

**Supporting Statement for Paperwork Reduction Act Submission**  
**Department of Housing and Urban Development**  
**Evaluation of the Office of Public and Indian Housing's (PIH) Energy Performance**  
**Contracting (EPC) Program**

**PART A. Justification**

1. Explain the circumstances that make 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 information is being collected to explore and document the effectiveness and value of Department of Housing and Urban Development (HUD) Energy Performance Contracting (EPC) program. EPCs are an innovative financing technique designed to provide Public Housing Authorities (PHAs) with cost-effective energy improvements that are installed with little or no up-front expenditures, wherein the costs of the improvements are typically borne by the performance contractor and repaid using a portion of the cost savings resulting from the improvements. Since this type of financing began in the 1980s, HUD has approved approximately 315 EPCs, totaling nearly \$1.5 billion in investments. EPCs have been executed in all ten HUD regions and in very-small (less than 250 units) to very large (more than 6,599 units) PHAs; however, to date; no substantive review of the program's performance has been conducted.

Statutory Regulation 44 USC § 3508<sup>1</sup> gives HUD the authority to collect information necessary for the proper performance of the functions of the agency. This data collection will provide HUD with data needed to accurately measure the burden of utility costs on PHAs. Additionally, the data will assist in accessing an innovative financing mechanism that HUD can undertake to reduce PHA expenditures.

*44 USC § 3508. Determination of necessity for information; hearing*

Before approving a proposed collection of information, the Director shall determine whether the collection of information by the agency is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility. Before making a determination, the Director may give the agency and other interested persons an opportunity to be heard or to submit statements in writing. To the extent, if any, that the Director determines that the collection of information by an agency is unnecessary for any reason, the agency may not engage in the collection of information.

(Added Pub. L. 104–13, §2, May 22, 1995, 109 Stat. 179.)

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<sup>1</sup> Statutory Regulation 44 USC § 3508 can be found at: <https://www.gpo.gov/fdsys/pkg/USCODE-2008-title44/pdf/USCODE-2008-title44-chap35-subchapl-sec3508.pdf>.

### *PRIOR PROVISIONS*

A prior section 3508, added Pub. L. 96–511, §2(a), Dec. 11, 1980, 94 Stat. 2821, related to determination of whether collection of information is necessary for proper performance of functions of agency prior to the general amendment of this chapter by Pub. L. 104–13. Another prior section 3508, Pub. L. 90–620, Oct. 22, 1968, 82 Stat. 1304, related to unlawful disclosure of information, penalties, and release of information to other agencies, prior to the general amendment of this chapter by Pub. L. 96–511. See section 3510(b) of this title.

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 data collection is part of an evaluation being conducted on behalf of HUD’s Office of Policy Development and Research (PD&R) to examine the effectiveness of Energy Performance Contracts (EPCs) used by Public Housing Authorities (PHAs) to improve the energy efficiency of the properties in their Asset Management Projects (AMPs). The study will consist of research activities such as surveying public housing staff, interviewing a subset of the study’s PHAs and reporting of findings, with policy analysis and recommendations. The survey intends to collect information from PHAs that have conducted EPCs as well as PHAs that have not, in order to compare the impacts of EPCs on their utility, financial and physical conditions. The study will break the survey sample into three groups: those that have executed EPCs (group 1), those that began the HUD EPC process but did not complete it (group 2), and those who have never initiated an EPC (group 3). The proposed sample design approach stratifies the group 1 and group 3 PHAs by size and HUD region. PHAs in group 2 will not be stratified because of the small population size, but will be used to examine PHA experiences with and perception of HUD’s EPC process. The econometric analysis will use PHA characteristics drawn from administrative and survey data to control for confounding factors such as PHA propensity to undertake an EPC. Moreover, the study contains an option to evaluate the effectiveness of the EPC program for very-small- to small-sized PHAs in improving the conditions of their housing. The findings and analysis from all of the information collected will be used to make policy decisions and improvements to the EPC program.

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.

The proposed data collection instrument is a web-based survey that will be enhanced by follow-up telephone interviews to a subset of the study’s participants. The web-based survey will be sent to public housing staff via customized e-mails. Web-based surveys can allow respondents to automatically skip questions that are irrelevant to them. Additionally, this web survey will enable respondents to stop the survey at any point and resume later from where they stopped, without losing any information they had previously entered. Completing and submitting an online survey eliminates the need to physically return the survey like paper surveys. All these factors

significantly reduce the burden on the respondent. Selected respondents will be contacted by telephone for a more in-depth interview after the web survey period has ended.

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.

This collection will not duplicate any other information collection. The key objective of this survey is to measure perceptions, attitudes and behaviors of public housing authorities (PHAs) that have:

- executed an EPC,
- never been involved with an EPC,
- begun but did not complete the EPC application process.

The data being collected is critical to evaluation of the effectiveness of the EPC program and is not available in existing administrative databases.

