

Supporting Statement for Paperwork Reduction Act Submissions
Public Housing Inventory Removals Application, General Depository Agreement, and Notification
of Public Housing Closeout or Future Development
2577-0075

A. Justification:

1. Why is this information necessary?

HUD requires Public Housing Agencies (PHAs) to enter into written agreement with HUD governing the terms and conditions of their public housing programs. All PHAs must have an executed ACC on file with HUD.

HUD requires Public Housing Agencies (PHAs) to enter into a HUD-51999 (General Depository Agreement) (GDA) to govern the treatment of certain depositories, monies and other financial assistance that HUD has provided to the PHA.

Under Sections 18, 22, 32, and 33 of the U.S. Housing Act of 1937 (1937 Act), as well as retentions under 2 CFR part 200, and eminent domain proceedings, the HUD Secretary is authorized to approve requests from PHAs to remove certain public housing property (dwelling units, land, and non-dwelling structures) from their inventories through demolition, disposition, voluntary conversion, required conversion, or homeownership, as well as retentions and eminent domain. In addition, due to HUD's third-party beneficiary interest in public housing property under the Annual Contributions Contract (ACC) and Declaration of Trust (DOT), HUD must approve condemnation of public housing property through eminent domain proceedings. Pursuant to 2 CFR 200.311(c)(1), PHAs may also request HUD approval to retain ownership public housing property free from public housing use restrictions under the ACC and DOT. PHAs cannot remove public housing property from their inventory without HUD approval. HUD regulations implementing Sections 18, 22, 32, and 33 of the 1937 Act are found at 24 CFR part 970 (Section 18), 24 CFR part 972 (Section 22 and Section 33), and 24 CFR part 906 (Section 32). In order to efficiently and effectively review requests from PHAs to remove public housing property from their inventory, HUD created the form known as HUD-52860 ("Inventory Removal Application") (and its addendums A-G) to centrally collect information from PHAs that is required by the applicable sections of the Act and HUD regulations.

When a PHA submits a voluntary application to HUD that indicates it intends to remove all of its public housing dwelling units from its inventory, HUD requires that the PHA indicate, in writing, its future plans for either termination of its public housing ACC or developing new public housing dwelling units. Some removal actions require PHAs to close out their public housing program. When a PHA plans to terminate its public housing program, HUD must ensure that all ACC personal and real property is removed, in accordance with 2 CFR §§ 200.310 – 200.316, and all remaining grant closeout procedures are complied with. Eventually, after all applicable close-out requirements have been satisfied, HUD will terminate its ACC with the PHA. The HUD-5837 is a form that provides HUD needed information to ensure compliance with public housing requirements after a PHA removes all of its public housing units from its inventory.

Additional information about each form is as follows:

Annual Contributions Contract (HUD-53012). Pursuant to Section 9 of the U.S. Housing Act of 1937, 42 U.S.C., 1437q (1937 Act), PHAs must enter into a written agreement with HUD governing

the terms and conditions of their public housing programs. HUD calls this grant agreement an Annual Contributions Contract (ACC). Under the grant agreement, HUD agrees to provide funding to the PHA to support its program and the PHA agrees to administer the program in accordance with HUD regulations and requirements and the terms of the agreement. HUD created forms HUD-53012 to fulfill this written requirement. All PHAs must have an executed ACC on file with HUD.

General Depository Agreement (GDA) (HUD-51999). The purpose of the General Depository Agreement (GDA) is to ensure PHAs use certain financial assistance received from HUD or otherwise associated with public housing funds for purposes of public housing, by requiring such financial assistance to be deposited into interest-bearing accounts at financial institutions whose deposits or accounts are insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF). Not all PHAs need to enter into a GDA. For instance, Public Housing Grant Funding (Capital and Operating) does not require a GDA. Types of financial assistance that are subject to a GDA include but are not limited to: proceeds from dispositions of real property under Section 18 of the 1937 Act, Section 9(k) non-rental program income, restricted funds from a Rental Assistance Demonstration (RAD) transaction.

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

Demolition/Disposition Addendum. (HUD-52860-A). This collection makes formatting, instructional and other changes to provide clearer direction and to ensure PHAs are fully complying with the requirements of 24 CFR part 970.

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

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

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

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

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

Retention Addendum (HUD-52860-G) This collection makes minor formatting, instructional and other changes to provide clearer direction and to ensure PHAs are fully complying with the requirements 2 CFR 200.311(c) and PIH Notice 2016-20.

Notification of Closeout or Future Public Housing Development (HUD-5837). This form notifies HUD of a PHA's intention to either closeout from the public housing program or develop new public housing units and is required when a PHA submits a removal application through any available HUD program (i.e., Section 18, 22, 33, 32, the Rental Assistance Demonstration program). This form will alert HUD about its future plans for either termination of the public housing ACC or development of new dwelling units. HUD will use this information to provide targeted technical assistance, to ensure HUD has an accurate database of federal public housing inventory and assets, and to monitor PHA compliance with the ACC and applicable federal laws and regulations. This collection makes minor formatting, instructional and other changes to provide clearer direction and to ensure PHAs are providing HUD with the information it needs to monitor PHA future development or closeout progression.

