Paperwork Reduction Act Submission

Please read the instruction before completing this form. For additional forms or assistance in completing this forms, contact your agency's Paperwork Reduction Officer. Send two copies of this form, the collection instrument to be reviewed, the Supporting Statement, and any additional documentation to: Office of Information and Regulatory Affairs, Office of Management and Budget, Docket Library, Room 10102, 725 Seventeenth St. NW, Washington, DC 20503.

1. Agency/Subagency Originating Request:
U.S. Department of Housing and Urban Development
Office of Multifamily Housing/Office of Asset Management

2. OMB Control Number
a. 2502-0352
b. None

3. Type of information collection: (check one)
- a. ☐ New Collection
- b. ☐ Revision of a currently approved collection
- c. ☒ Extension of a currently approved collection
- d. ☐ Reinstatement, **without change**, of previously approved collection for which approval has expired
- e. ☐ Reinstatement, **with change**, of previously approved collection for which approval has expired
- f. ☐ Existing collection in use without an OMB control number

For b-f, note item A2 of Supporting Statement instructions.

4. Type of review requested: (check one)
- a. ☒ Regular
- b. ☐ Emergency - Approval requested by
- c. ☐ Delegated

5. Small entities: Will this information collection have a significant economic impact on a substantial number of small entities?
☐ Yes ☒ No

6. Requested expiration date:
a. ☒ Three years from approval date b. ☐ Other (specify)

7. Title:
Utility Allowance Adjustments

8. Agency form number(s): (if applicable)
None

9. Keywords:
Housing, Low and Moderate Multifamily Housing

10. Abstract:
Multifamily project owners are required to advise the Secretary of the need for and request approval of a new utility allowance for tenants.

11. Affected public: (mark primary with "P" and all others that apply with "X")
- a. Individuals or households
- b. **P** Business or other for-profit
- c. Not-for-profit institutions
- e. Farms
- f. Federal Government
- g. State, Local or Tribal Government

12. Obligation to respond: (mark primary with "P" and all others that apply with "X")
- a. Voluntary
- b. **P** Required to obtain or retain benefits
- c. Mandatory

13. Annual reporting and recordkeeping hour burden:

a. Number of respondents	4,824
b. Total annual responses	4,824
Percentage of these responses collected electronically	0
c. Total annual hours requested	2,412
d. Current OMB inventory	600
e. Difference (+,-)	+1,812
f. Explanation of difference:	
1. Program change:	
2. Adjustment:	+1,812

14. Annual reporting and recordkeeping cost burden: (in thousands of dollars)
Do not include costs based on the hours in item 13.

a. Total annualized capital/startup costs	$0.00
b. Total annual costs (O&M)	$0.00
c. Total annualized cost requested	$0.00
d. Total annual cost requested	$0.00
e. Current OMB inventory	$0.00
f. Explanation of difference:	
1. Program change:	
2. Adjustment:	

15. Purpose of Information collection: (mark primary with "P" and all others that apply with "X")
- a. **P** Application for benefits
- b. **X** Program evaluation
- c. General purpose statistics
- d. Audit
- e. Program planning or management
- f. Research
- g. **X** Regulatory or compliance

16. Frequency of recordkeeping or reporting: (check all that apply)
- a. ☐ Recordkeeping b. ☐ Third party disclosure
- c. ☒ Reporting:
  - 1. ☒ On occasion 2. ☐ Weekly 3. ☐ Monthly
  - 4. ☐ Quarterly 5. ☐ Semi-annually 6. ☐ Annually
  - 7. ☐ Biennially 8. ☐ Other (describe)

17. Statistical methods:
Does this information collection employ statistical methods?
☐ Yes ☒ No

18. Agency contact: (person who can best answer questions regarding the content of this submission)
Name: **Kimberly R. Munson**
Phone: **(202) 708-1320 ext. 5122**

19. Certification for Paperwork Reduction Act Submissions

On behalf of the U.S. Department of Housing and Urban Development, I certify that the collection of information encompassed by this request complies with 5 CFR 1320.9.

Note: The text of 5 CFR 1320.9, and the related provisions of 5 CFR 1320/8(b)(3) appears at the end of the instructions. The certification is to be made with reference to those regulatory provisions as set forth in the instructions.

The following is a summary of the topics, regarding the proposed collections of information that the certification covers:

- (a) It is necessary for the proper performance of agency functions;
- (b) It avoids unnecessary duplication;
- (c) It reduces burden on small entities;
- (d) It uses plain, coherent, and unambiguous terminology that is understandable to respondents;
- (e) Its implementation will be consistent and compatible with current reporting and recordkeeping practices;
- (f) It indicates the retention periods for recordkeeping requirements;
- (g) It informs respondents of the information called for under 5 CFR 1320.8(b)(3):
  - (i) Why the information is being collected;
  - (ii) Use of the information;
  - (iii) Burden estimate;
  - (iv) Nature of response (voluntary, required for a benefit, or mandatory);
  - (v) Nature and extent of confidentiality; and
  - (vi) Need to display currently valid OMB control number;
- (h) It was developed by an office that has planned and allocated resources for the efficient and effective management and use of the information to collected (see note in item 19 of the instructions);
- (i) It uses effective and efficient statistical survey methodology; and
- (j) It makes appropriate use of information technology.

