

Supporting Statement for Paperwork Reduction Act Submissions

MULTIFAMILY HOUSING PROCEDURES FOR PROJECTS AFFECTED BY PRESIDENTIALLY-DECLARED DISASTERS 2502-0582

A. Justification

1. Robert T. Stafford Disaster Relief and Emergency Assistance Act (Public Law 93-288) as amended is intended to provide an orderly and continuing means of assistance by the Federal Government to State and local governments in carrying out their responsibilities to alleviate the suffering and damage which result from such disasters by--
 - A. revising and broadening the scope of existing disaster relief programs;
 - B. encouraging the development of comprehensive disaster preparedness and assistance plans, programs, capabilities, and organizations by the States and by local governments;
 - C. achieving greater coordination and responsiveness of disaster preparedness and relief programs;
 - D. encouraging individuals, States, and local governments to protect themselves by obtaining insurance coverage to supplement or replace governmental assistance;
 - E. encouraging hazard mitigation measures to reduce losses from disasters, including development of land use and construction regulations; and
 - F. Providing Federal assistance programs for both public and private losses sustained in disasters.

It is the intent of the Congress, by this Act, to provide an orderly and continuing means of assistance by the Federal Government to State and local governments in carrying out their responsibilities to alleviate the suffering and damage which result from such disasters by-- providing Federal assistance programs for both public and private losses sustained in disasters.

In addition, Section 207 of the National Housing Act and HUD's regulations at 24 CFR Part 207 provide the authority for insuring mortgage loans to finance the construction or rehabilitation of a broad range of rental housing. As a condition of mortgage insurance, owners execute a Regulatory Agreement with HUD which states that owners shall maintain the mortgaged premises, accommodations, and the grounds and equipment appurtenant thereto, in good repair and condition. In the event all or any of the buildings covered by the mortgage shall be destroyed or damaged by fire or other casualty, the owner is required to restore the property to a decent, safe, and sanitary condition.

Copies of the applicable laws, regulations, and regulatory agreement are attached.

2. This information will be used to ensure that owners follow HUD procedures regarding recovery efforts after a Presidentially-declared disaster. These procedures will minimize disruption to HUD's normal business requirements by owners and set guidelines for owner/tenant responsibilities under these circumstances.
 3. Automation of this information collection is not feasible because a portion of these documents must be obtained from the Federal Management Emergency Agency (FEMA). In addition, this collection requires documents to be executed by the owner and tenants. The only electronic portion of this collection is the request for extension to file the annual financial statement, which only applies to those multifamily project owners who are required to file an AFS, which is submitted electronically to HUD's Real Estate Assessment Center (REAC) via the Multifamily Financial Assessment Subsystem unless computer systems have been interrupted due to the declared disaster. Therefore, it is estimated that about 5% of this collection is automated.
 4. There is no duplication of other sources for this information.
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5. The collection of information may involve small business; however these entities are required to follow the same procedures regarding disaster recovery efforts.
6. HUD would risk improper assistance payments and would lack oversight of owner operations during Presidentially-declared disasters if this information were not collected.
7. There are no special circumstances for respondents.
8. Information collected is conducted in a manner consistent with the guidelines of 5 CFR 1320.8 (d). The Notice announcing this collection of information appeared in the *Federal Register* on Friday, March 2, 2012 (Val.77, No.: 42, page 12869.)
9. There are housing assistance payments to respondents pursuant to the business agreements in place prior to the Presidentially-declared disaster. There are no gifts to respondents.
10. No assurance of confidentiality, statute, regulation, or agency policy is provided.
11. There are no questions of a sensitive nature.
12. Annual Burden Estimate:

Information Collection	Number of Respondents	Frequency of Response	Total Annual Responses	Burden Hours per Response	Total Annual Burden Hrs	Hourly Cost	Total Annual Cost
1. Emergency Management Structure	577	1	79	3	237	\$20	\$4,740
2. Affected Portfolio List and Tracking Report	577	1	79	0.25	19.75	\$20	\$395
3. Preliminary Disaster Assessment	577	1	79	0.25	19.75	\$20	\$395
4. Vacancy Utilization/Displaced Resident Report	577	1	79	1	79	\$20	\$1,580
5. Final Disaster Assessment	577	1	79	0.5	39.5	\$20	\$790
6. Sample Confirmation Letter to Owner/Agent for Scheduling Final Assessment	577	1	79	0.25	19.75	\$20	\$395
7. Close-Out Checklist	577	1	79	0.5	39.5	\$20	\$790
8. Headquarters, Field Office, Owner/Agent, and Resident Responsibilities	577	1	79	0.5	39.5	\$20	\$790
9. Application to FEMA, Receive Application Number from FEMA, and Letter of Eligibility from FEMA	577	1	79	3	237	\$20	\$4,740

