

# Paperwork Reduction Act Submission

Please read the instruction before completing this form. For additional forms or assistance in completing this form, 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.

<p>1. Agency/Subagency Originating Request:  <b>U.S. Department of Housing and Urban Development</b>                  Office of Public and Indian Housing, Real Estate Assessment Center</p>	<p>2. OMB Control Number:                  a. 2577-0246      b. <input type="checkbox"/> None</p>
<p>3. Type of information collection: (check one)</p> <p>a. <input type="checkbox"/> New Collection</p> <p>b. <input checked="" type="checkbox"/> <b>Revision</b> of a currently approved collection</p> <p>c. <input type="checkbox"/> Extension of a currently approved collection</p> <p>d. <input type="checkbox"/> Reinstatement, <b>without change</b>, of previously approved collection for which approval has expired</p> <p>e. <input type="checkbox"/> Reinstatement, <b>with change</b>, of previously approved collection for which approval has expired</p> <p>f. <input type="checkbox"/> Existing collection in use without an OMB control number</p> <p>For b-f, note item A2 of Supporting Statement instructions.</p>	<p>4. Type of review requested: (check one)</p> <p>a. <input checked="" type="checkbox"/> Regular</p> <p>b. <input type="checkbox"/> Emergency - Approval requested by</p> <p>c. <input type="checkbox"/> Delegated</p> <p>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</p> <p>6. Requested expiration date:                  a. <input checked="" type="checkbox"/> Three years from approval date b. <input type="checkbox"/> Other (specify)</p>
<p>7. Title:  <b>Public Housing Operating Subsidy –Appeals</b></p>	
<p>8. Agency form number(s): (if applicable)                  N/A</p>	
<p>9. Keywords:                  Housing, public housing, operating subsidy</p>	
<p>10. Abstract:                  To “appeal of the amount of operating subsidy on any one of the permitted bases of appeal PHAs submit a written appeal request to HUD.</p>	
<p>11. Affected public: (mark primary with “P” and all others that apply with “X”)</p> <p>a. Individuals or households      e. Farms</p> <p>b. Business or another for-profit      f. Federal Government</p> <p>c. <input checked="" type="checkbox"/> Not-for-profit institutions      g. <input checked="" type="checkbox"/> State, Local or Tribal Government</p>	<p>12. Obligation to respond: (mark primary with “P” and all others that apply with “X”)</p> <p>a. <input checked="" type="checkbox"/> Voluntary</p> <p>b. <input checked="" type="checkbox"/> Required to obtain or retain benefits</p> <p>c. <input type="checkbox"/> Mandatory</p>
<p>13. Annual reporting and recordkeeping hour burden:</p> <p>a. Number of respondents      105</p> <p>b. Total annual responses      105</p> <p>    Percentage of these responses collected electronically      0%</p> <p>c. Total annual hours requested      2049</p> <p>d. Current OMB inventory      2049</p> <p>e. Difference (+,-)</p> <p>f. Explanation of difference:</p> <p>    1. Program change:</p> <p>    2. Adjustment:</p>	<p>14. Annual reporting and recordkeeping cost burden: (in thousands of dollars)</p> <p>    Do not include costs based on the hours in item 13.</p> <p>a. Total annualized capital/startup costs      0</p> <p>b. Total annual costs (O&amp;M)      0</p> <p>c. Total annualized cost requested      0</p> <p>d. Current OMB inventory      0</p> <p>e. Difference      0</p> <p>f. Explanation of difference:</p> <p>    1. Program change:      0</p> <p>    2. Adjustment:</p>
<p>15. Purpose of Information collection: (mark primary with “P” and all others that apply with “X”)</p> <p>a. <input checked="" type="checkbox"/> <b>Application</b> for benefits      e. <input checked="" type="checkbox"/> Program planning or management</p> <p>b. Program evaluation      f. Research</p> <p>c. General purpose statistics      g. <input checked="" type="checkbox"/> Regulatory or compliance</p> <p>d. Audit</p>	<p>16. Frequency of recordkeeping or reporting: (check all that apply)</p> <p>a. <input type="checkbox"/> Recordkeeping      b. <input type="checkbox"/> Third party disclosure</p> <p>c. <input checked="" type="checkbox"/> Reporting:</p> <p>    1. <input checked="" type="checkbox"/> On occasion      2. <input type="checkbox"/> Weekly      3. <input type="checkbox"/> Monthly</p> <p>    4. <input type="checkbox"/> Quarterly      5. <input type="checkbox"/> Semi-annually      6. <input type="checkbox"/> Annually</p> <p>    7. <input type="checkbox"/> Biennially      8. <input type="checkbox"/> Other (describe)</p>
<p>17. Statistical methods:                  Does this information collection employ statistical methods?  <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>18. Agency contact: (person who can best answer questions regarding the content of this submission)</p> <p>Name: Kevin Gallagher                  Phone: 202-402-4192</p>

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## 19. Certification for Paperwork Reduction Act Submissions

On behalf of the U.S. Department of Housing and Urban Development, 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 collect (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.

