

**Supporting Statement for
Paperwork Reduction Act Information Collection Submissions
OMB No. 1084-0033
“Private Rental Survey”**

Terms of Clearance: None

General Instructions

A completed Supporting Statement A 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 below. If an item is not applicable, provide a brief explanation. When the question “Does this ICR contain surveys, censuses, or employ statistical methods?” is checked “Yes,” then a Supporting Statement B 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.

Public Law 88-459 (Federal Employees Quarters and Facilities Act of 1964) authorized Federal agencies to provide housing for Government employees under specific circumstances. Under the authority of 5 U.S.C. 5911, rent may be collected from Federal employees through payroll deduction for Government-owned quarters. 5 U.S.C. 5911 also required administrative policy and guidelines be drafted, and the Office of Management and Budget subsequently implemented *Circular A-45 (Revised October 20, 1993)*, “*Rental and Construction of Government Quarters.*” OMB Circular A-45 requires that employee rents be based on “a survey of comparable private rental housing throughout the region” or appraisals. In addition, “agencies are encouraged to utilize the survey method, whenever possible, due to the costs and administrative burdens associated with conducting individual appraisals.”

OMB Circular A-45 also specifies “To avoid duplication and inconsistent (rental) rates, all agencies with quarters in a given location should coordinate their survey plans and conduct a single survey applicable to all.” In the early 1980s, the Department of the Interior (DOI) began conducting regional rental surveys to comply with A-45 rent setting regulations. DOI has a substantial inventory of Government employee housing, operating about 10,000 quarters. They developed the Internet Quarters Management Information System (iQMIS), an automated system that uses rental algorithms determined by regional rental surveys to calculate rent and other charges for each quarter. iQMIS is now a shared federal service offered by the Interior Business Center (IBC, DOI), and used by 19 Federal agencies to calculate rent for approximately 18,000 quarters across the nation. iQMIS and the IBC employ all of the specific requirements of

OMB Circular A-45 to determine rental rates. As a shared service, the private rental market surveys and iQMIS provide A-45-compliant rental rates at a lower cost to federal agencies than the appraisal method. In addition, rent revenues may be used to pay for IBC's shared services instead of appropriated funds.

There are fifteen survey regions and each must be surveyed at least once every five years, per OMB A-45, Section 7(d)(1). (See Attachment A for Survey Regions Map.) Rents are adjusted in the interim years by inflation measures (per Section 7(d)(2)). The National Housing Council, which is comprised of Housing Officers from participating DOI bureaus and non-DOI agencies, believed that surveying every three years would allow the Government to keep better pace with the private rental market and help alleviate the large rental rate increases that were being experienced with the five-year regional rental survey schedule. In 1997, DOI adopted a three-year regional rental survey cycle, and it achieved the intended purpose. By 2003, all 15 regions had twice been surveyed every three years. The rental rates were keeping better pace with the market.

However, more frequent surveying increased the costs associated with conducting the surveys. In an effort to balance the need for current data with the expense of more frequent collection, the National Housing Council approved a four-year regional survey cycle during its March 2003 meeting. Currently, the IBC conducts three or four regional rental market surveys each year, collecting data on 1,800 to 5,300 private rental comparables each year using forms OS-2000 and OS-2001.

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. Be specific. If this collection is a form or a questionnaire, every question needs to be justified.

In essence, private rental market data collected via forms OS-2000 and OS-2001 are used to statistically determine the "fair market rent" of houses, apartments, mobile homes and trailer pads in specific communities, and in specific regions, across the U.S., the Caribbean, and American Samoa. Utility rates are also collected from local government and private sector providers in order to determine regional utility rates per A-45.

The IBC, acting under contract to the participating agencies, surveys each of 15 established regions every fourth year, with three to four specific regions surveyed each year. The collection of private rental market data (using OS-2000 and OS-2001) is performed by a contractor. The contract is competitively bid and awarded by the IBC.

A sampling plan is developed by the IBC, based on the location and types of Government quarters in each region. The contractor then uses the plan to collect data from property managers of private rental units on forms OS-2000 and OS-2001. (See Attachment B for justification of each question on the survey form.) The data is collected on a voluntary basis from realtors, landlords, property managers and tenants through interviews and personal inspection of the exterior of each property. Property appraisal methods are not used.

The contractor is free to choose any private rental units that fulfill the contract specifications. In some cases, the rental comparables are derived largely from web sites,

newspaper ads or leads. In other cases, rental property leads are available from realtors or the local Chamber of Commerce. In larger cities, the requested information may be collected from computer databases containing “multiple listings” for rental purposes. The contractor interviews the Property Manager or tenant to complete most items on the OS-2000 or OS-2001 form. The contractor may collect some data by telephone. However, the contractor is also required to photograph and sketch each private rental comparable from the exterior, and completes some essential data from visual inspection of the exterior of the property.

