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.

Agency/Subagency Originating Request: U.S. Department of Housing and Urban Development	2. OMB Control Number: a. 2577-0029	b. None 2577		
Office of Public and Indian Housing – Real Estate Assessment (Center		2311	
 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. 	c. Delegated 5. Small entities: Will this into on a substantial number.	Approval requested by formation collection have a si of small entities?	gnificant economic impact Other (specify)	
7. Title: Allocation of Operating Subsidies under the Operating Fund	l Formula: Data Collection	on		
8. Agency form number(s): (if applicable)				
(1) HUD-52722, (2) HUD-52723 and (3) HUD-53087				
9. Keywords: Housing, public housing, operating subsidy, utilities				
10. Abstract: Public Housing Agencies (PHAs) use this information in budge basis for obligating operating subsidies. This information is necessary to caregulation, as amended. The Operating Fund Program is designed to provie PHAs. PHAs will submit the information electronically with a form. 11. Affected public: (mark primary with "P" and all others that apply with "X") a. Individuals or households b. Business or other for-profit c. Not-for-profit institutions g. PState, Local or Tribal Government	de the eligibility for opera de the amount of operating su 12. Obligation to respond: a. Voluntary b. P Required to obta	ting subsidies under the Cobsidy that would be need (mark primary with "P" and a	Operating Fund Program ed for well-managed	
13. Annual reporting and recordkeeping hour burden: a. Number of respondents b. Total annual responses 14,003 Percentage of these responses collected via template 99.9% c. Total annual hours requested 10,502 d. Current OMB inventory 10,439 e. Difference (+,-) +63 f. Explanation of difference: 1. Program change: 2. Adjustment: 0		(O&M) st requested tory	thousands of dollars)	
Purpose of Information collection: (mark primary with "P" and all others that app with "X") Application for benefits	a. X Recordkeeping c. X Reporting: 1. On occasi 4. Quarterly 7. Biennually	5. Semi-annually 8. Other (describ	3. Monthly 6. X Annually	
17. Statistical methods: Does this information collection employ statistical methods? Yes X No 18. Agency contact: (person who can best answer questions regarding the content of this submission) Name: Cheryl Teninga Phone: 202-475-8815				

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). appear 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;

Signature of Program Official:

Signature of Senior Officer or Designee:

Office of the Chief Information Officer

Collette Pollard, Departmental Reports Management Officer,

- (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.

Date:

Date:

X David A. Vargas, Deputy Assistant Secretary PIH Real Estate Assessment Center	

Supporting Statement for Paperwork Reduction Act Submissions

A. Justification

This is an extension of a currently approved information collection, the Allocation of Operating Subsidies under the Operating Fund Formula: Data Collection. Two of the three forms listed in this collection are electronic templates that Public Housing Agencies (PHAs) will send to HUD. The other form will be used in hard copy for the nine PHAs operating Turnkey III and Mutual Help homeownership programs. In FY 2010, this information was collected in the Subsidy and Grants Information System (SAGIS), which will be discontinued. In its place, PHAs will submit forms HUD-52723, Operating Fund Calculation of Operating Subsidy and HUD-52722, Calculation of Allowable Utilities Expense Level through an electronic template, and form HUD-53087 via hard copy.

The Operating Fund Program provides operating subsidies of roughly \$4.8 billion annually to 3,122 PHAs to fund the operating and maintenance expenses associated with 1.2 million public housing units. Section 9(a) of the U.S. Housing Act of 1937, 42 U.S.C. 1437q, authorizes the Secretary of the Department of Housing and Urban Development to make annual contributions for the operation of low-income housing projects (operating subsidy). The 1937 Act limits eligibility for public housing to low-income families and caps the public housing rents at 30 percent of a family's income. Accordingly, PHAs rely on the HUD operating subsidies, as well as rental income, to cover a significant amount of the costs associated with operating their public housing units.

On October 21, 1998, the Congress enacted the Quality Housing and Work Responsibility Act of 1998 (P.L. 105-276, approved October 21, 1998) (referred to as "QHWRA"). The QHWRA made sweeping changes to HUD's public and assisted housing programs. Among other changes, section 519 of the QHWRA amended section 9 of the 1937 Act. Section 9, as amended, establishes an operating fund for the purpose of making assistance available to PHAs for the operation and management of public housing (see **Exhibit A**).

The current Operating Fund Program final rule, found at 24 CFR part 990, was published in the <u>Federal Register</u> on September 19, 2005. A correction to the final rule was published in the <u>Federal Register</u> on January 5, 2006 (see **Exhibit B**). Per the current rule, the formula provides funding directly to approximately 6,997 asset management properties (or projects). The rule made the following changes to the Operating Fund Program:

- Beginning in calendar year 2008, instead of providing funding in a lump sum to 3,122 PHAs who then allocate the funding to each of the property, the new formula now provides funding directly to approximately 6,997 asset management properties (or projects).
- Requires that all PHAs implement asset management by FY 2011.

Given the change from SAGIS to electronic templates and hard copy submissions, HUD is requesting Paperwork Reduction Act approval for the information that will be collected from each PHA, by project, to produce the PHA's share of the operating fund appropriation amount. This revision is required to update and revised the certifications on form HUD-52723. There are no other changes from our previous submissions.

2. For the operating fund formula, the information collected under OMB Control Number 2577-0029 consists of three forms. HUD is requesting approval for a revision of the currently approved collection for the three forms. The table below summarizes HUD's requested action on the following prescribed forms, which contain all of the elements of the operating subsidy calculation that PHAs provide annually to HUD.

