

February 24, 2009

Supporting Statement for Paperwork Reduction Act Submissions

OMB Control Number: 1660-0045

Title: Inspection of Insured Structures by Communities

Form Number(s): None

General Instructions

A Supporting Statement, including the text of the notice to the public required by 5 CFR 1320.5(a)(i)(iv) and its actual or estimated date of publication in the Federal Register, must accompany each request for approval of a collection of information. The Supporting Statement must be prepared in the format described below, and must contain the information specified in Section A below. If an item is not applicable, provide a brief explanation. When Item 17 or the OMB Form 83-I is checked “Yes”, Section B of the Supporting Statement must be completed. OMB reserves the right to require the submission of additional information with respect to any request for approval.

Specific Instructions

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. Provide a detailed description of the nature and source of the information to be collected.

The National Flood Insurance Act of 1968 was enacted by title XIII of the Housing and Urban Development Act of 1968 (42 U.S.C. 4001) to provide previously unavailable flood insurance protection to property owners in flood-prone areas. 44 CFR Parts 59 and 61, National Flood Insurance Program (NFIP); Inspection of Insured Structures by Communities implements the inspection procedures in Monroe County, the City of Marathon, and the Village of Islamorada, Florida and any other community that incorporates in Monroe County on or after January 1, 1999. The inspection procedure has two major purposes: 1) to help the communities of Monroe County, the City of Marathon, and the Village of Islamorada, Florida, and any other communities in Monroe County that incorporate after January 1, 1999, verify that structures in their communities (those built after the effective date of the Flood Insurance Rate Map (FIRM), referred to as post-FIRM, comply with the community’s floodplain management ordinance; and 2)

to ensure that property owners pay flood insurance premiums commensurate with their flood risk. The inspection procedure requires owners of insured buildings (policyholders) to obtain an inspection from community floodplain management officials and submit a community inspection report as a condition of renewing the Standard Flood Insurance Policy (SFIP) on buildings.

This collection was initially prepared prior to Hurricane Katrina. FEMA understands that the magnitude and scope of this event warrants a systematic analysis of Katrina's impact and the possibility that some programs may have to be reassessed as a result but as of the date of this submission, no changes have been identified as necessary. This inspection procedure requires that FEMA consult with local officials and others in Monroe County, Village of Islamorada, and the City of Marathon following any hurricane that may hit the Florida Keys concerning the impact the storm may have on illegal enclosures, providing guidance on repairing structures with illegal enclosures and briefing various officials on the inspection procedures.

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. Provide a detailed description of: how the information will be shared, if applicable, and for what programmatic purpose.

- **Community Official Inspection of Buildings** – Community officials inspect the property for completion and submission of the inspection report with the renewal premium payment. The community would inspect the building to determine whether it complies with the community's floodplain management ordinance and document its findings in an inspection report.

The community inspection report is needed to effectively implement the inspection procedure. The community inspection report is used to document whether an insured building is in compliance with the community's floodplain management ordinance. The inspection report helps FEMA in ensuring that property owners are paying flood insurance premiums that are commensurate with their flood risk. Communities must establish procedures and requirements for implementing the pilot inspection procedure consistent with requirements.

- **Inspection Acquisition/Renewal Process** – Policyholder contacts inspection official for scheduling, gathers and provides property data and related information that is required in order for the inspection to be performed so that a flood insurance policy can be renewed.

For the remaining buildings identified by Monroe County, City of Marathon, and the Village of Islamorada, as possible violations, the insurer of the flood insurance policy would continue to send a notice to policyholders approximately six months before the policy expiration date. This notice states that the policyholder must obtain an inspection from the community and submit the results of the property inspection as part of the

renewal of the flood insurance policy by the end of the renewal period (30 days after date of the policy expiration).

The flood insurance renewal and flood insurance application (FEMA Form 81-16, to be renumbered FEMA Form 086-0-1 upon re-approval of collection) have previously been approved by OMB (OMB No. 1660-0006, National Flood Insurance Policy Forms). The burden hours for the completion of these forms has been captured in collection OMB No. 1660-0006.

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.

The results of the inspections are entered into an electronic database that is accessible by both the local officials and FEMA officials. This allows for reduced cost in accessing required information.

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.