Rental units that have rented at fair market rates within the previous 12 months, or have had their rental rates reconfirmed within the past 12 months, are acceptable as comparables, as are units currently offered for rental. A unit does not have to be vacant to be included in the survey. All rental samples must involve arms-length transactions, where the monthly contract rental rate represents a fair market rental rate. That is, no rentals may be used where the renter furnishes some services (maintenance, repair, custodial services, etc.) in lieu of rent, or where the housing is provided at less than a fair market rental rate (i.e., a family relationship between landlord and tenant.) Subsidized rental units (Section 8 housing) are not included.

Property managers are frequently realtors or other management companies, and may provide data for more than one rental property. For example, the contractor may collect rental data on a one bedroom apartment, a two bedroom apartment, and a three bedroom apartment that exist in the same complex.

When the regional survey is complete, the IBC receives the rental data in a database format and analyzes it using step-wise multiple regression techniques. Through this process, numerical (dollar) values are derived for the independent variables (i.e., square feet, bedrooms, bathrooms, age, etc.) that account for the most variance in the dependent variable (the adjusted contract rent of the private sector housing units in the survey). These factors, and their corresponding dollar values, result in a rent “formula” – a regression line that best predicts rent. Regressions are run separately for houses, apartments and mobile homes. The formulae are then programmed and made available to users in the web-based iQMIS system and are used to compute the rent, utilities and related charges for each Government employee housing unit. The regional survey results are also published in a report, made available internally to IBC iQMIS customers.

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 and specifically how this collection meets GPEA requirements.

When conducting a regional private rental market survey, the contractor must physically go to the communities specified in the sample plan, take photographs of each comparable, and measure and inspect the exterior of each unit.

The current contractor for data collection uses hand-held and tablet PCs to enter and record the data, rather than a paper copy of OS-2000 or OS-2001. This technology

allows personnel to digitize property information directly in the field. Next, this data is uploaded from the field to the company's central database. After quality control and data verification software is applied, the detailed rental information, including photos, sketches and maps, are transmitted by the contractor to IBC for statistical analysis.

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 use of the survey method, which relies upon the forms at issue, has dramatically reduced duplicative data collection and analysis. For example, the survey method, used for establishing rental charges for about 18,000 Government employee housing units, requires the completion of approximately 1,800 to 5,300 Private Rental Survey forms each year, or 20,000 Private Rental Survey forms over a five-year period. If appraisals were used instead, similar information would be collected by appraisers on at least 38,000 data collection forms over a five-year period, since appraisals require the use of at least two private rental comparables for establishing the rental value of an individual unit.

Reduced duplication and cost is one of the reasons that OMB Circular A-45 encourages the use of regional surveys instead of appraisals. There is no alternative source from which the required information can be obtained. Similar information concerning the value of private sector housing bought and sold on the open market is available from such sources at the multiple listing service or county records. However, these sources do not provide usable information on rental property.

In the past, DOI has looked at potential duplication with the Fair Market Rents Program at HUD. The Fair Market Rents Program only covers apartments, and does not collect necessary data such as square footage, bathrooms, garages, air conditioning, condition assessments, age, and more. Also, the Fair Market Rents Program only covers major metropolitan areas, and therefore does not collect data in the majority of the communities where Government-owned quarters are located. Most Government quarters are in small, rural communities. This is because the largest rental property owners are the National Park Service, the U.S. Forest Service, the Bureau of Indian Affairs, and the Indian Health Service.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

The contractor is permitted to obtain the rental information in any manner they elect, including contacts with property owners, real estate offices, or property managers; these are frequently small businesses. As participation is totally voluntary, any individual or small business can eliminate the burden by refusing to provide the information or portions of the information.

Efforts to reduce the burden include a close scrutiny to ensure that only information required to estimate and calculate fair market value is collected. The forms and questions also reflect many recommendations made over the years by contractors who gather the data.

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.

Following procedures prescribed in OMB Circular A-45, data must be gathered at least every fifth year in each of the 15 survey regions. This allows the establishment of baseline rents, utilities, and related charges. In the years between each survey, the baseline charges are updated by applying percentage changes of selected components of the Bureau of Labor Statistics' Consumer Price Index (CPI), and no survey is undertaken.

Experience has proven that, over time, there is a widening disparity between actual market behavior and the rents estimated by applying national CPI measures to the baseline charges. As this disparity increases, the Government's exposure to tenant appeals increases. Aside from the fact that the five-year cycle is prescribed by OMB Circular A-45, a further reduction of the survey frequency could introduce even greater rental distortions that may disadvantage both the Government and the tenants/employees.

