds to report to Congress and interested stakeholders on spending patterns and to develop budgetary justifications. The transition from paper to electronic submissions in FY18 exposed data quality and reporting compliance issues that had previously been more difficult to diagnose. Therefore, as the quality of the data improves, the Department will gain a better understanding of the problem— both its nature and its scope—through the data collected in the EPIC data system. The electronic collection of the data formerly collected through paper Forms HUD-50075.1 and HUD-50075.2 will enable the Department to follow the money from grant to capital improvement and evaluate the successes of the program. This in turn, will allow to use the data to get a real-time picture of the use of funding and the progress made toward meeting the considerable capital needs of the public housing inventory.

Moreover, the improved data collection around energy efficiency improvements will enable the Department to identify areas for increased savings in consumption. The EPC program enables grantees to leverage these savings into additional funding for meeting capital needs. The Department will be able to monitor the EPC process and document the energy savings realized through capital improvements implemented using EPIC financing. These data points, in conjunction with the PNA data and the energy audit data, will increase transparency in public housing and create a platform for evaluating performance and identifying efficiencies.

Data collected on public housing development will be used to ensure greater accuracy of present data and will be used to identify ways PHA grantees are using both federal and non-federal funding sources to meet the affordable housing needs of the American public.

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

Prior to the implementation of the EPIC system, PHAs used a paper process to submit Five-Year Action Plans and Annual Statement/Budgets/P&Es. (This information was previously collected in hard copy on Forms HUD-50075.1 and HUD-50075.2 under collection OMB control number 2577-0157.) The EPIC system provides for electronic submission and automates may aspects of this process.

The transition from a paper submission to an electronic submission of the Five-Year Action Plan and Annual Statement/Budget forms in the EPIC data system began in FY17 based on the grantee fiscal year end. For FY17, PHAs with 3/31 fiscal years ends and 6/30 fiscal year ends were required to transition to electronic submissions in EPIC. For FY18, all PHAs will be required to transition to electronic submission of the Five-Year Action Plan and Annual Statement/Budget in EPIC. PHAs may also submit P&E Reports in EPIC.

Electronic submission in EPIC automates many steps in the planning and approval process. When completing these submissions in EPIC, many items pre-populate based on existing HUD system data. PHAs with an approved Five-Year Action Plan in EPIC can easily create their plan for the next reporting period by "copying forward" their current plan and making updates. Once HUD has approved a work item in the Five-Year Action Plan, it automatically retains its approved status, even if the PHA moves the item into a new plan or year. And, of particular significance, the system automates the budget revision process. Whereas HUD staff previously reviewed and approved budgets and then manually moved funds in LOCCS, HUD has automated the process of reviewing budgets and changing LOCCS accordingly.

The Document Management Center automates and centralizes a previously paper-based process that required PHAs to submit documents for Award management and close-out.

HUD's electronic collection of EEM information is also pre-populated with data to the greatest extent possible to minimize data entry. Once the initial report is created for a grant award, recipients also copy the file forward for editing in the next year.

The EPC and Public Housing Development modules will also automate and streamline existing paper-based processes. For example, PHAs wishing to engage in an EPC will be able to submit many of the required documents electronically. Much of the rest of the process will be automated through the EPIC data system as well. Information on public housing development is collected piecemeal at the field office level in hard copy; the EPIC data system will automate and centralize this data collection.

4. Duplication of Information
This information is not being collected elsewhere. Some of the information to be collected through the EPIC data system is collected through paper submissions presently, but the EPIC data system's electronic collection will completely replace the paper process.

5. Does the collection of information impact small businesses or other small entities?
Many of the recipients of PIH funds subject to this data collection are small PHAs. The impact is expected to be minimal.

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or is conducted less frequently.
The regulations at 24 CFR 905.300 specify the frequency and timeline of submission of CFP Five-Year Action Plans, Annual Statements/Budgets, P&E Reports, and the submission of documentation to HUD to receive funding.

If HUD's review of Five-Year Action Plans were reduced or eliminated, PHAs would be at risk of having funds recaptured due to spending on ineligible purposes and failure to comply with environmental review requirements.

If HUD eliminated compliance checks of budgets for compliance with statutory and regulatory spending limitations, PHAs and HUD would also face risk of audit findings and PHAs would see funds recaptured.

If HUD were unable to receive required documentation to receive funding in the Document Management Center, HUD could not maintain proper financial controls and could not, for example, contract the funds in LOCCS.

Misuse or inefficient use of federal funds would also deny these funds to their intended purpose and erode the public's trust.

Without the information from Five-Year Plans, Budgets, and reporting on Energy Efficiency Measures, HUD would be limited in its ability to assess the use of capital funds, the needs of the inventory, and performance or progress toward reduced energy costs made by PHAs. However, the Department has reduced the frequency of reporting on EEMs from quarterly to annually in the previous revision to this information collection to provide relief to PHAs.

Finally, much of the information to be collected in the EPIC data system will enable grantees to realize benefits. For example, the EPC process, the request for additional capital resources, and the development process require certain Department approvals under the United States Housing Act of 1937.

7. **Explain any special circumstances that would cause an information to be collected in a manner:**
    - requiring respondents to report information to the agency more than quarterly;
      PHAs may submit budget revisions as needed when their plans for spending change, which may be in response to changing priorities or an emergency. Submitting a budget revision in EPIC enables HUD to update the spread of funds in LOCCS so that they can be drawn down by the PHA.
    - 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 the date and page number of the Federal Register notice soliciting comments on the information.**

This information collection was announced in the *Federal Register*, Volume 84; No. 213; Page 59410, on November 4, 2019. The public was given until, to submit comments on the proposed information collection. HUD received no public comments on this proposed collection.