2. How is this information to be used?

This Information Collection is revised to remove the following forms:

- Declaration of Trust/Declaration of Restrictive Covenants (HUD-52190)
- Capital Fund Program Amendment to the Annual Contributions Contract Office of Public and Indian Housing (HUD-52840-A)

The forms that will remain in this collection include the HUD-53012 Annual Contributions Contract (ACC), HUD-52860 Inventory Removals Form (and all addendums), the HUD-51999 General Depository Agreement, and the HUD-5837 Notification of Future Development form.

Public Housing Inventory removal information (HUD-52860 forms) is collected via an on-line electronic removal application (currently through the Inventory Management System/PIH Information Center (IMS/PIC), an on-line database system) and reviewed by HUD's Special Application Center (SAC) to ensure that PHAs meet the statutory and regulatory requirements necessary for HUD to approve the removal of public housing units from their public housing inventories. HUD approval is mandated by statute and is necessary prior to PHAs removing their public housing property to protect the federal interest in the public housing property under the ACC and DOT.

Notification of Future Development information (HUD-5837 form) is collected so HUD can obtain information from PHAs that are removing all their public housing units about their plans for potential new public housing development or closeout of their public housing program. The HUD-5837 form is collected as an upload to the electronic IMS/PIC removal application and reviewed by local HUD Office of Public Housing staff to support the effective monitoring of the federal public housing inventory and enables local HUD Offices of Public Housing staff to effectively monitor their portfolio.

General Depository Agreement information (HUD-51999 form) is collected for purposes of monitoring restricted funds and program income that a PHA receives, by requiring such funds to be deposited into interest-bearing accounts at financial institutions whose deposits or accounts are insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF) and if the amount exceeds the insured limits, then the funds must be fully and continually collateralized with HUD approved investments.

Annual Contributions Contract (HUD-53012 form) is collected for purposes of ensuring all PHAs agree, in writing, to administer their public housing programs in accordance with HUD regulations and requirements.

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

HUD electronically collects public housing inventory data about the public housing inventory from PHAs through the IMS/PIC system. Some of the answers to the questions in the HUD-52860 forms populate automatically in the electronic application. PHAs complete other questions in the electronic application. PHAs also upload a copy of the completed HUD-52860 forms, as well as the HUD-5837 if applicable, to the electronic application. The IMS/PIC system allows PHAs to attach supporting documentation electronically. The HUD-51999 and HUD-53012 forms require manual submission by the PHA to the local HUD Office of Public Housing.

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

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

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

- 6. Describe the consequences of Federal program or policy activities if the collection is not conducted or is conducted less frequently.** If the information collected in the inventory removal forms (HUD-52860s) was not collected or was collected less frequently, HUD would not be able to effectively review applications, nor approve, track, or monitor removals of real property from the public housing program. In addition, if this information was not collected or collected less frequently, it would unreasonably delay inventory removals by PHAs and prevent the 1937 Act from being properly applied. HUD would not be able to fulfil its statutory duties to ensure all applicable requirements are met before HUD grants a PHA approval to remove real property. Another consequence is that the Federal government would likely over-subsidize PHAs for units removed from their inventories. If the information collected in HUD-51999 was not collected or was collected less frequently, HUD would not be able to effectively oversee PHA funds that have certain use restrictions, and there would be a risk of PHAs using the funds for non-eligible purposes. If the information in the HUD-5837 was not collected, HUD would have a difficult time monitoring the status, and associated federal grants and requirements related to closing out those grants, of PHAs with zero public housing units in their inventories. If the information in HUD-53012 was not collected, HUD would have a written commitment from PHAs that they agreed to operate and maintain their public housing units and program in accordance with all applicable public housing legal requirements.
- 7. Explain any special circumstances.** No special circumstances are applicable to this collection.
- requiring respondents to report information to the agency more than quarterly.
Not Applicable
 - requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it.
Not Applicable
 - requiring respondents to submit more than an original and two copies of any document.
Not Applicable
 - requiring respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years.
Not Applicable
 - in connection with a statistical survey that is not designed to produce valid and reliable results than can be generalized to the universe of the study.
Not Applicable
 - requiring the use of statistical data classification that has not been reviewed and approved by OMB.
Not Applicable
 - that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
Not Applicable
 - requiring respondents to submit proprietary trade 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.
Not Applicable
- 8. Identify the date and page number of the Federal Register notice soliciting comments on the information.** HUD published a Notice of Proposed Information Collection for public comments in

the *Federal Register*, Volume 88; Number 77; Page 23452 on April 17, 2024. The public was given until June 16, 2024, to submit comments on the proposed information collection.