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

The web survey will collect data from PHAs that may vary in size. To minimize burden on small entities, the questionnaire will be available in a web version and respondents may access it at their convenience. Additionally, the instrument will be available in hard-copy form to those who prefer and request this mode. The expectation is that the organization staff best suited to respond to the survey will be program directors and others with administrative responsibilities. For all web survey respondents, the questionnaire will consist of branching options that are designed to minimize respondent time and automatically route respondents to relevant questions.

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 the burden.

The sample survey in this study requiring the 30-day PRA notice will assess the effectiveness of the Office of Public and Indian Housing's (PIH) EPC program. HUD's Office of Policy Development and Research (PD&R) will be examining trends in utility consumption and the financial and physical condition of a representative sample of PHAs that have implemented EPCS compared to those that have not. PD&R conducts independent, reliable, and objective research and data analysis to help inform policy decisions related to housing and community development issues. This study was procured by PD&R without program office resources, consistent with the six core principles of PD&R's evaluation policy: rigor, relevance, transparency, independence, ethics, and technical innovation. The proposed sample survey of the PHAs will expand the data analysis to multiple sizes of housing authorities that have or have not used an EPC. PIH supports this study because it is the first independent evaluation that has ever been carried out on this long-standing program and provides independent evidence the Department will use to make informed decisions on policy matters related to capital expenditures and utility payments to housing authorities. Without the survey results the research report will

provide evidence from only nine case studies from which the Department cannot make substantial evidence-based decisions related to this program.

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 3 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 that 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.

The proposed data collection activities are consistent with the guidelines set forth in 5 CFR 1320 (Controlling Paperwork Burdens on the Public). There are no special circumstances that require deviation from these guidelines.

- Under this ICR, HUD will not conduct any data collection requiring respondents to report information to the agency more often than quarterly;
- Under this ICR, HUD will not conduct any data collection requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
- Under this ICR, HUD will not conduct any data collection requiring respondents to submit more than an original and two copies of any document;
- Under this ICR, HUD will not conduct any data collection requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;
- Under this ICR, HUD will not conduct any data collection 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;
- Under this ICR, HUD will not conduct any data collection requiring the use of a statistical data classification that has not been reviewed and approved by OMB;

- Under this ICR, HUD will not conduct any data collection 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
- Under this ICR, HUD will not conduct any data collection 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.

This data collection involves a voluntary survey. Respondents will be told at the onset of both the web survey and the telephone interviews that the collected data will be kept strictly confidential and that the results will be aggregated for analyses.

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 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 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 3 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.

HUD published a 60-day Notice in the Federal Register requesting public comments on 07/22/2016, pages: 47813-47814 (2 pages), document number: 2016-17391. No comments were received during this 60-day Notice period.

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

HUD will not provide any payments or gifts to respondents for participation in the survey.

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

The information collection will fully comply with all aspects of the Privacy Act (1974). Survey respondents will be told, at the onset of both the web survey and telephone interviews, the purposes for which the information is collected, and that any identifiable information about them will not be used or disclosed for any other purpose, except under such circumstances as may be required by law. Respondents will be given this assurance during recruitment, which will also provide assurance that the information being gathered will be kept strictly confidential and is for research purposes only. Respondents will be informed that participation is voluntary, that they may refuse to answer any question, and that they may stop their participation at any time.

We will be requesting name, position, email, and phone number from individuals who complete the survey. This information will only be used to contact respondents should there be a need to follow-up on survey responses. Names will not be linked to comments or responses in data provided to HUD. Data will be reported in aggregate form in all reports. The contractor will safeguard all data, and only authorized users will have access to them. Information gathered for this study will be made available only to researchers authorized to work on the study.

The contractor has a secure server for online data collection, utilizing its existing and continuously tested web survey infrastructure. This infrastructure features the use of HTTPS (secure socket, encrypted) data communication; authentication (login and password); firewalls; and multiple layers of servers, all implemented on a mixture of platforms and systems to minimize vulnerability to security breaches.

Hosting on an HTTPS site ensures that data are transmitted using 128-bit encryption, so that transmissions intercepted by unauthorized users cannot be read as plain text. This security measure is in addition to standard password authentication that precludes unauthorized users from accessing the web application.

The contractor has established data security plans for handling all data during all phases of survey execution and data processing for the surveys it conducts. The contractor's existing plans meet the requirements of U.S. federal government agencies and are continually reviewed in the light of new government requirements and survey needs. Such security is based on (1) exacting company policy promulgated by the highest corporate officers in consultation with systems staff and outside consultants, (2) a secure systems infrastructure that is continually monitored and evaluated with respect to security risks, and (3) secure work practices of an informed staff that take all necessary precautions when dealing with private data.

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.

This study will not collect any information of a sensitive nature or any other information considered as private.

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 of potential respondents (fewer than 10) 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.

See table below.

- If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.

