

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/Sub agency Originating Request: U.S. Department of Housing and Urban Development HUD-Office of Public and Indian Housing -Office of Public Housing Investments		2. OMB Control Number: a. New b. <input checked="" type="checkbox"/> None 2577-XXXX	
3. Type of information collection: (check one) a. <input checked="" type="checkbox"/> New Collection b. <input type="checkbox"/> Revision of a currently approved collection c. <input type="checkbox"/> Extension of a currently approved collection d. <input type="checkbox"/> Reinstatement, without change , of previously approved collection for which approval has expired e. <input type="checkbox"/> Reinstatement, with change , of previously approved collection for which approval has expired f. <input type="checkbox"/> 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. <input checked="" type="checkbox"/> Regular b. <input type="checkbox"/> Emergency - Approval requested by c. <input type="checkbox"/> Delegated 5. Small entities: Will this information collection have a significant economic impact on a substantial number of small entities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 6. Requested expiration date: a. <input checked="" type="checkbox"/> Three years form approval date b. <input type="checkbox"/> Other (specify)	
7. Title: Public Housing Physical Needs Assessment			
8. Agency form number(s): (if applicable) Not Applicable			
9. Keywords: Housing, Public Housing, Public Housing Authority (PHA), Physical Needs Assessment (PNA)			
10. Abstract: The Physical Needs Assessment (PNA) is a projection of capital needs to address long term repairs and replacements of physical property components for real estate. All PHAs will complete a PNA once every 5 years, will update the PNA annually, and will submit information electronically to HUD. The information is used by PHAs as a strategic and capital planning tool. The information uploaded to HUD will be used for aggregation of an estimate of the capital needs across the Public Housing portfolio and evaluation of the impact of the Capital Fund in meeting the physical needs based upon review of the annual updates.			
11. Affected public: (mark primary with "P" and all others that apply with "X") a. Individuals or households e. Farms b. Business or other for-profit f. Federal Government c. <input checked="" type="checkbox"/> Not-for-profit institutions g. <input checked="" type="checkbox"/> State, Local or Tribal Government		12. Obligation to respond: (mark primary with "P" and all others that apply with "X") a. Voluntary b. Required to obtain or retain benefits c. <input checked="" type="checkbox"/> Mandatory	
13. Annual reporting and recordkeeping hour burden: a. Number of respondents 3100 b. Total annual responses 3100 Percentage of these responses collected electronically 100% c. Total annual hours requested 130,004 d. Current OMB inventory 0 e. Difference (+,-) 130,004 f. Explanation of difference: 1. Program change: 82,264 2. Adjustment: 47,740		14. Annual reporting and recordkeeping cost burden: (in thousands of dollars) a. Total annualized capital/startup costs b. Total annual costs (O&M) c. Total annualized cost requested \$6,423,772 d. Total annual cost requested e. Current OMB inventory 0 f. Explanation of difference: 1. Program change: 4,179,992 2. Adjustment: 2,243,780	
15. Purpose of Information collection: (mark primary with "P" and all others that apply with "X") a. Application for benefits e. <input checked="" type="checkbox"/> Program planning or management b. <input checked="" type="checkbox"/> Program evaluation f. Research c. General purpose statistics g. Regulatory or compliance d. Audit		16. Frequency of recordkeeping or reporting: (check all that apply) a. <input type="checkbox"/> Recordkeeping b. <input type="checkbox"/> Third party disclosure b. <input type="checkbox"/> Reporting: 1. <input type="checkbox"/> On occasion 2. <input type="checkbox"/> Weekly 3. <input type="checkbox"/> Monthly 4. <input type="checkbox"/> Quarterly 5. <input type="checkbox"/> Semi-annually 6. <input checked="" type="checkbox"/> Annually 7. <input type="checkbox"/> Biannually 8. <input checked="" type="checkbox"/> Other (describe) once every 5 years	
17. Statistical methods: Does this information collection employ statistical methods? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		18. Agency contact: (person who can best answer questions regarding the content of this submission) Name: Bruce D. Rieder Phone: 202-402-6330	

19. Certification for Paperwork Reduction Act Submissions

On behalf of this Federal Agency, 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;
 - (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.

CANNOT CERTIFY TO ITEM (c) ABOVE.

