

2022 SUPPORTING STATEMENT

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

This is a revision of a currently approved information collection package.

A. Justification

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

Section 533 of Title V of the Housing Act of 1949, as amended, authorizes the Rural Housing Service (RHS) to make grants to eligible applicants to conduct housing preservation programs benefiting very low- and low-income rural residents. Program funds can cover part of the grantee's cost in providing loans, grants, interest reduction payments or other assistance to eligible homeowners, owners of single or multiple unit rental properties or for the benefit of owners (as occupants) of consumer cooperative housing projects. Such assistance will be used to reduce the cost of repair and rehabilitation, to remove or correct health or safety hazards, to comply with applicable development standards or codes, or to make needed repairs to improve the general living conditions of the resident(s), including improved accessibility by handicapped persons. Individual housing that is owner occupied may qualify for replacement housing when it is determined by the grantee that the housing is not economically feasible for repair or rehabilitation.

These grants were established by the Rural Housing Amendments of 1983 which amended the Housing Act of 1949 by adding Section 533 (12 U.S.C. 1490m). The program is implemented at 7 CFR part 1944, subpart N.

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

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the Agency has made of the information received from the current collection.

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

The specific burden of information to be cleared includes the following:

REPORTING REQUIREMENTS – NO FORMS

System for Award Management (SAM) Registration and General Certifications and Representations.

At the time of application, each applicant must have an active registration in SAM before submitting its application in accordance with 2 CFR 25. This registration must remain current, accurate and complete at all times during which the applicant has an active Federal award or an application under consideration.

Relationship or Association with RHS

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

2 CFR Part 200 as adopted by USDA through 2 CFR Part 400

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

Evidence of Income and Ownership (Individual Homeowners)

Each homeowner is required to submit evidence of income and ownership to the grantee who will use this information to determine if the household meets the income and homeownership program requirements which prevents assistance going to persons not eligible by law.

Evidence of Income Ownership (Tenant, Rental Property Owner or Co-op)

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

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

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

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

Final Inspection Report

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

Relocation and Displacement

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

Documentation of Historical Preservation Process and Determination of Dwellings Located in Floodplain/Wetland, or an Archeological Property

As part of the preapplication, each applicant will submit to RHS a description of its proposed process for assisting very low- and low-income persons owning historic properties needing rehabilitation or repair. This is pursuant to agreement between RHS and the National Council on Historic Preservation which was based on related legislative requirements. The applicant must submit a description of its process for identifying properties that are in a floodplain and/or wetland or archeological property in accordance with authorizing statute and the Agency's environmental regulations.

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

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

Statement of Activities (Preapplication Requirement)

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

Quarterly and Final Performance Reports

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

The Agency does not consider the guide used for the quarterly and final performance report a form, since grantees have the option of presenting the data differently, though the data points requested must be included in their reports. This guide simplifies the preparation of the quarterly performance reports by grantees.

Extension and/or Revision of Grant Agreement

Exhibit B is used only when extending or revising the grant agreement, RHS and the grantee would execute this agreement where a substantial change in activities or additional time was needed to complete the program or use remaining available grant funds. No more than 20 percent of the grantees would likely execute a grant agreement amendment.

REPORTING REQUIREMENTS – INFORMATION APPROVED UNDER OTHER OMB NUMBERS – BURDEN INCLUDED IN PACKAGE

Environmental Report

To meet the Agency’s environmental regulations, applicants shall submit an environmental report for the geographical area(s) proposed to be served by the HPG program. Information sufficient to complete the following must be provided:

-RD Instruction 1970-A Exhibit H Multi-Tier Action Environmental Compliance Agreements, collected during the preapplication phase are estimated to have 118 respondents.

-RD Instruction 1970- B, Exhibit D, Categorical Exclusion respondents include one for each HPG applicant and the ultimate recipients so a total of 2,201 is estimated.

-Environmental Assessments are completed far less frequently and are estimated to be 5% of all ultimate recipients so a total of 125 respondents has been used.

REPORTING REQUIREMENTS – FORMS APPROVED UNDER OTHER OMB NUMBERS – BURDEN NOT INCLUDED IN PACKAGE

SF 425 - Federal Financial Report (4040-0014)

SF-425, “Federal Financial Report”, shall be submitted by the grantee to RHS on a quarterly basis as required under §1944.683 (b). It also monitors the grantee’s use of HPG funds when funds are requested as required under §1944.682 (c).

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

All applicants will file an original SF 424, “Application of Federal Assistance (Non-Construction)” as required under §1944.676 (a). Preapplication documents are collected for eligibility review and ranking. An organization cannot receive more than one-half of a state allocation, and top-ranking preapplications are submitted for funding to the National Office. Those selected for funding are not required to resubmit documents already provided in the pre-application phase unless a change has occurred that requires an update. In some cases, a revised SF 424 is required to be submitted by an organization to update information such as the award amount.

RD 400-1 Equal Opportunity and Assurance Agreement and RD 400-4 Assurance Agreement (0575-00201)

The applicant must submit Form RD 400-1, “Equal Opportunity Agreement,” and Form RD 400-4, “Assurance Agreement” to comply with the Agency’s Equal Opportunity regulations.

REPORTING REQUIREMENTS – RECORDKEEPING

Grant Agreement

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

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection.

Collection of information for this program is not automated but is kept manually by Rural Development and the grantee.

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.

Information and reports requested for grantees were examined to see if information compiled could be used for other reporting needs. HPG grants are for a specific purpose and the use of grant funds are not reported to any other agency.

5. If the collection of information impacts small businesses or other small entities (item 5 of OMB Form 83-1), describe any methods used to minimize burden.