The policyholder/property owner receives two copies of the inspection report from the community. The community uses the inspection report to document the community's findings following the inspection of the property. The policyholder submits one of the copies of the inspection report provided by the community as part of the policy renewal process at the time of the payment of the premium.

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.

There are no impacts on small business or other small entities.

6. Describe the consequence to Federal/FEMA program or policy activities if the collection of information is not conducted, or is conducted less frequently as well as any technical or legal obstacles to reducing burden.

The community inspection report is critical to the effective implementation of the inspection procedure. Without the inspection procedure, the Village of Islamorada, City of Marathon, and Monroe County would continue to have limited ability to inspect properties for illegal enclosures that violate their floodplain management ordinance and as a result, all communities would be unable to undertake appropriate actions to remedy the violations. Some of the potential consequences of these structures that continue to be in violation of the community's floodplain management ordinance are:

1. Improperly constructed enclosure walls and utilities can tear away and damage the upper portions of the elevated building exposing the building to greater damage;
2. Improperly constructed enclosures can also result in flood forces being transferred to the elevated portion of the building with the potential for catastrophic damage.
3. Along with significant flood damages to the building and the potential for loss of life, the community, State, and the Federal government will be faced with costly outlays for flood fighting and rescue operations, response and recovery, as well as taxpayer funded disaster assistance.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

(a) Requiring respondents to report information to the agency more often than quarterly.

There is no special circumstance that would cause this information to be collected more often than quarterly.

(b) Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it.

The policyholder is not required to prepare a written response to a collection of information in fewer than 30 days after receipt of it.

(c) Requiring respondents to submit more than an original and two copies of any document.

Policyholders are not required to submit more than one copy of an inspection report at the time of policy renewal.

(d) Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years.

Monroe County, City of Marathon, and the Village of Islamorada identified possible violations through a review of the pre-FIRM and post-FIRM flood insurance policies provided by FEMA and from a visual street inspection of the building, from tax records, and through a review of other documents on file in the community pertaining to the property and through other community procedures. There is no requirement for the policyholder subject to an inspection to retain records or other information as a result of this inspection procedure for more than three years.

(e) In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study.

This collection of information does not involve a statistical survey.

(f) Requiring the use of a statistical data classification that has not been reviewed and approved by OMB.

The collection of information does not involve use of a statistical data classification.

(g) 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.

The collection of information does not involve a requirement for a pledge of confidentiality.

(h) 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.

The information collection does not require policyholders to submit a proprietary trade secret or other confidential information.

8. Federal Register Notice:

a. Provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice 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.

A 60-day Federal Register Notice inviting public comments was published on December 24, 2008, Volume 73, Number 248, pp. 79139. No comments were received. See attached copy of the published notice included in this package.

b. 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 on the data elements to be recorded, disclosed, or reported.

FEMA has consulted with Monroe County, City of Marathon, and the Village of Islamorada officials on the type of existing building inspection reports they currently use to implement their floodplain management ordinance and whether these existing documents could be used or adopted for purposes of implementing this inspection procedure.

Monroe County Citizen’s Task Force, which was appointed by the Monroe County Board of County Commissioners to address the issue of illegal enclosures below the lowest floor of an elevated building, recommended establishment of a procedure to require an inspection and compliance report prior to the renewal of a flood insurance policy. Because of possible illegal enclosures in the Village of Islamorada and the City of Marathon, the community indicated its interest in participating in the pilot inspections.

c. Describe consultations with representatives of those from whom information is to be obtained or those who must compile records. Consultation should occur at least once every three years, even if the collection of information activities is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

FEMA will continue to coordinate with Monroe County, the City of Marathon, and the Village of Islamorada on efforts to conduct an awareness program with property owners, policyholders, mortgage lenders, real estate agents, insurance agents, appraisers, and local officials throughout inspection procedures. It is anticipated that the inspection procedures will be implemented over a multi-year period in each community and that consultation and coordination will occur throughout the year.

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

FEMA does not provide payments or gifts to respondents in exchange for a benefit sought.

10. Describe any assurance of confidentiality provided to respondents. Present the basis for the assurance in statute, regulation, or agency policy.

There are no assurances of confidentiality provided to the respondents for this information collection. A Privacy Threshold Analysis has been completed and forwarded onto the Privacy office within FEMA, which includes information on database utilized by both community officials and FEMA personnel to view results of the inspection reports.

