

**Non-Substantial Changes Justification to incorporate the
Housing Production-Financial Assistance (HP-FA) Supplemental Application to the
Approved CDFI/NACA Application Information Collection (1559-0021)**

Subject

The Community Development Financial Institutions Fund (CDFI Fund) is requesting approval for the non-substantive revision of a currently approved information collection, OMB #1559-0021, “CDFI Program and NACA Program Applications.” The information collection is being revised to collect additional information to allow interested CDFIs to apply for Housing Production-Financial Assistance (HP-FA), which is an optional, supplemental award for which can be requested upon the submission of a CDFI Program or NACA Program application.

Background

The Community Development Financial Institutions (CDFI) Program and Native American CDFI Assistance (NACA) Program operated under the authority of Section 108 of the Riegle Community Development and Regulatory Improvement Act of 1994 (Riegle Act). The CDFI Fund runs annual competitive funding rounds of the CDFI and NACA Programs based on appropriations received from Congress, and interested Applicants must complete the Application in each this annual round. Applicants who apply for awards under the CDFI and NACA Programs also are eligible to apply for optional supplemental awards under the Persistent Poverty County (PPC-FA), Disability Funds (DF-FA), and Healthy Food Financing Initiative (HFFI-FA). Application questions related to each of these supplemental programs is covered under the existing CDFI Program and NACA Program Applications information collection.

Under the Consolidated Appropriations Act, 2021, all funds received by Treasury as the result of investments made through the Emergency Capital Investment Program (ECIP), including interest and dividend payments and sale proceeds, must be used by the CDFI Fund to provide Financial and Technical Assistance Awards under Section 108. Per policy priorities, the Department of the Treasury is directing the CDFI Fund to award these funds to support Housing Production, under a new Housing Production (HP-FA) program.

Justification

The Community Development Financial Institutions Fund (CDFI Fund) requests a non-substantive revision to Office of Management and Budget (OMB) Control Number 1559-0021 in order to incorporate the Housing Production Financial Assistance (HP-FA) supplementary program into the CDFI and NACA Applications without delaying the awards of the CDFI and NACA program rounds.

The CDFI Fund seeks to award the HP-FA funds as a supplement to awards made under the existing CDFI and NACA Program application, in order to minimize the burden on potential Applicants. By attaching the HP-FA as a supplement to CDFI and NACA application, the CDFI Fund is able to use baseline organizational and financial data collected through those applications as part of its assessment of HP-FA applications, allowing the CDFI Fund to avoid creating duplicative information collection (e.g., if this organizational and financial information was to

be collected as part of a separate HP-FA application at a later date under a different OMB control number) The CDFI Fund cannot delay opening these Programs because it expects a high volume of applications and will require the time to process them to ensure awards are obligated prior to September 30, 2025.

Information collected through the proposed additional HP-FA questions is substantially similar to data collected through currently approved CDFI Fund Information Collections (ICs). Unfortunately, the CDFI Fund is not able to pull that data into the HP-FA questions due to system limitations. However, the similarity between the data collected through the HP-FA supplemental application and existing CDFI Fund ICs should minimize the burden on potential Applicants.

More specifically, the CDFI Fund has identified how the data points requested in the supplemental HP-FA application are substantially similar to data points collected under existing ICs that target the same audience, particularly the existing CDFI Program and NACA Applications (OMB #1559-0021) and the CDFI Program Awardee Annual Report (OMB #1559-0027). These ICs have gone through the standard PRA renewal process and the CDFI Fund has received public comment on these data points. Specifically, the CDFI Fund considers the data collection in the HP-FA supplemental application as non-substantive changes, because:

- the Confirmation of the PG&M drop-down question is administrative in nature and does not add burden.
- the single narrative question in HP-FA is simply a further delineation of the information requested in the existing Question 7 in the Base-FA application specific to the usage of HP-FA funding.
- the Attestation question is similar to the attestation required in existing CDFI Program application and is administrative in nature.
- the table of data collection of affordable housing units are similar to the data collection of affordable housing units under the CDFI Program Awardee Annual report, so potential Applicants should already be tracking this data.
- the per unit affordable housing financing amount is a subset of financing data collected as part of Application Financial Data Table (Table F) in the existing CDFI/NACA Program application.

All other data points on the proposed HP-FA application are auto-calculated from other existing data entry and represent no burden to the Applicant.

Overall, the proposed changes to the CDFI and NACA Program Applications to accommodate HP-FA should not add significant burden to Applicants. The data points are similar to what has already been collected under both OMB # 1559-0021 and OMB # 1559-0027. However, system limitations in the online application necessitate the collection of this data separately from all CDFIs who seek HP-FA awards, so that the CDFI Fund can have the data at the time needed for award decision-making. Thus, Treasury requests approval of non-substantive changes revision to OMB Control Number 1559-0021 by January 9, 2025. Allowing for the release of the HP-FA application alongside the CDFI and NACA Program application will minimize the burden of completing HP-FA applications for Applicants. This includes administering HP-FA awards in

conjunction with the annual CDFI Program and NACA Program application process to eliminate potential duplication and create efficiencies for the public.