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Signature of Program Official:

Date:

Kevin Gallagher, Director  
Financial Management Division (FMD), Office of Public Housing Programs

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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. Section 9(a) of the U.S. Housing Act of 1937 (42 U.S.C. 1437q) authorizes the Secretary of the Department of Housing and Urban Development to make annual contributions for the operation of low-income housing projects in the form of operating subsidy. The 1937 Act limits eligibility for Public Housing to low-income families and caps the public housing rents at 30 percent of a family's income. Accordingly, Public Housing Agencies (PHAs) rely on the HUD operating subsidies, rather than rental income, to cover a significant amount of the costs associated with operating their public housing units.

On October 21, 1998, the Congress enacted the Quality Housing and Work Responsibility Act of 1998 (P.L. 105-276, approved October 21, 1998) (referred to as the "Public Housing Reform Act"). The Public Housing Reform Act made sweeping changes to HUD's public and assisted housing programs. Among other changes, section 519 of the Public Housing Reform Act amended section 9 of the 1937 Act. Section 9, as amended, establishes an operating fund for the purpose of making assistance available to PHAs for the operation and management of public housing (see **Exhibit A**). Section 9(f) requires that the operating fund assistance to be made available be determined pursuant to a formula.

In September 2005 the Department implemented a final Operating Fund Program rule (see **Exhibit B**) developed through negotiated rulemaking. This rule provides that PHAs may appeal subsidy amounts under certain specified circumstances. Currently, there are four different permitted grounds of appeal (see Item 2, below) and the appeal procedures and requirements for each of these four grounds of appeals are set forth in the rule. All appeals require the submission of supporting documentation to HUD.

2. Under the Operating Fund Program rule, PHAs may elect to file an appeal of their subsidy amounts. When they do so, they must meet the appeal requirements set forth in subpart G of the rule. The four grounds on which PHAs can now appeal pursuant to 24 CFR § 990.245: (a) streamlined appeal; (c) appeal for specific local conditions; (d) appeal for changing market conditions; and (e) appeal to substitute actual project cost data. (See Response to #15 below regarding appeals which were previously permitted under 990.245(b) for formula income for economic hardship.) Appeals under 990.245 (a) and (c) must be submitted once annually. Accordingly, any changes to subsidy based on these grounds of appeal are only effective for one year. Appeals under (a) and (c) must be submitted for new projects in a PHA's inventory within one year of the applicable date of full availability. Finally, appeals under (c) and (e) are subject to HUD's review of an independent cost assessment of PHA properties, which results are binding on the PHA regardless of the new funding level. The rule does not establish frequency, timing or special supporting documentation requirements for appeals under (d).

A PHA that elects to file an appeal must submit the following to HUD for review:

- Cover letter from the Executive Director requesting the appeal and stating grounds under which the appeal is filed;
- Supporting documentation for each ground; and
- Any required assessment, per the provisions of the operating fund final rule.

3. As stated in Item 2, above, requests for appeals are voluntary. PHAs that do elect to appeal may submit their appeal request and all required documents electronically by email or they may send a hard copy by US Mail or other carrier.
4. HUD is not aware of any duplication of efforts to collect this data. Any data already submitted to HUD will not be requested again.
5. The information being collected has no significant impact on small businesses or other small entities.