	Allocation of Operating Subsidies under the Operating Fund Formula: Data Collection					
	OMB Control Number: 2577-0029					
No.	Form No.	Form Name	Form Description			
1	HUD-52722	Calculation of	This form is used to capture the utilities consumption levels by type of			
		Utilities	utility. The current utility rate is then applied to the average			
		Expense Level	consumption amounts over a four-year period to determine the			
			PHA's/project's utilities expense level.			
2	HUD-52723	Operating Fund	This form is used to determine a PHA's/project's eligibility for			
		Calculation of	operating subsidy, based on its non-utilities and utilities expense levels			
		Operating	and rental income, and it is the document by which HUD obligates			
		Subsidy	operating subsidies to PHAs.			
3	HUD-53087	Calculation of	This form is used to calculate the amount of operating subsidy to be			
		Subsidies for	received for Turnkey and Mutual Help developments. It serves as the			
		Operations:	document by which HUD obligates operating subsidies to PHAs that			
		Non Rental	manage non-rental housing. PHAs with a total of 9 Turnkey and			
		Housing	Mutual Help developments use this form on an annual basis.			

- 3. The collection of information for HUD-52723 and HUD-52722 is done using form templates to allow PHAs to submit formula elements electronically. Submissions for form HUD-53087 will be hard copy. (see **Exhibit C**).
- 4. Currently, HUD's Public Housing Information Center database, and specifically the Building and Unit module, captures some of the data elements used to calculate the operating fund formula (e.g., number of PHA units). The templates will be pre-populated with information from HUD's databases. However, the majority of elements that comprise the operating fund formula are not currently captured and, thus, the submission of most of the data contained in these forms is not duplicated elsewhere.
- 5. The information being collected has no significant impact on small businesses or other small entities.
- 6. PHAs use the operating fund forms annually to request operating subsidy and these funds are obligated to PHAs annually. Without the information provided in these forms, HUD would not be able to distribute the operating fund appropriations it receives each fiscal year.
- 7. There are no special circumstances that require the collection to be conducted in a manner that is inconsistent with the guidelines in 5 CFR 1320.6.
- 8. The Information collection was announced in the *Federal Register*, on September 7, 2010, Volume 75, page 54354. The public was given until November 8, 2010, to comment. One comment was received and is attached. **Exhibit E** is the OMB Disclosure statement. HUD consulted with PHAs, industry groups and the public during the time that the Operating Fund Program proposed rule was published for public comment.
- 9. No payments or gifts to respondents are provided.
- 10. No assurance of confidentiality is needed nor are any provided.
- 11. No sensitive questions are being asked.
- 12. The estimated burden hours for the collection of this data reflect the PHAs' experience with inputting data into the form and the fact that PHAs maintain some of this information as part of their operations. The Department estimates that the annual information collection requirements for this collection for two forms (forms HUD-52722 and HUD-52723) averages .75 hours per form (45 minutes per form) for each of the

approximately 6,997 affected projects, for a total of 10,502.25 burden hours. The estimate for form HUD-53087 averages .75 hours per form for each of the approximately 9 affected Turnkey and Mutual Help properties, for a total of 6.75 burden hours. The estimated response time includes the time for preparation of the forms and any recordkeeping burden.

Total Estimated Annual Burden Hours							
	Number of	Frequency of Estimated		Total Annual			
HUD Form Number	Respondents	Response	Hours	Burden Hours			
HUD-52722	6,997	1	.75	5,247.75			
HUD-52723	6,997	1	.75	5,247.75			
HUD-53087	9	1	.75	6.75			
Total				10,502.25			

The estimated annualized cost to respondents is based on the 2010 general pay schedule for a GS-11, Step 1, rate (an average salary for a financial analyst) that is \$30.03 per hour.

Total Estimated Annual Costs to Respondents						
HUD Form Number	Number of Respondents	Total Burden Hours	X	Hourly Rate	=	Annualized Cost
HUD-52722	6,997	5,247.75		\$30.03		\$157,590
HUD-52723	6,997	5.247.75		\$30.03		\$157,590
HUD-53087	9	6.75		\$30.03		\$ 203
Total						\$315,383

- 13. There will be no additional costs to the respondents.
- 14. The estimated annualized cost to the federal government is based on the 2010 general pay schedule for a GS-11, Step 1, rate (an average salary for a financial analyst) that is \$30.03 per hour. It is estimated that it takes approximately 1 hour to review the submission package from each PHA.

Total Estimated Annual Costs to the Federal Government					
No. of Respondents	Burden Hours	X	Hr. Rate	Ш	Annual Cost
13,994	13,994		\$30.03		\$420,240
9	9		\$30.03		\$270
Total					\$420,510

- 15. Beginning July 1, 2007, PHAs began submitting their operating subsidy calculations by asset management projects rather than by PHAs. The total number of respondents increased from 6,955 to 6,997. The increase is due to new mixed finance projects and some project reconfigurations. The certifications for form HUD-52723 have been revised and updated.
- 16. The information collection will not be published.
- 17. HUD is not seeking approval to not display the expiration date of the OMB approval. The OMB number and expiration date will be displayed on a "Disclosure Statement" on each template after OMB approval is received.
- 18. There are no exceptions to item 19 of the OMB 83-I.

B. Collections of Information Employing Statistical Methods

There are no collections of information employing statistical methods.