Signature of Program Official:	Date:
<u>X</u> Dominique Blom, Deputy Assistant Secretary, Office of Public Housing Investments	
Signature of Senior Officer or Designee:	Date:
X Colette Pollard, Departmental Reports Management Officer Office of the Chief Information Officer	

Supporting Statement for Paperwork Reduction Act Submissions

A. Justification

1. What information is being collected, from whom, and why is it needed? Explain what the information is and why it's necessary. Identify any legal or administrative requirements that necessitate the collection.
 - a. Section 9 of the U. S. Housing Act of 1937, 42 U.S.C., 1437q, authorizes the Secretary of the Department of Housing and Urban Development (HUD) to make annual contributions to the Public Housing Authorities (PHAs) under the Capital Fund Program (CFP) for capital improvements to the existing low-income projects. As the units get older, they need modernization in order to bring them up to the standard that would provide clean safe and decent living environments to the low-income residents. Each year Congress appropriates funds to approximately 3100 PHAs for modernization, development, financing, and management improvements.
 - b. A Physical Needs Assessment (PNA) is a tool that is used to support strategic planning by PHAs to promote the efficient use of the CFP grant and other assets. It is a long term projection of capital needs to support timely and efficient repair and replacement of physical components of real estate. The existing requirements of 24 CFR part 968, subpart C (Comprehensive Grant Program), provide that PHAs with 250 or more units are required to periodically complete a PNA in conjunction with their Comprehensive Plan (see 968.315 (e) (2)). There is currently no requirement for PHAs with fewer than 250 units to conduct a PNA. HUD's proposed rule on the Public Housing Capital Fund, published on February 7, 2011, at 76 FR 6654, proposes to remove part 968, and incorporate public housing modernization requirements in the regulations governing the Public Housing Capital Fund program in 24 CFR part 905.
 - c. The current PNA requirements are out dated and do not enable effective use of the data by HUD since it is not submitted.
 - d. A rule is proposed at 24 CFR 905.300 to accomplish the movement of the existing requirement and to extend the applicability of the requirement to PHAs with less than 250 units. The rule also proposes that the term of the PNA be increased from 5 years to 20 years, that an annual update of the PNA be performed, that energy audit data be considered in the PNA, and that the PNA and annual updates be submitted to HUD.
 - e. A statistical sample of developments will be performed by HUD for quality assurance on the collected PNA data at up to 550 public housing developments.

2. What's it for; and for whom? What information is collected and how is it collected. Explain how the information is to be used; for what purpose and by whom.
 - a. Submitted PNA information will be used by HUD to maintain an aggregate estimate of the current and 20 year projected capital needs for the entire Public Housing inventory and to assess the impact of the Capital Fund on the physical needs of Public Housing based upon a review of annual updates.
 - b. Sampling data collected by HUD will be used to analyze the needs number aggregated from the PNA data provided by PHAs and would be performed every 5 years following each performance of new PNAs.
 - c. PHAs will use the PNA information for their strategic planning purposes.

3. Is the information submitted electronically? Will it ultimately reside in an automated system?

Describe whether, and to what extent, the collection of information is automated (item 13b1 of OMB form 83-i).

- a. The rule provides that the PNA data will be submitted in a “format determined by HUD”. HUD is engaged in a process of developing an automated form into which the requested data will be entered by the PHA and which will be submitted electronically to HUD. The form provided for each PHA to complete will be pre-populated to the greatest extent possible for each PHA with available data from the PIH Information Center/Inventory Management System (PIC/IMS).
- b. The submitted information will be housed in an electronic data base at HUD.

4. Is this information collected elsewhere? Also, review current information collection packages for potential consolidation.

- a. Data from PHAs who perform PNAs per the existing requirement is not currently electronically submitted and is therefore not available for HUD’s use. Only a portion of the PHAs, those with 250 or more public housing units, are required to complete the PNA, therefore the current requirement is not comprehensive and could not result in an aggregation of a national needs number even if the currently required PNA data was electronically submitted. The form of the current PNA data collection is not automated, does not collect consistent information, and requests data for a 5 year term rather than a 20 year term.
- b. The PNA data is intended as an additional data point to the Capital Needs Assessment. The CNAs of 1998 and 2011 were not performed using a methodology comparable to that used by the PNA and are too infrequent to provide a continuous portrayal of the capital needs as experienced by the PHAs.