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.**

Only summary level data will be made available to the public. The EPIC data system does not collect any personally identifiable information and does not involve the collection of any information covered by the Privacy Act. Information at the Grantee level is not sensitive.

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

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

12. **Annual Reporting Burden**

The EEM ("core activity") data collection will cover 2,800 grantees with 11,800 active PIH grants and that will be reported in EPIC. Average time to complete the survey is 30 minutes. Respondents will be required to submit information under the core activity module annually. Each respondent will spend an additional 1.5 hours collecting the data required to complete the survey. The annual reporting burden hours are based on the requirement that each recipient submits a separate report for each active grant.

The same universe of grantees will electronically submit the Forms HUD-50075.1 (the Annual Statement/Budget and P&E Report) and HUD-50075.2 (the Capital Fund Program Five-Year Action Plan). The Department anticipates each "form," separated by function in the EPIC data system, will require 1-2 hours to complete, as broken out in the table below. Data suggest approximately 8,500 open grants at any given point in time for which the Annual Statement/Budget would be required annually. PHAs are only required to update the Five-Year Action Plan every five years, but many PHAs do so more frequently (PHAs may elect whether to submit a fixed plan in 5-year intervals or a rolling plan annually and may change their election as desired.) The Department anticipates up to 2,000 responses per year through this module. The P&E Report is no longer required annually but remains an effective monitoring tool for the Department.

The same universe of grantees will electronically submit copies of documents required by Regulation to allow the Department to contract new Awards in LOCCS. This collection of documents is required for each new Award, which the Department estimates approximately 2 per year, and take approximately 30 minutes to complete.

The Department anticipates approximately 15 requests from PHAs to use additional capital resources, such as a portion of Operating Funds, for Capital Fund eligible activities. Such a request should take approximately 30 minutes to complete.

The Department anticipates 30 submittals for EPC financings per year. The hourly burden associated with this process is much higher, but participation in the process is voluntary and at the PHA's discretion.

The Department anticipates up to 60 new developments per year. These developments may contain varying numbers of units and correspondingly different levels of funding, both federal and non-federal. This process also demands a greater burden, but development is at the PHA's discretion.

The Department anticipates approximately 60 PHAs per year will submit plans through the Mixed Finance Early Warning module. This module will allow a PHA to alert the Department of its intention to propose a mixed-finance transaction as well as various deadlines associated with the non-federal sources of financing so that the Department can provide technical assistance to the PHA in the planning process.

	Form/ Document	No. of Respondents	Frequency	Total Responses	Hours per Response	Total Hours	Cost per hour	Total Cost
1	Core Activity	2,8000	1	2,800	2	5,600	$44	$246,960
2	5-Yr Plan	2,000	1	2,000	2	4,000	$44	$176,400
3	Annual Stmt/Budget	2,800	3	8,400	1	8,400	$44	$370,440
4	P&E	2,800	0.5	1,475	1	1,475	$44	$65,048
5	Document Management Center	2,800	2	5,600	0.5	2,800	$44	$123,480
6	Additional Capital Resources	15	1	15	0.5	7.5	$44	$331
6	EPC	30	1	30	120	3,600	$44	$158,760
							$44	$0
7	Public Housing Development	60	1	60	120	7,200	$44	$317,520
							$44	$0
	Mixed Finance Early Warning	60	1	60	0.33	20	$44	$882
Totals		**2,800**	**Varies**	**20,440**	**Varies**	**33,103**	**$44**	**$1,459,820**

PIH estimates that 33,103 hours of labor per year are required for this collection. Based on an estimated labor rate of $44.10 (GS-13 Step 5 equivalent) the annual labor cost is $1,459,820. Based on the Department's experience, the projected labor burden has steadily decreased as the grantees become familiar with navigating new features in the EPIC system and because submissions after the first reporting cycle for a grant will be an update to the initial submitted report and will require less labor to complete.

13.   Additional Cost to Respondents

There are no additional costs to respondents other than what is reported in Item 12.

14.   Annualized cost to the Federal Government

Estimated annualized cost for collection of information is $8,805,888.00. The assumed hourly cost figure of $44.10 is equivalent to the hourly (mid-range) salary of an experienced professional (i.e., a GS-13 Step 5 employee). The total estimated hours for the collection is 199,680 hours. The costs for this data collection are PIH project management and monitoring of grantees. The annualized cost is funded by the Federal government.

15. Explain any program changes or adjustments.

Revisions:
1. The projected labor burden was decreased for Core Activity due to grantees becoming familiar with navigating that aspect of the EPIC system and because submissions after the first reporting cycle for a grant will be an update to the initial submitted report and will require less labor to complete. This reduced hours from the collection 2,950 hours.
2. P&E Reports are no longer required annually, reducing the number of responses and hours by 7,025.
3. RHF data will no longer be collected as that program is being phased out of CFP, reducing the number of collection hours by 25.
4. EPIC now collects copies of documents previously submitted on paper covered by CFP, Annual Plan and ACC PRA adding collection hours of 2,800.
5. EPIC has added a way for PHA to request to use additional capital resources via EPIC, increasing collection hours of 7.5.

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

The data will be tabulated, summarized, and published in various internal and external reports (including annual performance reports), and press releases. The data may also be used by researchers to produce scholarly articles.

17. OMB Expiration Date

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

18. Certification of Paperwork Reduction Act Submission

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

B. Collections of Information Employing Statistical Methods.

The collection of information does not employ statistical methods.