11. Provide additional justification for any question 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.

There are no questions of sensitive nature.

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

a. Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated for each collection instrument (separately list each instrument and describe information as requested). 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 desired. 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.

Inspection Acquisition - It is estimated that respondents (property owners, classified as Individuals and Households) will require .25 hours to review the instructions, request an inspection report and provide this report to the local community officials, and that there will be an estimated 833 respondents per year, for a total of 208 Total Annual Burden Hours.

Community Official Inspection of Buildings – It is estimated that respondents (community officials classified as State, local and Tribal Government) will require 1 hour to complete the inspection and will complete 833 inspections per year, for a total of 833 Total Annual Burden Hours. This combines the former split of compliant and non-compliant building inspections as they now require the same amount of time to complete.

b. If this request for approval 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.

c. Provide an estimate of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost to the respondents 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.

Table A.12: Estimated Annualized Burden Hours and Costs

Type of Respondent	Form Name / Form Number	No. of Respondents	No. of Responses per Respondent	Avg. Burden per Response (in hours)	Total Annual Burden (in hours)	Avg. Hourly Wage Rate	Total Annual Respondent Cost
Individuals/ Households	Inspection acquisition/ Renewal Process / No form	833	1	.25 hour	208	\$19.29	\$4,012
State, Local	Community	833	1	1 Hour	833	\$23.15	\$19,284

and Tribal Government	Official Inspection of Buildings					
Total		1666		1,041		\$23,296

According to the U.S. Department of Labor, Bureau of Labor Statistics website (www.bls.gov) the wage rate category for the all individuals is estimated to be \$19.29 per hour.

According to the U.S. Department of Labor, Bureau of Labor Statistics website (www.bls.gov) the wage rate category for the all Local Government Examiner/Adjusters is estimated to be \$23.15 per hour.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. (Do not include the cost of any hour burden shown in Items 12 and 14.)

The cost estimates should be split into two components:

- a. Operation and Maintenance and purchase of services component. These estimates should take into account cost associated with generating, maintaining, and disclosing or providing 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.**
- b. Capital and Start-up-Cost should include, among other items, preparations for collecting information such as purchasing computers and software, monitoring sampling, drilling and testing equipment, and record storage facilities.**

Annual Cost Burden to Respondents or Record-keepers

Data Collection Activity/Instrument	*Annual Capital Start-Up Cost (investments in overhead, equipment and other one-time expenditures)	*Annual Operations and Maintenance Cost (such as recordkeeping, technical/professional services, etc.)	Annual Non-Labor Cost (expenditures on training, travel and other resources)	Total Annual Cost to Respondents
Inspection		\$168,266		168,266
Total		\$168,266		\$168,266

Communities generally charge a fee for permits and inspections as part of their administration of their zoning ordinance, building code, and floodplain management ordinance. It is estimated that it will cost the policyholders on average \$202 for

inspections. This cost of an inspection for 833 annual respondents obtaining an inspection will equal = \$168,266.

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 have been incurred without this collection of information. You may also aggregate cost estimates for Items 12, 13, and 14 in a single table.

Annual Cost to the Federal Government

Item	Cost (\$)
Contract Costs [Describe]	
Staff Salaries [1 of Branch Manager spending approximately 100 hours annually reviewing the data (\$4,558), 1 of GS 14 employee spending approximately 40 hours annually reviewing the data (\$1,878), 1 of GS 12 employee spending approximately 40 hours annually reviewing the data (\$1,337)]	\$7,773.
Facilities [cost for renting, overhead, etc. for data collection activity]	
Computer Hardware and Software [cost of equipment annual lifecycle]	
Equipment Maintenance [cost of annual maintenance/service agreements for equipment]	
Travel [The Regional Branch Chief attends two annual coordination meetings with the communities. Travel costs are estimated to be \$1200 per trip, for a total Travel Cost of \$2,400 per annum.]	\$2,400.
Printing [number of data collection instruments annually]	
Postage [annual number of data collection instruments x postage]	
Other	
Total	\$10,173.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I in a narrative form. Present the itemized changes in hour burden and cost burden according to program changes or adjustments in Table 5. Denote a program increase as a positive number, and a program decrease as a negative number.