5. Does the collection of information impact small business or small entities (item 5 of OMB form 83-I)? Describe any methods used to minimize burden.

- a. This collection of information does not significantly impact small businesses or entities. For those small PHAs who would be newly required to perform a PNA, the cost of performance is less than 1% of the amount of Capital Funds traditionally appropriated during the proposed 5 year term of each PNA.

6. Why can’t the information be collected less frequently – or not at all?

- a. If the data were not collected, the Department would have no data to estimate the national capital need on a continuous basis, and no data by which to evaluate the effectiveness of the Capital Funds at addressing the national capital need. This data point is necessary to place the CNA data in context.
- b. The PNA is intended to provide PHAs with a tool to help them prioritize the expenditure of Capital Funds and other funds for modernization for more efficient management of public housing.

7. Explain any special circumstance requiring:

- respondents to report information more than quarterly;
- a written response in fewer than 30 days;
- more than an original and two copies of any document;

- respondents to retain records other than health, medical government contract, grant-in-aid, or tax records for more than three years.
- a statistical survey not designed to produce results than can be generalized to the universe of study;
- the use of a statistical data classification that has not been reviewed and approved by OMB;
- 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 data with other agencies for compatible confidential use; or
- respondents to submit proprietary trade secret, or other confidential information.

a. There are no special circumstances related to this collection.

8. Identify the date and page number of the *Federal Register* notice (and provide a copy) soliciting comments on the information. Summarize public comments and describe actions taken by the agency in response to these comments. Describe all efforts to consult with persons outside the agency to obtain their input. This information collection was announced in the *Federal Register* Volume 76, Page 43219 on July 20, 2011.

- a. There has not been a separate Federal Register publication on this information collection, although it was included in the proposed information collection for the Public Housing Capital Fund published on 09-07-2010 (page 54353) to solicit comment. No comment was received.
- b. HUD hosted four meetings during 2010 and 2011 with PHAs and industry representative groups to discuss methodology and content of PNAs. HUD has also consulted with PNA providers regarding methodology and content of PNAs.

9. Explain any payments or gifts to respondents, other than remuneration of contractors or grantees.

a. No payments or gifts to respondents are provided.

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

a. No assurance of confidentiality is provided to respondents.

11. Justify any questions of a sensitive nature, such as sexual, religious beliefs, and other matters that are commonly considered private.

a. The information collection does not contain questions of a sensitive nature.

12. Estimate public burden: number of respondents, frequency of responses, annual hour burden. Read the complete instruction form 83i. Explain how the burden was estimated. Generally estimates should not include burden hours for customary and usual business practices;

- if this collection uses more than one form, provide separate estimates for each form and aggregate the hour burdens in item 13 of OMB Form 83i; 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 and paying outside parties for information collection activities should not be included here. Instead this cost should be included in Item 13.

a. The annual reporting burden for the PNA is based upon a complete PNA being completed once every 5 years for each PHA with a proration of 20% of PHAs to annualize the burden. Also, a smaller reporting burden is estimated for each year that an annual update is prepared. The annual update involves simply reporting the disposition of capital needs planned for a particular year at the end of that year by eliminating completed work and rescheduling incomplete work. A sample of PHAs will be requested to participate in a

quality assurance activity which will involve HUDs contractor performing an independent PNA on a sampling of developments.

Section Reference	Number of Respondents	Number of Responses Per Respondent	Estimated Average Time for Requirement (in hours)	Estimated Annual Burden (in hours)
§ 905.300(b)(9)-PNA performed every 5 years including data collection and site inspection	620	1	130 ¹	80,600
§ 905.300(b)(9)-PNA data analysis and reporting	620	1	45 ²	27,900
§ 905.300(b)(9)(vii)-annual update	2,480	1	8 ³	19,840
Quality Assurance	104	1	16 ⁴	1664
Total Paperwork Burden for the New Rule				130,004
Total Burden from current OMB ICR 2577-0157 ⁵				47,740
Total Additional Burden as a result of this rule				82,264

- b. The skill set for this work would be skill in property inspection and evaluation, cost estimating, knowledge of energy conservation and green principles in modernization, and working knowledge of common information technology software. The skill level required for the information collection and record keeping for a PNA is assumed at the GS 14, Step 1 level of the federal government pay scale resulting in an hourly cost of \$47, representing an annual cost burden averaging \$1950 per PHA (((175 hours +(4 years*8hours) +.5 hours))/5 years)*\$47), or \$6,423,772 for the entire public housing inventory including quality assurance sampling.