If the collection activity is not performed, there will be no basis for determining open market rental costs and all agencies that rely on this service will suddenly be out of compliance with federal regulation OMB Circular A-45. A-45 then mandates that Federal agencies use contract appraisers or in-house appraisers to gather the same type of data. Using the appraisal methodology will increase the burden on the public because appraisers will still need to find applicable comparables upon which to base their valuation. In addition, appraisals are more costly to the Government than the survey method. History and experience has shown that different appraisers arrive at different rental charges for similar housing units, therefore the overall rent structure can be inconsistent and illogical, resulting in numerous appeals. In some instances, appraisers or their supervisors may have personal interests in the results. For these and other reasons, OMB Circular A-45 encourages agencies to use the survey process as the preferred method for establishing and adjusting charges for rent and other facilities.

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

- * requiring respondents to submit proprietary trade secrets, 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.

None of the above circumstances apply.

8. If applicable, provide a copy and identify the date and page 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 in response to the PRA statement associated with the collection over the past three years, and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

Notice was given in the Federal Register on May 5, 2016 (81 FR 27171). No public comments were received.

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.

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

The Quarters Program has contacted participants of the various surveys, but without much success because the participants rarely remember the amount of time required (burden.) We attribute this to the fact that it takes so little time to provide the information requested, and the fact that OS-2000 or OS-2001 are not physically completed by participants because data is collected verbally and entered by the contractor on electronic tablets and pads. We therefore rely on the contractor performing the survey to provide burden data. Delta-21, a contracting company, has been conducting these surveys for over 10 years and has collected thousands of comparables. Three current Delta-21 field personnel who have extensive experience conducting the rental survey independently estimate that OS-2000 requires an average of 6 minutes to complete, and the OS-2001 requires an average of 4 minutes to complete.

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

No payments or gifts are, or will be, provided to respondents.

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

We provide the contractors with a letter of introduction, explaining the purpose and use of the voluntary survey (see Attachment C). The contractor is required to present this

letter to each person that they contact and to confirm orally that participation is entirely voluntary. The letter also states that their responses will be kept confidential and will only be used for Government employee rent-setting purposes. We provide the telephone number of the IBC's Quarters Program Manager in the event that any individual should care to discuss his/her participation with a Government official. There is no requirement for anonymity of regional rental survey data in law. When survey data is released for specific purposes by IBC, anonymity is maintained – no respondent information, rental unit addresses, or other unit identifiers are included.

While limited Personally Identifiable Information (PII) is gathered as part of the survey, it is only used for follow-up purposes by Government employees. No sensitive PII is collected. The system that stores the PII is not used to retrieve any individual's information by a personal identifier so a System of Records Notice (SORN) is not required, however; a Privacy Impact Assessment is performed on all systems every three years so the need for a SORN is re-evaluated on a periodic basis and will be prepared if the need arises in the future.

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.

No sensitive or private information is requested. Respondents often refuse to provide the unit owner's address or telephone number, but this does not invalidate the data collected.

12. Provide estimates of the hour burden of the collection of information. The statement should:
 - * Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. 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 desirable. 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.

Forms OS-2000 and OS-2001 are completed by the contractor through verbal interview by telephone and in person – not by U.S. mail. The estimated response time (burden) is therefore based upon the contractor's experience in collecting several thousands of responses. The contractor estimates that 6 minutes are typically required to complete OS-2000, and 4 minutes are typically required to complete OS-2001. Since the contractor has many years of experience collecting the forms, and is paid for each form completed, not by the hour, the IBC is confident in the contractor's estimate of burden per form.

The aggregate annual burden of collection varies greatly from year to year because the number of survey forms specified in the Sample Plan varies from region to region. Each region is surveyed only once every four years, therefore, the number of forms required will vary from year to year.

Since many respondents are property managers, they may provide OS-2000 or OS-2001 forms on more than one property.

Annual Data Collection Forms

	OS-2000	OS-2001	Total
FY2013 (Hawaii, Caribbean, California Regions)	1,132	201	1,333
FY2014 (Idaho/Montana, Colorado/Utah/Wyoming, Plains, Alaska, American Samoa Regions)	3,552	384	3,936
FY2015 (Arizona/Nevada, Oregon/Washington, North Central, Northeast Regions)	4,400	478	4,878
FY2016 (Southeast, Mid-South, New Mexico Regions)	3,636	373	4,009
AVERAGE ANNUAL	3,180	359	3,539

The form required for a given survey region fluctuate every four years, due to the number, types, and location of government housing units, which determine the number of communities to be surveyed.

- * If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens.