Information Collection	Number of Respondents	Frequency of Response	Total Annual Responses	Burden Hours per Response	Total Annual Burden Hrs	Hourly Cost	Total Annual Cost
10. Applicant Execution of a 30-day Renewable Lease	577	1	79	0.25	19.75	\$20	\$395
11. Request for Extension to file an Annual Financial Statement, if applicable	577	1	79	0.25	19.75	\$20	\$395
12. Temporary Forbearance Plan for HUD-Held and 202 Mortgage Servicing	577	1	79	1	79	\$20	\$1,580
13. Owner Notification to Tenant that Unit is Habitable	577	1	79	0.5	39.5	\$20	\$790
14. Owner Execution of a Temporary Lease on Behalf of the Displaced Section 8 Tenant for Vouchering Contract Rent	577	1	79	0.25	19.75	\$20	\$395
15. Owner Notification to Tenant that Assistance Is Terminated Based on Failure to Return	577	1	79	0.5	39.5	\$20	\$790
16. Submission of Insurance Loss Drafts for HUD Execution	577	1	79	0.5	39.5	\$20	\$790
17. Repayment Plan for Use of Reserve Escrows	577	1	79	1	79	\$20	\$1,580
Totals	577	1	79	13.5	1067	\$20	\$21,330

All Items – Estimated number of respondents is based on information available in HUD systems.

All Items – Estimated number of responses is based on data retrieved from the FEMA website. The number used is based on the total declared disasters for the last three years (2011=(99); 2010=(81); and 2009=(59). These numbers were averaged to obtain an annual disaster estimate of 79.

All Items - Hourly cost is based on an estimate of the owner to prepare, execute, and/or submit the required documentation to HUD. Hourly cost estimate was obtained by payscale.com.

Item 1 - HUD has estimated the burden hours and Hourly Costs for this requirement; however FEMA has established procedures for applicants to obtain FEMA benefits, therefore HUD cannot support this data since this process is handled by another agency.

Item 11 – Estimate is based on the number of owners required to file an annual financial statement.

Item 12 – Estimate is based on the number of HUD-Held and Section 202 mortgages.

Each disaster is different and each project owner is different and so it's not possible for me to estimate the number of responses project owners would provide. Some projects are not insured with an FHA mortgage (items 12 and 16). Some are insured, market rate projects with no subsidized tenants (items 4, 10, 13, 14, and 15). There aren't many HUD-held or 202 mortgages, when the entire multifamily portfolio is considered, making items 12 and 14, respectively, rare information collections. Item 9 refers to data FEMA is already tracking and some project owners, depending on the disaster would not apply for or do not qualify for FEMA federal assistance. Applicable documents can be found at HUD Housing Handbook 4350.1 Chapter 38

(http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_35355.pdf). Respondents only provide information depending on the severity of the damage they experience from natural disasters.

13. There are no additional costs to respondents. Conservatively, 95% of respondents submit the requested data electronically. Printing and mailing are not realistic burdens when HUD field office staff call or visit owners of damaged apartment projects and email HUD HQ with the extent of damage and number of tenants effected.

14. Annual Cost to the Federal Government:

Information Collection	Number of Responses	Hours per Response	Total Annual Hours	Hourly Cost	Total Annual Cost
Review of all documents	577	1	577	\$28.88	\$16,664

Estimated hourly cost is based on the annual salary of a GS-12, Project Manager to review the information.

15. This is a revision of a currently approved collection. The burden has decreased because the forms previously requested under this information collection has been updated, modified, and simplified. They now ask for more direct data, and less general, vague data. The increase in respondents comes from taking the average of the last three years of disaster declaration data from FEMA. The data from FEMA for the years preceding the previous OMB information collection are less than the data FEMA provided for the last 3 years. From 2009 – 2012, there 239 Disaster Declarations and from 2006 through 2008, there were 190. FEMA manages most disaster assistance/benefits administration. HUD's distribution of assistance to disaster victims is restricted to housing only. Due to the variance of damage experienced by different respondents, their reporting burden has been reduced as much as possible.
16. The results of this collection will not be published.
17. HUD is not requesting approval to avoid displaying the expiration date.
18. No exceptions to the certification statement identified in Item #19 on form OMB 83-I, "Certification for Paperwork Reduction Act Submissions."

B. Collections of Information Employing Statistical Methods

This information collection does not employ statistical methods.