HUD received no public comments.

9. Explain any payments or gifts to respondents, other than remuneration of contractors or grantees.

No payments or gifts to respondents are provided.

10. Describe any assurance of confidentiality provided to respondents. The information provided is not of a confidential nature.

11. Justify questions of a sensitive nature, such as sexual, religious beliefs and other matters that are commonly considered private. The information collected does not contain questions of a sensitive nature. The forms and collections associated with the ACC, Notification of Future Development, General Depository Agreement, and Inventory Removal forms do not require the collection of private information.

12. Annual Reporting Burden

Respondents are PHAs. The number of respondents is based upon historical records kept by HUD on the annual number of application and form submissions. The hours per response is based upon HUD staff experience working with the respondents. The cost per hour is based upon the average salary of HUD staff that process the submissions made by PHA staff, which is based on the annual salary of HUD SAC and field staff at \$47.26 and \$44.56 an hour.

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

	HUD-form	Total Responses	Burden hours per response	Total Hours	Cost per hour	(\$) Total Cost
1	Submit Notification of Future Development via HUD-5837	19	2	38	\$44.56	\$1,693.28
2	Submit General Depository Agreement (GDA) via form HUD 51999	2,770	1	2,770	\$44.56	\$123,431.20
3	Removal of public housing property from ACC through demolition and/or disposition, including de minimis, via (Section 18) via HUD form 52860, HUD-52860-A, and HUD-52860-B	200	10	2,000	\$ 47.26	\$94,520
4	Removal of public housing property from ACC through voluntary conversion (Section 22) via HUD form 52860 and HUD-52860-E	12	10	120	\$ 47.26	\$5,671.20
5	Removal of public housing property from ACC through required conversion (Section 33) via HUD form 52860 and HUD-52860-D	0	10	0	\$ 47.26	\$0
6	Removal of public housing property through homeownership (Section 32) via HUD Form 52860 and HUD-52860-C	3	10	30	\$ 47.26	\$1,417.80
7	Removal of public housing property from ACC through eminent domain HUD form	1	10	10	\$ 47.26	\$470.26

	52860) and HUD-52860-F					
8	Removal of public housing property from ACC through retention actions under 2 CFR 200.311 via HUD form 52860 and HUD-52860-G	2	10	20	\$ 47.26	\$945.20
9	Annual Contributions Contract (ACC) HUD 53012	42	1	42	\$44.56	\$1871.56
	Totals	3,049	64	5030	47.26	\$237,604.44

13. Additional cost to respondents. There are no additional costs to respondents.

14. Annualized cost to the Federal Government in 2023.

The estimated annualized cost to the Federal Government for reviewing the Notification of Future Development, form HUD-5837, line 1, is based on an average annual salary of field staff of \$92,692 or \$44.56 per hour, which is the 2023 General Pay Scale salary for a GS 13 Step 4. At \$44.56 per hour for an estimated 38 hours per year, the annual cost is \$1,693.28

The estimated annualized cost to the Federal Government for reviewing the Notification of Future Development, form HUD-5837, line 1, is based on an average annual salary of field staff of \$92,692 or \$44.56 per hour, which is the 2023 General Pay Scale salary for a GS 13 Step 4. At \$44.56 per hour for an estimated 2,770 hours per year, the annual cost is \$123,431.20

The estimated annualized cost to the Federal Government for the HUD-52860 inventory removal forms, Lines 3-8, is based on the hourly rate of \$47.26, from the 2023 General Pay Scale for a GS-13, Step 6, which represents the average grade of the staff at the Special Application Center (SAC). At \$47.26 per hour for an estimated 2,180 hours per year, the annual cost is \$103,026.80.

The estimated annualized cost to the Federal Government for the HUD-53012, line 9, is based on average annual salary of field staff of \$92,692 or \$44.56 per hour, which is the 2023 General Pay Scale salary for a GS 13 Step 4. At \$44.56 per hour for an estimated 42 hours per year, the annual cost is \$1871.56.

15. Explain any program changes or adjustments.

This Information Collection is revised to remove the following forms:

- Declaration of Trust/Declaration of Restrictive Covenants (HUD-52190). This form is included in OMB Collection 2577-0275.
- Capital Fund Program Amendment to the Annual Contributions Contract Office of Public and Indian Housing (HUD-52840-A). This form is included in OMB Collection 2577-0303. The number of estimated removal applications that PHAs are submitting under Sections 18, 22, 33, and 32 of the 1937 Act, as well as submissions of the Notification of Future development forms, is based on recent submission history. The number of future applications submissions is expected to remain somewhat constant, but may depend on the expansion of RAD and other resources available to PHAs to recapitalize (rather than remove) their public housing inventories.

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

The results of this information collection will not be published.

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

18. Certification of Paperwork Reduction Act Submission

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