

Supporting Statement for Paperwork Reduction Act Submissions
Rural Capacity Building
(OMB# 2506-0195)

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 Rural Capacity Building for Community Development and Affordable Housing (RCB) program and the funding made available have been authorized by the Annual Appropriations Acts each year since FY 2012. The regulations found in 2 CFR Part 200 apply to the RCB program. The RCB program enhances the capacity and ability of rural housing development organizations, Community Development Corporations (CDCs), Community Housing Development Organizations (CHDOs), local governments, and Indian tribes (eligible beneficiaries) to carry out affordable housing and community development activities in rural areas for the benefit of low- and moderate-income families and persons. The RCB program achieves this by funding National Organizations with expertise in rural housing and rural community development who work directly to build the capacity of eligible beneficiaries. Applicants to the RCB program are required to submit certain information as part of their application for assistance, and as part of the requirements as a grantee.

- 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.***

The information will be collected by HUD via Grants.Gov during the application process. Collection of these data will enable HUD to select awardees under a competitive process. Without the information, it would be impossible to determine which applicants were eligible for award. The forms and uses of the forms are as follows:

- ***SF-424: Application for Federal Assistance*** – This is an OMB form that is used government-wide to request Federal assistance. The Federal awarding agencies and OMB use information reported on this form for general management of Federal assistance awards programs.
- ***SF-424B (OMB 0348-0040): Assurances Non-Construction Programs*** – This is an OMB form that is used to demonstrate that the applicant certifies it will meet and comply with a range of Federal statutes and regulations.
- ***SF LLL: Disclosure of Lobbying Activities*** – Applicants use this form to disclose any lobbying activities that will be using funds other than Federal appropriated funds to pay for influencing or attempting to influence any officer or employee of the agency, member of Congress, or office or employee of a member of Congress in connection with this Federal award.

- **HUD 2880 (OMB 2510-0011): Applicant/Recipient Disclosure/Update Report** – Applicants applying for and receiving more than \$200,000 must complete this form. Applicant provides HUD with information regarding other government sources and uses of funding along with a list of interested parties involved in the application for assistance.
- **Multi-Year Grant Budget (pending approval through this package)** – Applicant will provide detailed budget information on its proposed activities.
- **Narratives (Rating Factors 1-5 and Preference Points)** – Applicants are required to respond to five factors that address its capacity to administer the program and explain the proposed activities to be carried out with Rural Capacity Building funds during the term of the grant agreement. The factors provide relevant examples to support the proposal and describe the communities, populations, and organizations that the applicant proposes to serve and the specific outcomes expected as a result of the activities. In addition, HUD may establish Preference Points for policy goals, and that information requested through the narrative.
- **SF-425: Federal Financial Report** – Successful applicants a summary of their financial management of their federal RCB grant award through the reporting process on a semi-annual basis for the course of the four- year RCB grant term.

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.***

Applications must be submitted electronically to Grants.gov unless a waiver has been issued allowing the applicant to submit a paper form. This is standard procedure for HUD as implemented by the Grants Management Office (GMO). All forms required for application submission may be found in the application and instructions downloads on Grants.gov at <http://www.grants.gov/web/grants/applicants/apply-for-grants.html>. The move to grants.gov for the application process, completed years ago, has been intended as a way to minimize the burden of applying to the program.

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.***

This information is not collected elsewhere and since this is a competition it must be submitted annually to meet the requirements of each year's competition. Each program year may have new organizations applying, and organizations that are currently funded may choose to apply with a different type of programmatic approach than in previous years. Thus, each application is effectively independent of the previous year and similar information already available for those applicants that are current recipients cannot be used or modified for subsequent programmatic years.

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

This program does not involve small businesses or other small entities because only National Organizations are eligible to apply and affected by the paperwork burdens of the application process. The RCB program defines National Organizations as “a single organization that has experience conducting RCB eligible activities with RCB eligible beneficiaries within the last ten years in at least seven Federal HUD regions. Having relevant experience working in one state in a HUD region is sufficient for counting that region towards the seven-region minimum. Federal regions are described on HUD’s website at: <http://portal.hud.gov/hudportal/HUD?src=/localoffices/regions>. A National Organization must be a 501(c)(3) non-profit, other than an institution of higher education.” By definition, National Organizations must be deemed dominant in its field of operation, which is the field of capacity building services to rural areas on a national scale, and only National Organizations are eligible to receive funding through the RCB program. Furthermore, governments and small government jurisdictions are not eligible to apply to the RCB program.

Information related to the application to the RCB program and reporting on successful applications is not collected from small entities. Eligible *beneficiaries* in the RCB program may be considered small entities, like rural Community Development Corporations (CDCs), rural Indian tribes, or rural local governments, but they are not eligible to apply and receive the RCB program funds to conduct capacity building activities from HUD. Eligible beneficiaries are those organizations that the RCB program grantees, the National Organizations, serve with capacity building activities through the RCB program. The collection of information only affects National Organizations that apply to the RCB program and that are selected for funding as grantees.

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 the information is not collected, HUD has no way to select awardees for the annual grants. Performance reporting for grantees is necessary to ensure that federal funds are being spent appropriately. Annual appropriation bills establish annual funding for the program, and thus an annual NOFA process is required to distribute funding. As a competitive program, open to eligible National Organizations, if the information is not collected through an application process, then HUD cannot distribute the funding with due diligence and the funds will be unspent. If the funds are not spent, then HUD will fail to meet Congress’ appropriation and local CDCs, CHDOs, Indian tribes, rural housing development organizations, and local governments serving rural areas will not receive capacity building assistance, and the rural areas that they serve will not be enhanced with increased affordable housing or community development opportunities that the increased capacity of the local organizations would have brought them. In short, local rural communities will not receive affordable housing and community development improvements through increased capacity of local organizations if HUD does not collect the information needed for distributing funds through the RCB application process.