The information required by this regulation places no burden on small businesses or other small entities beyond that performed in the course of normal business.

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or conducted less frequently, as well as any technical or legal obstacles to reducing burden.

The collection of information is considered to be the minimum necessary to conform to the requirements of program regulations. Without the collection of such information, RHS would be unable to ensure compliance with the grant agreement.

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

a. Requiring respondents to report information more than quarterly.

There are no information collection requirements that require specific reporting on more than a quarterly basis.

b. Requiring written responses in less than 30 days.

There are not specific information collection requirements that require less than 30 days.

c. Requiring more than an original and two copies.

There are not any specific information collection requirements that require more than an original and two copies.

d. Requiring respondents to retain records for more than 3 years.

There are no such requirements.

e. Not utilizing statistical sampling.

There are no such requirements.

f. Requiring use of statistical sampling which has not been reviewed and approved by OMB.

No such requirements exist.

g. Requiring a pledge of confidentiality.

There are no such requirements.

h. Requiring submission of proprietary trade secrets.

There are no such requirements.

8. If applicable, identify the date and page number of publications in the Federal Register of the agency's notice soliciting comments on the information collection. Summarize public comments received and describe actions taken by the agency in response to these comments. Describe efforts to consult with persons outside the Agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, reporting format (if any), and on data elements to be recorded, disclosed, or reported.

As required by the Paperwork Reduction Act of 1995, a 60-day Notice of a currently approved information collection was published on May 16, 2022 at 87 FR 29733. No relevant comments were received.

RHS consulted with the following outside sources to discuss the question of whether the burden is reasonable, necessary, and kept to a minimum:

- (1) Mountain Tennessee Outreach Project, Service Area Manager
- (2) Region XII Council of Governments, Housing Program Coordinator
- (3) Vinton County Commissioners, Housing Program Manager

There were no major problems noted during these contacts. The three outside sources did not have any complaints or issues with the amount of paperwork required to complete and service the grants. No negative remarks were received by USDA.

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

No payment or gift has been provided to respondents.

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

There is no formal assurance of confidentiality provided to respondents; however, it is the Agency's policy to only release information with the respondent's written consent.

The Agency does support maintenance of confidentiality when appropriate. The Agency published a Privacy Act of 1974; System of Records in the Federal Register on May 14, 2019 (84 FR 21315). A copy of that document can be found at <https://www.govinfo.gov/content/pkg/FR-2019-05-14/pdf/2019-09874.pdf>.

11. Provide additional justification for any question of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private.

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

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

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

See attached spreadsheet. Explanation:

This submission utilizes Fiscal Years (FY) 2019, 2020, and 2021 data as follows:

- The average number of grants awarded is 118.
- The average number of proposed units for repair is 2,083.

Estimates are based on the average numbers:

- a) Five percent of grantees will inform the agency that they have a known relationship with an RHS associate so a total of 6 was used.
- b) Thirty percent of assistance is provided to rental or cooperative properties so a total of 625 was used.
- c) Seventy percent of individual homeowners will receive assistance so a total of 1,458 was used.
- d) Ten percent of properties located in a flood plain/archeological so a total of 208 was used.
- e) Twenty percent may request a grant modification so a total of 24 was used.
- f) Using an average one-year grant period, Standard Form 425 is submitted once a quarter and for each draw request so a total of 16 was used.

The burden for collecting information under this regulation is 10,997 burden hours (which includes 59 hours of recordkeeping for this collection). The estimated annualized cost to the respondents is \$385,529 based on a total wage rate of \$35.54. This wage rate was calculated based on the mean average wage for all occupations, \$28.01, ([May 2021 National Occupational Employment and Wage Estimates \(bls.gov\)](https://www.bls.gov/news.release/pdf/ecec.pdf)) plus 26.9 percent in benefits (<https://www.bls.gov/news.release/pdf/ecec.pdf>) for a total hourly wage of \$35.54. The respondents are municipalities, public bodies, public and private nonprofit corporations, and ultimate recipient (e.g. homeowners, tenants, and co-operative owners).

No. of Respondents	Burden Hours	Annual Responses	Cost
2,083	10,997	12,701	\$ 385,529

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

There are no capital or start-up costs.

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

RHS estimated the cost to administer this program is \$2,054,923 per year. This cost includes the salary expense for Government employees involved to administer the program and to review, fund and service applications.

Below is a breakdown of the employee positions and grade levels that administer this program. For consistency, salaries are based on FY 22 Salary Tables, Washington D.C. pay scale with 36.25% in benefits included. The step 5 for each grade level was used. As noted above, a 3-year average of 118 grants have been awarded.

National Office	Staff	Salary plus Benefits	Time	Cost
GS-13, Step 5	1	\$164,951	60%	\$98,971
State Offices (47 Offices)				
GS-12, Step 5	47	\$138,720	30%	\$1,955,952
Total				\$2,054,923

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

Collection	Respondents	Responses	Hours
New	2,083	12,701	10,997
Previous	1,093	7,005	7,049
Difference	990	5,696	3,948

The increase in respondents, responses and hours are mainly due to estimates based on the most recent 3-year program usage. Other adjustments that played into the increases include:

- The wage class was updated to reflect the 2021 scale.
- The requirement to register in the SAM.gov system has been added.
- New common forms were removed from the burden estimate.
- The environmental requirements were adjusted to reflect the current process.

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

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

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

RHS is not seeking approval to not display the OMB expiration date on these forms.

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

There are no exceptions requested.

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

This information collection is not related to the Service Center Initiative and is not related to this program.