13. Estimate of the annual cost to respondents or recordkeepers (do not include the cost of hour burden shown in Item 12 and 14). Read the complete instructions on the form 83i.

- a. Some respondents will perform PNAs using in house staff resources and others will engage third party providers. There should be no additional costs to PHAs than those shown in item 12, although these costs could be distributed between those incurred directly and those incurred through third parties depending upon how each individual PHA chooses to pursue the activity.
- b. There are no equipment or material cost burdens specific to this collection. The activity will require a computer with readily available software (i.e.: Microsoft Windows office suite) commonly in use throughout public housing for receiving the electronic form, entering the development specific data, and returning the completed electronic form to HUD. The inspection component of the PNA is specifically a visual non-destructive inspection therefore not requiring equipment or restoration work.

¹ PHAs are only required to complete PNAs once every five years. This entry reflects the data collection and inspections. Therefore, to reflect the annual burden, a weighted average was derived by taking 1/5 of the total burden required of PHAs once every five years.

² This entry reflects the time to analyze the collected data, prepare a report, and upload the data to HUD.

³ Per the new rule, PHAs will be required to complete an annual update in the years that they are not required to do a full PNA (thus annual updates will be required four out of every five years). Therefore, to reflect an annual burden, a weighted average was derived by taking 4/5 of the burden for PHAs to fulfill the annual update requirement.

⁴ Quality Assurance will be performed by HUD on a sample of approximately 521 PNAs after each 5 year PNA cycle. Since all of the sampled PHAs would already have collected the basic quantity, component age, and other data into a PNA, the additional burden on the sampled PHAs is expected to be minimal.

⁵ In the currently effective ICR, the burden is 15.4 hours annually for 3100 PHAs.

14. Estimate annualized costs to the Federal government.

- a. The federal government will incur costs to implement the PNA including development and testing of the PNA tools, technical assistance particularly during the initial rollout of the PNA, and ongoing data management and Quality Assurance. After initial implementation and rollout of the new tools, it is anticipated that ongoing technical assistance and quality control will be a field office routine function as currently for the Physical Needs Assessment. There will be new government costs at the HQ level to manage the submitted PNA data to calculate and maintain aggregate national needs estimates. In addition, a quality assurance program in the form of a national sample will be performed every 5 years following each new collection of PNAs from PHAs.
- b. The tools are being developed and tested under contracts totaling \$2,800,000 (estimated) and will be implemented under a contract estimated to range between \$4,000,000 and \$14,000,000. The scope of the implementation contract will include the initial technical assistance for the new tools, initial quality control and quality assurance for the first round of submissions of PNAs. The cost of the implementation will vary depending upon the intensity of services, statistical level of confidence desired, and availability of funding.
- c. Routine ongoing costs will include the costs of managing submission of annual updates for the four years following the first PNA submission followed in the 5th year by management of the submission of the next round of PNAs. Quality Assurance on the basis of a national sample will occur in the 5th year of each cycle. For estimating purposes we continue to use a skill set at the level of a GS 14 step 1 in the Federal Government. These costs are estimated as follows:
 - i. Review and upload incoming annual updates: $((1\text{hour per PHA} * 3100\text{ PHAs}) * 4\text{ years}) * \$47 = \$582,800$ per each 5 year cycle.
 - ii. Review and upload incoming PNA once every 5 years after the initial submission: $(3\text{ hours per PHA} * 3100\text{ PHAs}) * \$47 = \$437,100$ per each 5 year cycle.
 - iii. National sample of PHAs for Quality Assurance once every 5 years: up to \$6,500,000 for a 95% confidence level at a confidence interval of 8%. Cost of PNA of \$12,476 per PNA for 521 PNAs in the sample is supported by an estimate of \$70 per unit for a PNA plus travel costs.
 - iv. 5 year cost = $\$582,800 + \$437,100 + \$6,500,000 = \$7,519,900$. $\$7,519,900 / 5\text{ years} = \$1,503,980$ estimated annual cost to the Federal Government.