	Avg. No. of Individual Respondents	Avg. No. of Responses per Respondent [1]	Avg. Total Annual Responses	Time per Response	Total Burden Hours
OS-2000	1,598	1.99	3,180	6 min.	318
OS-2001	285	1.26	359	4 min.	24
Total	1,883		3,539		342

[1] The Frequency of Response for both OS-2000 and OS-2001 may range from 1 to 22 per respondent, averaging 1.99 per respondent.

- * 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

Avg. No. of Responses per Respondent [1]

[1] The Frequency of Response for both OS-2000 and OS-2001 may range from 1 to 22 per respondent,

contracting out or paying outside parties for information collection activities should not be included here.

Annualized average cost to all (aggregate) respondents, at the current mean hourly wage for “Property, Real Estate, and Community Association Managers” (per Bureau of Labor Statistics, <http://www.bls.gov/news.release/ocwage.t01.htm>) is \$11,221 (\$32.81 x 342 hours). The total including benefits is \$15,709 (\$11,221 x 1.4).

13. Provide an estimate of the total annual non-hour cost burden to respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden already reflected in item 12.)

- * 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 and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information (including filing fees paid for form processing). 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.

The total annual cost burden of our data collection requires no capital, start-up or O&M costs to respondents. The data is already known and/or documented by respondents – either rental property records kept by property management officials and landlords in their normal course of business, or personal knowledge. The data is collected on a strictly voluntary basis and requires no one to keep rental records that are not already kept as part of their normal business practices. Therefore, respondents’ operation and maintenance costs are not affected by this data collection effort.

- * 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 costs to respondents or record-keepers of contracting out information collection services. The data is already known and/or documented by respondents, either rental property records kept by property management officials and rental landlords in their normal course of business, or personal knowledge. The data is collected on a

strictly voluntary basis and requires no one to keep rental records that are not already kept as part of their normal business practices.

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.

The annual cost to the IBC of collecting the private rental market information is based on the most recent successful competitive bid by a contractor to provide such services. The contract is bid once every four years, with a base year and three option years. The annual cost varies from year-to-year based on the number of rental comparables (forms) specified in the sample plan for each survey region. Over the current four-year regional rental survey cycle, the contractual cost to the Government is as follows:

FY2013 (Hawaii, Caribbean, California Regions)	\$92,360
FY2014 (Idaho/Montana, Colorado/Utah/Wyoming, Plains, Alaska, American Samoa Regions)	\$241,240
FY2015 (Arizona/Nevada, Oregon/Washington, North Central, Northeast Regions)	\$275,825
FY2016 (Southeast, Mid-South, New Mexico Regions)	\$215,380
Average Annual Data Collection Contract Cost	\$206,201
Annual Data Analysis Cost (GS13, 280 hrs)	\$14,560
Total Annual Data Collection & Analysis Total	\$220,761

These data collection and analysis costs are shared by the 19 Federal agencies that use IBC and iQMIS to provide rent-setting services in compliance with OMB Circular A-45.

15. Explain the reasons for any program changes or adjustments in hour or cost burden.

Fewer responses are largely due to reductions in government-owned housing units over recent years, therefore fewer communities are surveyed. The new centralized web-based iQMIS system has provided new tools and greater scrutiny of housing utilization by management. In addition, OMB’s “reduce the footprint” mandate will also affect the government housing inventory.

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.

The results of the step-wise regression analysis of private rental market survey data (base rent tables by housing type, size and age) are published in Regional Rental Survey Reports and also programmed into the iQMIS rent-setting application. Reports do not include individual survey response data; this data is confidential and is used only for contractual verification and statistical regression purposes. Regional Rental Survey Reports are published for participating bureaus/agencies (iQMIS customers') use only.

The contractor collects OS-2000 and OS-2001 survey data in communities in a specific survey region, according to the sample plan provided by the IBC, over a 90-day period. Three or four surveys are performed each year, typically between January and August. The contractor performs data validation, error-checking and other follow up activities. The data is transmitted by the contractor to the IBC. The IBC then reviews to data for compliance with the collection contract, analyzes the data, performs statistical regression techniques to determine rental algorithms for the survey region, and completes a draft Regional Rental Survey Report. This requires up to 60 days. The draft Regional Report is then submitted to DOI's Office of Acquisition and Property Management for review and approval. This requires another 30 to 60 days. After final approval, the Regional Report is released to Federal clients, along with reports of estimated impacts to rental rates for government-owned housing units. The new government rental rates are programmed into and released in the iQMIS application in December. Rents paid by federal employees and other occupants are effective the following March, in accordance with OMB Circular A-45.

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.

The Private Rental Survey forms will display the expiration date for OMB approval of the information collection.

18. Explain each exception to the topics of the certification statement identified in "Certification for Paperwork Reduction Act Submissions."

There are no exceptions to the certification statement.