

# Supporting Statement for Paperwork Reduction Act Submissions

## Conversion of Efficiency Units into One Bedroom Units OMB Control Number 2502-0592

### A. Justification

- 1. Explain the circumstance that makes 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.**

The circumstance that makes the collection of information necessary is owners' desire for the conversion of efficiency units into one-bedroom units. Legal or administrative requirements that necessitate the collection: On February 1, 2008, acting deputy assistant secretary for Multifamily Housing Programs, John L. Garvin, issued HUD's "Policy and Procedures on the Conversion of Efficiencies into One-Bedroom Units" in a memorandum to all multifamily hub directors and their staff. The Unit Conversion Notice is a clarification and reissue of that memo. Appropriate regulations supporting this initiative are found at 24 CFR Part 8, 42 USC 4821-4846, implementing regulations at 24 CFR Part 35, and 24 CFR Part 5, Subparts G and H.

- 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.**

The information collected is to be used by HUD staff in evaluating and processing requests for approval for project owners to convert multifamily project efficiency units into one-bedroom units.

- 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.**

This collection of information does not involve the use of automated, electronic, mechanical, or other technological collection techniques. Multifamily project owner/agent will mail or email their unit conversion request packages to HUD. After review and approval, HUD will reply via email.

- 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.**

There will be no duplication of information. Owners have been provided with criteria necessary for HUD to reach a favorable decision for their application in the form of a notice H 2011-03 'Conversion of Efficiency Units to One-Bedroom'.

- 5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83I) describe any methods used to minimize burden.**

The collection of this information does not impact small businesses.

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

The conversion of efficiency units is a voluntary process, requested by owners to improve occupancy of underutilized units. The collection will occur only when an owner

has determined the need for such a conversion.

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

- **requiring respondents to report information to the agency more than quarterly;**

There is no requirement to report information to the agency more than quarterly.

- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**

There is no requirement for respondents to prepare a written response to a collection of information in fewer than 30 days after receipt.

- **requiring respondents to submit more than an original and two copies of any document;**

There is no requirement for respondents to submit more than an original and two copies of any document.

- **-requiring respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**

There is no requirement for respondents to retain records other than for health, medical, government contract, grant-in-aid, or tax records for more than three years.

- **in connection with a statistical survey, that is not designed to produce valid and reliable results than can be generalized to the universe of study;**

There are no statistical surveys involved with this collection.

- **requiring the use of statistical data classification that has not been reviewed and approved by OMB;**

There is no requirement for the use of statistical data classification that has not been reviewed and approved by OMB.

- **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; or**

There is no 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.

- **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.**

There is no requirement for 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.

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

**8. If applicable, provide a copy and identify the date and age number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), 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.

- 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 record keeping disclosure, or reporting format (if any) and the data elements to be recorded, disclosed, or reported.
- Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years – even if the collection of information activity is the same as in prior periods. There may be circumstances that preclude consultation in a specific situation. These circumstances should be explained.

The information is collected in a manner consistent with 5 CFR 1320.8(d). HUD contacted members of companies outside the agency who are familiar with HUD’s requirements to obtain their views. Three management companies (Dalmark Management Group LLC, Westlake Housing LP, Maco Management Co., Inc.) were contacted and asked how many unit conversion requests they submitted to HUD in the calendar years 2009 and/or 2010. All three companies reported that they had not submitted any unit conversion requests in either year.

The Notice for this collection was announced in the *Federal Register* on 3/4/14, Vol. 79, No. 42, Page 12210. No comments were received.

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

No payments and/or gifts will be provided to respondents.

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

No assurances of confidentiality are provided.

**11. Provide additional justification for any questions 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 a sensitive nature contained in this collection.

**12. Provide estimates of the hour burden of the collection of information.**

Estimates of the Hour burden of the Collection of Information

| Information Collection * | Number of Respondents | Frequency of Response | Total Annual Responses | Burden Hours per Response | Annual Burden Hours | Hourly Cost ** | Total Annual Cost |
|--------------------------|-----------------------|-----------------------|------------------------|---------------------------|---------------------|----------------|-------------------|
| Voluntary                | 10                    | 1                     | 10                     | 8                         | 80                  | \$ 20.67       | \$ 1,654          |
| Total                    | 10                    |                       | 10                     |                           | 80                  |                | \$ 1,654          |

\*Represents the total number of conversion requests received in 2013.

\*\* Hourly costs are based on an estimate of the owner or owner’s staff to review the instructions and gather the information. The hourly cost has been adjusted based on information gathered from [payscale.com](http://payscale.com).

**13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information (do not include the cost of any hour burden shown in Items 12 and 14).**

- The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the 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. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities;
- If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10) utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.
- Generally, estimates should not include purchases of equipment or services, or portions thereof made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

There are no additional capital or start-up costs.

**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 not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.**

Estimates of Annualized Cost to the Federal Government

| Information Collection | Number of Respondents | Frequency of Response | Total Annual Responses | Burden Hours per Response | Annual Burden Hours | Hourly Cost * | Total Annual Cost |
|------------------------|-----------------------|-----------------------|------------------------|---------------------------|---------------------|---------------|-------------------|
| Voluntary              | 10                    | 1                     | 10                     | 6                         | 60                  | \$ 28.88      | \$ 1,733          |
| Total                  | 10                    |                       | 10                     | 6                         | 60                  |               | \$ 1,733          |

\* Hourly cost based on a GS-12, Step 1,

**15. Explain the reasons for any program changes or adjustments reported in Items 13 and 14 of the OMB Form 83-I.**

This is an extension of a currently approved collection. In the original submission, which constituted a new request for information, no data was available for determining the number of respondents requesting to convert efficiency units to one bedroom units. At this time, there has been data collected indicating that annual requests range between one and ten requests. In the calendar year there were ten applications. This accounts for the decrease in burden reporting.

**16. For collection 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.**

The collection of this information will not be published. Information will be maintained with the HUD offices in individual case files.

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

There is no form or other correspondence on the part of HUD on which to display the expiration date for OMB approval. This information is gathered solely for owners' voluntary request to convert efficiency units to one bedroom units, and provided in narrative form.

**18. Explain each exception to the certification statement identified in item 19 of the OMB 83-I.**

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 plans to use statistical methods for the collection of this information.