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;*** This special circumstance does not apply to the RCB program.
- ***requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;*** This special circumstance does not apply to the RCB program.
- ***requiring respondents to submit more than an original and two copies of any document;*** This special circumstance does not apply to the RCB program.

- **requiring respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years;** This special circumstance does not apply to the RCB program.
- **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;** This special circumstance does not apply to the RCB program.
- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;** This special circumstance does not apply to the RCB program.
- **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** This special circumstance does not apply to the RCB program.
- **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.** This special circumstance does not apply to the RCB program.

None of these special circumstances apply.

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 the Paperwork Reduction Act of 1995, the Department of Housing and Urban Development (HUD), published a notice in the Federal Register on November 9, 2018. The document number is volume 83 page 56094. No comments were received.

9. ***Explain any decision to provide any payment or gift to respondents, other than reenumeration of contractors or grantees.***
 - e. Applicants and awardees do not receive gifts or any additional forms of payments.
10. ***Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation or agency policy.***

e. The applicants are not provided any assurances of confidentiality.

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.***

None.

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 Item 13 of OMB Form 83-I; 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 will be collected once per applicant annually for each Rural Capacity Building Program NOFA. The total estimated average annual hourly burden for this information collection is 44.50 hours per applicant, for a total of 890.00 hours for an estimated 20.00 applicants. Estimates are based on hours provided for similar programs.

HUD estimated that each applicant and grantees spend approximately 44.50 total annual person-hours to complete the RCB program application and program forms. HUD estimates the mean hourly rate at \$45.00 for the grant writer at the applicant organization. This estimate for the hourly cost was increased from the previous PRA submission, and estimated based on the staff salaries in the budgets from current grantees for the staff that would likely be responsible for writing the applications and managing the grant. For 20.00 applications, that would be: 20.00 applications x 44.50 hours x \$45.00 per hour = \$40,050.00. Estimates of the public burden and hourly rate have been derived through program staff experience and input from previous applicants, and are shown in the table below:

Information Collection	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hour Per Respondent	Total Annual Burden	Hourly Cost Per Response	Annual Cost
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				e	Hours		
Application							
SF 424	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SF 424B	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Multi-Year Budget	20.00	1.00	20.00	3.00	60.00	45.00	\$2,700.00
SF LLL	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HUD 2880	20.00	1.00	20.00	0.25	5.00	\$45.00	\$225.00
Rating Factor 1	20.00	1.00	20.00	8.00	160.00	\$45.00	\$7,200.00
Rating Factor 2	20.00	1.00	20.00	8.00	160.00	\$45.00	\$7,200.00
Rating Factor 3	20.00	1.00	20.00	12.00	240.00	\$45.00	\$10,800.00
Rating Factor 4	20.00	1.00	20.00	8.00	160.00	\$45.00	\$7,200.00
Rating Factor 5	20.00	1.00	20.00	5.00	100.00	\$45.00	\$4,500.00
Preference Points	20.00	1.00	20.00	0.25	5.00	\$45.00	\$225.00
Reporting							
SF-425	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTALS	20.00	-	-	44.50	890.00	-	\$40,050.00

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 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.*

No additional cost burden is expected.

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.*

Approximately 20.00 applications are expected. Each application goes through a review which takes approximately eight hours to conduct per application. The review is conducted by three people, with an average grade of GS-13. HUD has an approved hourly wage standard calculated from the June 2017 Department of Labor Bureau of Labor Statistics report on Employer Costs for Employee Compensation that determined the hourly rate of management, professional and related wages and salaries at \$39.75 per hour plus \$17.88 per hour for fringe benefits for a total of \$57.63 per hour. Thus, the total annual cost to the Federal government for review of RCB program applications and reports is estimated to be (20.00 applications x 3.00 persons x 8.00 hours x \$57.63 per hour) = \$27,662.40.

15. *Explain the reasons for any program changes or adjustments reported in Items 13 and 14 of the OMB Form 83-I.*

Changes made to this submission include:

- Forms that are no longer used by HUD or by the RCB program were removed (HUD 96011, SF424 Supplement, HUD 424CB), thus reducing the overall burden of collection.
- The hour estimates for SF-424, SF-424B, SF-LLL, and the SF-425 were updated to be zero per guidance from HUD's PRA office.
- Included a new HUD budget form, the Multi-Year Budget, to more accurately collect budget information relevant to the RCB program structure and design, and which will be more effective for both the applicants/grantees and the federal government. This change in the collection of information will reduce the burden for the applicants because the form is less difficult to use and apply to the RCB program than the previous budget form. Also, by using a relevant budget form at the time of application, the grantees that are selected will have a budget that is ready to go and will not need to recreate one that meets the specific RCB program expectations post award.
- Added the SF-424B Form to be consistent with HUD requirements.
- Added the SF-425 to reflect its collection during post-award reporting.
- Updated the estimated number of hours to complete each Factor to more accurately reflect the time it takes to plan a proposed RCB program.

- Updated the estimate for the hourly wage for applicant work hours to allow for inflation and expected increases in wages over time.
- Updated the number of reviewers (from two to three) and the number of applications expected to be received (from 30 to 20) to more closely match actual amounts observed in recent competition.
- Updated the hourly rate used to calculate reviewer time to reflect the currently approved hourly rate standard provided by HUD.

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.*

Not applicable. The results of this information collection will not be published for statistical use.

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.*

Such approval is not requested.

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

None.