15. Explain any program changes or adjustments reported in items 13 and 14 of the OMB Form 83i.

- a. The proposed PNA requirement would represent a greater detail in data collected and would project needs over a 20 year period instead of only 5 years. The quality assurance process would also entail additional burden for those PHAs selected for sampling. This program change is estimated to increase burden by 82,264 hours annually.
- b. Information collection #2577-0157 included 47,740 hours for the new PNA including annual updating. These hours are proposed to be transferred from that previous data collection into this data collection representing the adjustment of 47,740 hours bringing the total hours to 130,004.

16. If the information will be published, outline plans for tabulation and publication.

- a. The results of this information collection will not be published.

17. Explain any request to not display the expiration date.

- a. HUD is not seeking approval to avoid displaying the OMB expiration date.

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

- a. Item (c) in the Certification states: “It reduces burden on small entities”. This rule will not reduce burden on small entities, defined in the rule as PHAs with fewer than 250 public housing units under management. Small PHAs have not previously been required to complete a PNA, though many have been doing them. The increased burden is not significant, representing a cost of less than 1% of the amount of Capital Funds historically granted over a 5 year period.
- b. Without including the small PHAs in the data collection, HUD will be unable to achieve its goal of a comprehensive aggregation of the national capital needs.
- c. It is noted that much of the information collection required for a PNA is of information that real estate property managers would routinely be expected to have on hand (i.e.: ages and quantities of existing equipment and components etc). It is further noted that many of the tasks related to performing a PNA are directly proportional to the number of units in the inventory and therefore should not impact small PHAs disproportionately.

B. Collections of Information Employing Statistical Methods

1. Description

- a. The Quality Assurance segment of the PNA activity will employ a national sample of PNAs performed under HUD’s direction to estimate national capital needs independently of the needs aggregated from the PNAs submitted by PHAs. The HUD sample PNAs will be performed under the same protocols as those provided to the PHAs. The sample universe is as follows:

Region	Phas	Developments	Totalunits	
Northeast	504	1872	454946	NE=HUD regions 1,2,3
South	1491	3092	434563	S=HUD regions 4, 6
Mid-West	879	1698	227348	MW=HUD regions 5, 7
West	248	750	96306	W=HUD regions 8, 9, 10
Total	3122	7412	1213163	

- b. Selection of respondents within strata is planned to be random among PHAs in the contiguous United States and Puerto Rico. A small number of declining or ineligible respondents is expected as was the case for the CNA (the refusal/ineligible rate for the CNA was less than 4%) and for those we would expect to simply move to the next in the random selection within the strata.

2. Describe procedures for the collection.

- a. The collection of information will be substantially identical, using the same guidance and protocols, to the collection performed by the PHAs themselves. The number of PNAs performed, sample size, will determine the confidence level of the sample. Balancing affordability with validity we are seeking a sample that provides 95% confidence at a confidence interval of between 8% and 12%.

3. Describe methods to maximize response rate.

- a. We do not anticipate a need to maximize response rate to achieve the confidence interval we are seeking.
- 4. Describe any tests.
 - a. We do not anticipate employing any tests.
- 5. Consultation on Statistical Aspects
 - a. In designing our program for quality assurance, we consulted with Steven J. Naber, PH.d., Senior Consulting Research Statistician, Ohio State University Consulting Service. Dr. Naber through a subcontract from our PNA Development Contractor, JARCO, provided two research studies and formulas to determine appropriate sample sizes for various confidence intervals. Our consultant provided information indicating sample sizes of 95, 179, and 521 appropriate to achieve confidence intervals of 8%, 10%, and 12% respectively using a 2 stage sampling method.
 - b. Inasmuch as Dr. Naber's contractual relationship is through JARCO, any questions should be directed to Joshua Rodriguez, the project manager for JARCO (Joshua@Jarcoventures.com) at 817-546-9330 X 4.
 - c. The contract for the Quality Assurance has not yet been solicited therefore the identity of the actual party who will collect the information is not known at this time.