If you are unable to certify compliance with any of these provisions, identify the item below and explain the reason in item 18 of the Supporting Statement.

Signature of Program Official:	Date:
X Kevin B. Perkins, Director, Organizational Policy, Planning and Analysis Division, HROA	

Signature of Senior Officer or Designee:	Date:
X Lillian Deitzer, Departmental Reports Management Officer, Office of the Chief Information Officer	

Supporting Statement for Paperwork Reduction Act Submissions

Utility Allowance Adjustments
OMB Control Number 2502-0352

A. Justification

1. HUD requires an analysis of the project's Utility Allowances to be included in the owner's request for rent increase. Such data as changes in utility rates and other facts affecting utility consumption should be provided as part of this analysis to permit appropriate adjustments in the Utility Allowances. In addition, when approval of a utility rate change would result in a cumulative increase of 10 percent or more in the most recently approved Utility Allowances, the owner must advise the Secretary and request approval of the new Utility Allowances. Utility Allowance applies only for projects receiving subsidy assistance where all or some utilities are paid directly by the tenant. **Clarification**: Section 221(d)(3) BMIR projects that were built with tenant paid utilities (separate meters) are not eligible for the utility allowances. If the project has Rent Supplement or Loan Management Set-Aside (LMSA) units, those units however, receive an allowance. The regulations governing Utility Allowance Adjustments are set forth at 24 CFR 886.126 and 24 CFR 886.326 and identified in HUD Handbook 4350.1, REV-1 Chapter 7.

2. HUD reviews the utility allowance adjustments to ensure that they comply with HUD policy and administrative procedures. When the cost of utilities (except telephone) and other essential housing services for an assisted unit are not included in the rent, the tenant is responsible for paying the utilities for the unit. The utility allowance is an amount equal to the estimate approved by HUD of the monthly cost of a reasonably consumption of such utilities and other services for the unit. This estimate is based on those costs for an energy conservative household of modest circumstances. If periodic adjustments to the utility allowance were not made, tenants would be required to pay a larger total tenant payment than is legally permissible.

   Project owners must advise the Secretary of the need for a request for approval of a new utility allowance when the approval of a utility rate change results in a cumulative increase of 10 percent or more of the most recently approved utility allowance.

   Chapter 7 of HUD Handbook 4350.1 provides the procedures for processing Budgeted Rent Increases and Fees for Commercial Space and Services in Insured, Direct Loan, and Non-regulated HUD Projects. The chapter contains detailed information on when the owner should request an increase in the Utility Allowance for the project.

3. Currently, there are no plans to automate this information collection because it is not feasible. This information collection requires a letter from the owner along with supporting documentation from utility companies to substantiate the utility allowance adjustment request, which cannot be submitted electronically.

4. The information is not collected through other information collections, and there is no duplication of information.

5. The collection of information does not involve any small businesses or other small entities.

6. In collecting this information, HUD determines that adjustments in utility allowances are adequate to meet reasonable costs. The information is only forwarded to HUD for approval when the increase is 10 percent or more. Less frequent collection would require tenants to pay a larger total tenant payment than is required by law.

7. There are no special circumstances associated with the collection of this information.

8. This information is collected in a manner consistent with guidelines of 5 CFR 1320.8(d). The Notice announcing the collection of information appeared in the *Federal Register* on August 3, 2006 (Vol. 71 No. 149, page 44038). HUD received one comment from the Institute of Real Estate Management (IREM) requesting that the Department of the Treasury work with other federal agencies to develop new criteria for calculating utility allowances and provide a new definition of utility allowance that would work within the constraints the industry is experiencing in the type of utility information currently provided by local utility companies and public housing agency utility allowances. HUD has considered these comments and has made no changes to the information collection.

9. No payments or gifts of any kind are provided to respondents.

10. The information collected is not of a confidential nature; therefore, the Department does not assure confidentiality to respondents.

11. Respondents are not required to provide information of a sensitive nature.

12. Annual Burden Estimate:

*Number of Respondents	Frequency of Response	Total Annual Responses	Burden Hours per Response	Total Annual Burden Hrs	Hourly Cost	Total Annual Cost
4,824	1	4,824	.50	2,412	$20.00	$48,240

*Hourly rate based on an estimate of average annual salary of $40,000 for project owner's staff.

13. There are no additional capital or start-up costs.

14. Annual Cost to the Federal Government:

Total Annual Responses	Burden Hours per Response	Total Annual Burden Hrs	Hourly Cost	Total Annual Cost
4,824	.50	2,412	$27.00	$65,124

*Estimated cost per hour for HUD staff (GS-12) to review and process the documents for this collection.

15. This is an extension of a currently approved collection. The number of respondents, responses, and burden hours has increased. HUD makes this estimate based on actual responses during 2005.

16. The results of this information collection will not be published.

17. HUD is not seeking approval to avoid displaying the expiration date for this information collection.

18. There are no exceptions to the certification statement identified in item 19 of the OMB 83-I.

B. Collections of Information Employing Statistical Methods

There are no statistical methods used in this collection.