6. HUD requests program funds annually in the Departmental Budget. The operating subsidy funds are obligated to the PHAs annually, as reflected on the operating budget, in accordance with the formula in the Operating Fund Program rule.
7. There are no special circumstances that require the collection of information to be inconsistent with the guidelines in 5 CFR § 1320.6.
  - requiring respondents to report information to the agency more than quarterly;  
**Not Applicable**
  - requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;  
**Not Applicable**
  - requiring respondents to submit more than an original and two copies of any document;  
**Not Applicable**
  - requiring respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years;  
**Not Applicable**
  - 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;  
**Not Applicable**
  - requiring the use of a statistical data classification that has not been reviewed and approved by OMB;  
**Not Applicable**
  - 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  
**Not Applicable**
  - 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.
- Not Applicable**
8. This information collection was announced in the *Federal Register*, Volume 84; No. 34; Page 5103 on **February 20, 2019**. The public was given until **April 22, 2019** to comment. HUD received no comments.
9. No payments or gifts are provided to respondents.
10. Assurance of confidentiality is neither provided nor needed because PHA budgets are passed at public Board of Commissioner meetings.
11. No sensitive questions are being asked.
12. The burden hour calculations for preparation and submission of an appeal are shown by the type of appeal that PHAs may file. The calculations assume that for certain of the permitted grounds of appeal more time is needed to complete the appeal submission because they require more information and data.

Appeal Total Annual Burden Hour Estimates for PHAs								
Grounds of Appeal Under § 990.245	Number of Respondents	X	Frequency of Response	Total Responses	X	Est. Hours	=	Total Annual Burden Hours
(a) Streamlined appeal	3		1	3		9		27
(c) Appeal for specific local conditions	1		1	1		12		12
(d) Appeal for changing market conditions	100		1	100		20		2000
(e) Appeal to substitute actual project cost data	1		1	1		10		10
<b>Totals</b>	<b>105</b>			<b>105</b>				<b>2049</b>

The estimated annual cost to respondents to appeal subsidy are provided in the table below and assume an Analyst's annual salary of \$132,818 at a GS-14/5 level rate (Salary Table 2019-GS) or an hourly rate of \$63.64.

Total Estimated Annual Costs to Respondents						
	Number of Respondents	Total Burden Hours	X	Hourly Rate	=	Annualized Cost
For all appeals	105	2049		\$ 63.64		\$130,398.36

13. For appeals under 24 CFR §§ 990.245 (c) specific local conditions, and (e) appeals to substitute actual project cost data, PHAs are required to acquire, and pay the cost of, an “independent cost assessment” of its projects. A PHA must submit this independent cost assessment to HUD as part of the PHA’s appeal for review by a professional who will be procured by HUD. Data shows that annually, PHAs submits an appeal that requires an independent cost assessment under (c) and 1PHA submits appeal that requires an independent cost assessment under (e), for a total of 5 appeals for the prior three years (see Item 12, above). In the chart below the cost to PHAs is shown by the average annual number of PHAs that paid for the cost of an independent cost assessment and the estimated annual hours.

Estimated Annual Cost to PHAs for the Independent Cost Assessment – Contract Support								
No. of PHAs	No. of Respond.	Freq. of Responses	Estimated Hours	Total Annual Burden Hours	X	Hourly Rate	=	Total Annual Cost
2	2	1	55	110		\$100.00		\$11,000.00

14. The estimated annualized costs to the federal government for the collection for PHA operating fund appeals is based on the 2019 general pay schedule for a GS-14/5 rate (an average salary for a financial analyst), which is \$63.64 per hour.

Estimated Annual Cost to the Federal Government – Staff								
PHA Action	Number of Respondents	Frequency of Responses	Estimated Hours	Total Annual Burden Hours	X	Hourly Rate	=	Total Annual Cost
Appeals	105	1	15	1575		\$63.64		\$100,233.00

Total Estimated Annual Cost to the Federal Government for Appeals				
Government Contractor Cost	+	Government Staff Cost	=	Total Annual Cost
0		\$100,233.00		\$100,233.00

15. The total numbers of burden hours are 2,049. The annual salary information and the data submission information are based on the 2019 General Schedule Pay Scale (GS 14/5).

16. This information will not be published.

17. HUD is not seeking approval to not display the expiration date of the OMB approval. A Federal Register notice will be published to announce the new OMB approval number expiration date once OMB reviews and approves the collection. **Exhibit D** is the OMB Disclosure statement.

18. There are no exceptions to the certification statement identified in item 19 of the OMB 83-I.

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### C. Collections of Information Employing Statistical Methods

N/A

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*HUD is committed to protecting the privacy of individuals' information stored electronically or in paper form, in accordance with federal privacy laws, guidance, and best practices. HUD expects its third-party business partners, including Public Housing Authorities, who collect, use maintain, or disseminate HUD information to protect the privacy of that information in Accordance with applicable law.*