During the option period, which will focus on small to very-small PHAS, there will be an overlap with the sample that was surveyed during the base period. To eliminate the event of resurveying a small or very-small PHA and to reduce burden, data collected from the first survey will be used in the analyses of small and very-small PHAs.

- 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 or paying outside parties for information collection activities should not be included here. Instead, this cost should be included under Item 13.

For each collection period (i.e., base and option), the data collected will only be a one-time effort. Thus, the annualized costs are the same as the costs displayed below.

**Table 1: Burden Estimates for Evaluation of EPC Program Data Collection Efforts**

Information Collection		Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost Per Response <sup>2</sup>	Annual Cost
Base Period	Web	299.00	1.00	299.00	0.33	98.67	\$34.79	\$3,432.73
	Telephone	28.00	1.00	28.00	1.00	28.00	\$34.79	\$974.12
	<b>Total</b>	<b>327.00</b>		<b>327.00</b>		<b>126.67</b>	\$34.79	<b>\$4,406.85</b>
Option Period	Web	136.00	1.00	136.00	0.33	44.88	\$34.79	\$1,561.38
	Telephone	18.00	1.00	18.00	1.00	18.00	\$34.79	\$626.22
	<b>Total</b>	<b>154.00</b>				<b>62.88</b>	\$34.79	<b>\$2,187.60</b>
<b>Total</b>		<b>481.00</b>				<b>189.55</b>	\$34.79	<b>\$6,594.45</b>

13. Provide an estimate for the total annual cost burden to respondents or record-keepers resulting from the collection of information. Do NOT include the labor cost (wage equivalent) of the burden-hours described in item 12 above. The information required here corresponds to that in item 14 on the 83-I (cost to the public).

There will be no cost burden to respondents associated with this collection.

14. Provide estimates of annualized costs to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of

<sup>2</sup> The Bureau of Labor Statistics National Compensation Survey reported estimates that in 2017, the average property manager made about \$34.79/hour (see [https://www.bls.gov/oes/current/oes\\_nat.htm](https://www.bls.gov/oes/current/oes_nat.htm)).

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 may also aggregate cost estimates from Items 12, 13, and 14 in a single table.

**Table 2: Annualized Cost Estimate to the Federal Government**

Information Collection		Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost Per Response	Annual Cost
Base Period	Web	299.00	1.00	299.00	0.33	98.67	\$52.66	\$5,195.96
	Telephone	28.00	1.00	28.00	1.00	28.00	\$52.66	\$1,474.48
	<b>Total</b>	<b>327.00</b>		<b>327.00</b>		<b>126.67</b>	\$52.66	<b>\$6,670.44</b>
Option Period	Web	136.00	1.00	136.00	0.33	44.88	\$52.66	\$2,363.38
	Telephone	18.00	1.00	18.00	1.00	18.00	\$52.66	\$947.88
	<b>Total</b>	<b>154.00</b>				<b>62.88</b>	\$52.66	<b>\$3,311.26</b>
<b>Total</b>		<b>481.00</b>				<b>189.55</b>	\$52.66	<b>\$9,981.70</b>

The methodology used to calculate this cost is the same as described above for Table 1. However, these annualized costs were estimated using a pay equivalent to Washington, DC GS13, Step 5 FY2018 rate of \$52.66/hr. We have estimated that the cost to the federal government for the fielding of the survey and collecting the data is estimated at approx. 190 hours and \$9,982.

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

There are no program changes or adjustments reported in items 13 or 14 as this is a new request for information.

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.

No information that can be used to identify an individual will be published. Statistical results published will be analyzed at an aggregate level.

For Base Period, the final report of the Evaluation of the EPC Program is expected to be provided to the public during Spring 2019. As indicated above, this data collection effort applies to the evaluation of PHAs that have conducted EPCs as well as PHAs that have not.

Estimated dates for:



- Beginning and ending of information collection: Jun. 2018 – Sept. 2018
- Report Completion: Feb. 2019
- Publication Dates: Jun. 2019
- Other Actions: See Table 3

Table 3 below displays the timeline for the completion of the Base Period EPC study:

**Table 3: Timeline for Base Period Tasks**

<b>Task Number</b>	<b>Task Name</b>	<b>Date</b>
1	Attend Orientation Meeting	3/23/2017*
2	Submit Management Work Plan	4/9/2017*
3	Submit Research Design/Data Collection and Analysis Plan	11/27/2017*
4	Develop Survey	8/24/2017*
5	Develop OMB Clearance Package	11/7/2017*
6	Select Participants	9/1/2017*
7	Submit Interim Report	1/10/2018*
8	Implement Survey	Summer 2018
9	Analysis Collected Data	Fall 2018
10	Submit Final Report	Feb. 2019
11	Submit Data Files and Data Documentation	Feb. 2019

\*Completed

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.

HUD will display the OMB approved expiration date on the survey collection instruments and will provide it over the phone to respondents.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

HUD is not requesting any exceptions to the certification statement identified.