

Supporting Statement for Paperwork Reduction Act Submission
Self-Help Homeownership Opportunity Program (SHOP)
OMB Control No:# 2506-0157

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.**

The current information collection approval number is (OMB control number 2506-0157). Since 1996 when The Self-Help Homeownership Opportunity Program (SHOP) funds were first appropriated by Congress, the SHOP program has created over 60,000 units of affordable, homeownership housing that have transformed lives and neighborhoods.

SHOP is authorized by Section 11 of the Housing Opportunity Program Extension Act of 1996 (Public Law 104-120, as amended, 42 U.S.C. 12805 note). 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. Typically, Financial Managers (or those with similar job functions) from the organization provide the information detailed below. 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 \$25,000 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. 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.**

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; SF-424B; HUD-424-B; HUD 424 CB; HUD 424 CBW; HUD 426; HUD 424 M; SF-424D;; HUD 2880; HUD 50153; HUD 2996; HUD 50070; SF-LLL/OMB 0348-0046; SF-LLL/OMB 4040-0013; 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). Information is also collected semi-annually from each awarded applicant through grant reporting in the Disaster Recovery Grant Reporting (DRGR) system.

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. The DRGR system is used post-award to collect project and client demographic data semi-annually.

- 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.**

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 Grants.gov. Applicants must request a waiver to submit applications in paper form. If applicants cannot submit the application electronically, applicants 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 DRGR System and LOCCS to manage its SHOP grants. Grants prior to FY2017 are solely managed via LOCCS. SHOP grants beginning FY2017 are managed via DRGR and LOCCS.

- 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**

No duplication of effort 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. If the collection of information impacts small businesses or other small entities describe any methods used to minimize burden.

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 organizations (including consortia) or other small entities. No other HUD program collects this information.

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.

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. 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 any information collected to be collected in any of the manner or circumstances listed above.

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 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 preclude consultation in a specific situation. These circumstances should be explained.

In accordance with 5 CFR 1320.8(d), the agency's notice announcing this information collection appeared in the Federal Register on December 9, 2024, Vol. 89, No. 236, page 97648. The public was given until February 7, 2025, to submit comments on the proposed information collection. 0 Comment(s) were received.

Previous SHOP applicants were consulted to obtain feedback concerning the proposed information collection and hourly burdens.

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

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

10. **Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation or agency policy. If the collection requires a system of records notice (SORN) or privacy impact assessment (PIA), those should be cited and described here.**

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. 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.

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 do not include forms that request personal information from individuals who receive benefits or assistance from the SHOP program.

12. Provide estimates of the hour burden of the collection of information. The statement should:

- Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices;
- If this request covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in chart below; and
- Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 13.

Information Collection	Number of Respondents	Frequency of Response	Responses Per Annual	Burden Hour Per Response	Annual Burden Hours	Hourly Cost Per Response	Annual Cost
Application for Federal Assistance SF-424*	0	0	0	0	0	\$0	\$0
Assurances for Non-Construction Program SF-424B*	0	0	0	0	0	\$0	\$0
Assurances for Construction Programs SF-424D*	0	0	0	0	0	\$0	\$0
Applicant and Recipient Assurances and Certifications HUD-424-B	0	0	0	0	0	\$0	0
Certification Regarding Lobbying SF-LLL/OMB 0348-0046	0	0	0	0	0	0	0