A "Program increase" is an additional burden resulting from an federal government regulatory action or directive. (e.g., an increase in sample size or coverage, amount of information, reporting frequency, or expanded use of an existing form). This also includes previously in-use and unapproved information collections discovered during the ICB process, or during the fiscal year, which will be in use during the next fiscal year.

A "Program decrease", is a reduction in burden because of: (1) the discontinuation of an information collection; or (2) a change in an existing information collection by a Federal agency (e.g., the use of sampling (or smaller samples), a decrease in the amount of information requested (fewer questions), or a decrease in reporting frequency).

"Adjustment" denotes a change in burden hours due to factors over which the government has no control, such as population growth, or in factors which do not affect what information the government collects or changes in the methods used to estimate burden or correction of errors in burden estimates.

Itemized Changes in Annual Burden Hours						
Data collection Activity/Instrument	Program Change (hours currently on OMB Inventory)	Program Change (New)	Difference	Adjustment (hours currently on OMB Inventory)	Adjustment (New)	Difference
Inspection acquisition				1,000	208	-792
Community Official Inspection of Buildings				3,200	833	-2,367
Community Official Inspection of Non-Compliant Buildings				2,000	0	-2,000
Policyholders Non-Inspections and Non-Renewals				104	0	-104
Total(s)				6,304	1,041	-5,263

Explain:

Inspection Acquisition - The collection instrument formerly labeled as “Policyholders to receive and read notice that the inspection is required for renewal” has been re-labeled as “Inspection acquisition” to better represent all of the functions occurring, and the number of respondents expected to perform these functions has been more accurately projected on a yearly basis.

Community Official Inspection of Buildings – This collection instrument is a combination of the “compliant” and “non-compliant” inspections that were formerly separated. The hour burden per response for all inspections is now 1 hour, and the number of inspections estimated to occur annually has been reduced to better reflect estimated response rates.

Community Official Inspect of Non-Compliant Buildings – The burden for this is now represented in the above “Community Official Inspection of Buildings”. There is no separate burden for this.

Policyholders and Non-Inspections and Non-Renewals – This is no longer a collection activity for this collection, and the burden has been removed.

Itemized Changes in Annual Cost Burden						
Data collection Activity/Instrument	Program Change (cost currently on OMB Inventory)	Program Change (New)	Difference	Adjustment (cost currently on OMB Inventory)	Adjustment (New)	Difference

Inspection acquisition				\$16,230	\$4,012	-\$12,218
Community Official Inspection of Compliant Buildings				\$85,696	\$19,284	-\$65,872
Community Official Inspection of Non-Compliant Buildings				\$53,560	0	-\$53,560
Policyholders Non-Inspections and Non-Renewals				\$1,688	0	-\$1,688
Total(s)				\$157,174	\$23,296	-\$133,338

Explain:

Inspection Acquisition - The collection instrument formerly labeled as “Policyholders to receive and read notice that the inspection is required for renewal” has been re-labeled as “Inspection acquisition” to better represent all of the functions occurring, and the number of respondents expected to perform these functions has been more accurately projected on a yearly basis.

Community Official Inspection of Buildings – This collection instrument is a combination of the “compliant” and “non-compliant” inspections that were formerly separated. The cost burden now reflects the reduction in the total number of respondents and the associated reduction is total cost based on this reduction.

Community Official Inspect of Non-Compliant Buildings – The burden for this is now represented in the above “Community Official Inspection of Buildings”. There is no separate burden for this.

Policyholders and Non-Inspections and Non-Renewals – This is no longer a collection activity for this collection, and the cost burden has been removed.

16. For collections 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.

FEMA does not intend to employ the use of statistics or the publication thereof for this information collection.

17. If seeking approval not to display the expiration date for OMB approval of the information collection, explain reasons that display would be inappropriate.

FEMA will display the expiration date for OMB approval of this information collection.

18. Explain each exception to the certification statement identified in Item 19 “Certification for Paperwork Reduction Act Submissions,” of OMB Form 83-I.

FEMA does not request an exception to the certification of this information collection.

B. Collections of Information Employing Statistical Methods.

When Item 17 on the Form OMB 83-I is checked “Yes”, the following documentation should be included in the Supporting Statement to the extent it applies to the methods proposed:

THERE IS NO STATISTICAL METHODOLOGY INVOLVED IN THIS COLLECTION.