Disclosure of Lobbying Activities SF-LLL/OMB 4040-0013	0	0	0	0	0	0	0
Grant Application Detailed Budget HUD-424CB	0	0	0	0	0	0	0
Grant Application Detailed Budget Worksheet HUD-424CBW	0	0	0	0	0	0	0
Indirect Cost Information for Award Applicant/Recipient HUD 426**	10.00	1.00	10.00	0.25	2.5	\$86.76	\$216.90
Federal Assistance Funding Matrix and Certifications HUD 424M**	0	0	0	0	0	0	0
Applicant Recipient Disclosure Update Report HUD-2880	0	0	0	0	0	0	0
Promise Zone Certification HUD 50153	0	0	0	0	0	0	0
Opportunity Zone Certification HUD 2996**	10.00	1.00	10.00	0.20	2	\$86.76	\$173.52
Certification for a Drug-Free Workplace HUD 50070**	0	0	0	0	0	0	0
Applicant Eligibility	10.00	1.00	10.00	2.00	20.00	\$86.76	\$ 1,735.20
SHOP Program Design and Scope of Work	10.00	1.00	10.00	30.00	300.00	\$86.76	\$26,028 .00
Rating Factor1+	10.00	1.00	10.00	25.00	250.00	\$86.76	\$21,620.00
Rating Factor 2+	10.00	1.00	10.00	30.00	300.00	\$86.76	\$25,944.00
Rating Factor 3+	10.00	1.00	10.00	55.00	550.00	\$86.76	\$47,564.00
Rating Factor 4+	10.00	1.00	10.00	30.00	300.00	\$86.76	\$25,944.00
Rating Factor 5+	10.00	1.00	10.00	25.00	250.00	\$86.76	\$21,620.00
Grant Reporting (DRGR)	4.00	2.00	8.00	100.00	800.00	\$86.76	\$70,208.00
Total Annual Hour Burden	94.00	11.00	94.00	297.45	2,774.50		\$240,715.62

NOTE: The FY2025 hourly cost per response rate of \$86.76. Forms with *an asterisk (*)* denote the collected information provided by the applicant, typically the 11-3031 Financial Manager (bls.gov) of the applicant organization, in SAM.gov. Therefore, there is no associated annual cost. Forms with *two asterisks (**)* were not collected in the FY2021 PRA update and are being collected for the first time in FY2025.

Information will be collected once per applicant for each SHOP NOFO. The total estimated average 11-3031 Financial Managers (and roles with similar functions in an applicant's organization) per the 2024 BLS.gov at \$86.76 hourly burden for this information collection is 297.45 hours per applicant, or a total of 2,774.50 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.

All forms with 0 burden are be captured under the generic OMB 2501-0044. Estimates are based on information provided by previous awardees. Actual hours will vary depending on the propose are of the awardee's program, the awardee's geographic service area and the number of affiliate organizations. The information burden is generally greater for national organizations with numerous affiliates.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden already reflected on the burden worksheet shown in Items 12 and 14).

- The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s) and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities;
- If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10) utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.
- Generally, estimates should not include purchases of equipment or services, or portions thereof made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

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

14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

The cost to the federal government to review and rate SHOP applications and select SHOP grantees is estimated to be \$18,679.68 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 GS-14 step 9 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	10.00	2.00	20.00	\$86.48	\$1,729.60
Threshold Review	10.00	1	10.00	6.00	60.00	\$86.48	\$5,188.80
Rating Application	10.00	1	10.00	10.00	100.00	\$86.48	\$8,648.00
Grantee Selection	4.00	1	4.00	3.00	12.00	\$86.48	\$1,037.76
Grant Reporting Review	4.00	2	8.00	3.00	24.00	\$86.48	\$2,075.52
Total							\$18,679.68

15. Explain the reasons for any program changes or adjustments reported in Items 12 and 14 of the Supporting Statement.

This is a reinstatement, with change, of a previously approved collection.

Applicants are required to submit and/or review HUD 424B (Civil Rights Assurances, Federal Assistance Funding Matrix and Certifications (HUD 424M), Certification for a Drug-Free Workplace (HUD 50070), and use the Disaster Recovery Grant Reporting (DRGR) system for post-award grant reporting, if awarded a grant. The decrease in numbers is due to data that used to be counted separately now being captured under OMB number 2501-0044.

Consequently, the estimated total hours of information collection burden and annual cost to the Federal government have been adjusted accordingly.

16. For collection of information whose results will be published, outline 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.

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

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.

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

18. Explain each exception to the certification statement identified in item 19.

No exceptions are made to the certification statement identified in item 19, “Certification for Paperwork Reduction Act Submissions”.