

Supporting Statement for Paperwork Reduction Act Submissions
Low-Income Housing Tax Credit (LIHTC) Data Collection
(OMB# 2528-0320)

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 statutory authority for this data collection is found in 42 U.S.C. 1437z-8, Collection of information on tenants in tax credit projects, which requires the state housing agencies submit to the U.S. Department of Housing and Urban Development (HUD) “information concerning the race, ethnicity, family composition, age, income, use of rental assistance under section 8(o) of the United States Housing Act of 1937 or other similar assistance, disability status, and monthly rental payments of households residing in each property.”

The congressional intent of this data collection is to provide basic information on the Low-Income Housing Tax Credit (LIHTC) program and the population it serves. The LIHTC program uses benefits available through the tax code as an incentive to produce qualified low-income housing units. The program is administered by 60 (predominantly state-level) allocating agencies. While the IRS has responsibility for issuing LIHTC regulations and ensuring compliance with the code for individual taxpayers, states administer the program and are also responsible for monitoring compliance at the project level.

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 to be collected in the LIHTC database will be used by HUD to comply with the reporting requirements of Housing and Economic Recovery Act (HERA) of 2008, which requires HUD to make the data publicly available. Since December 2014, HUD has released annual reports summarizing the data. In addition to fulfilling this statutory requirement, HUD may use the data internally to inform policy.

Information will be submitted to HUD in XML formatted files by state Housing Finance Agencies (HFAs) through HUD’s Secure Systems environment. All responses must be submitted electronically through this online system in the XML-format established by HUD. HFAs must submit the information annually with a deadline of September 30. The information will not be shared with any agencies or entities outside of HUD, aside from the statutory reporting requirements described above. This collection has not materially changed since its inception in 2010.

The property data will be added to HUD’s LIHTC Properties Placed in Service database, which does not contain any sensitive information and is used by researchers, households searching for affordable housing and policymakers.

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.

In order to reduce the reporting burden on the HFAs, HUD designed this this collection to use existing systems and technology that are already employed by the responding agencies. These state agencies use web-based systems that contain the needed data items. HUD also provides a detailed set of instructions to enable state data processing staff to understand the nature of the requested items and to construct or export the required XML data file using their current data system. HUD choose the required file format (XML) because most states use systems that export this file type. In addition, HUD has procured a contractor who will be available throughout the data collection period to answer questions and/or assist states as needed regarding data submission.

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 congressional mandate for this data collection originated from the lack of data on tenants in LIHTC units. This effort represents the only federal effort to collect data on tax credit tenants. The tax credit program is designed such that program compliance is conducted by the state housing finance agencies. For this reason, no federal agency collects information on LIHTC tenants. This also represents the only federal effort to collect data on tax credit projects aside from IRS reporting which is not available for HUD or public use.

Private researchers have conducted some work on the tax credit program, but these efforts have either been very limited in scope or do not provide data that is publicly available. Indeed, one of the benefits to states of this project is that HUD plans to make the LIHTC database available to the public, thus eliminating the need for states to fill redundant requests from individual researchers.

No data are available which are similar to the data that will be collected through this study.

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

Respondents for this data collection include state tax credit allocating agencies. None of these entities is a private business. HUD does not have information on the size of the entities administering the credits in individual states; however, responsibility typically lodges with a state housing finance agency, which would ordinarily not be considered a small entity.

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.

Less frequent data collection would violate the requirement in the HERA to collect the information “at least annually”. Aside from the statutory requirement, less frequent data collection places data at HUD’s disposal with longer lags. Hence, the Department’s analysis of an important housing program is rendered less current and less comprehensive at any given time. Annual data collection keeps HUD abreast of any trends as they are developing and are most amenable to policy intervention. A secondary benefit of annual updates is, presumably, they are far less burdensome than the larger requests that would be needed if less frequent data collection were instituted.

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;

The respondents do not report information more than quarterly. Reporting is only annual.

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

Respondents do not prepare written responses. All responses are only electronic and they have more than 30 days to respond.

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

Respondents are not required to submit any originals or copies.

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

Respondents are not required to retain records for this data request.

- 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;

This is not a statistical survey.

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

This collection does not use or require a statistical data classification.

- 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

This collection does not include a pledge of confidentiality.

- 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.

This collection does not request proprietary or other confidential information.

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 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.

HUD published an Advanced Solicitation of Comment on Data Collection Methodology in the Federal Register on February 11, 2019 (84 FR 3222). Prior to publication of this solicitation, HUD staff are periodically in contact with the state housing finance agencies which are required to submit this information. In addition to informal communication, HUD staff regularly participate in two annual conferences hosted by the National Council of State Housing Agencies (NCSHA). HUD staff also participate in the Multifamily Information and Transactions Standards (MITS) working group, which is composed of state housing finance agencies and their software vendors. This group works to define a common set of electronic reporting standards across states in order to facilitate the development of reporting systems and reduce reporting burden for property managers who submit the required compliance information to state housing finance agencies.

In response to the advanced solicitation of comment, HUD received six requests for the proposed data collection forms and seven written comments. The data collection forms were e-mailed to those who requested as the request were received. Responses to the comments were e-mailed during the week of April 22.

The written comments were generally supportive of HUD's proposed forms. Five of the commenters requested additional questions to be added. After consideration, HUD decide to amend the property form to ask 1) if a property has an affordability period longer than the federal minimum, how long is the affordability period; 2) did the property receive funds from the National Housing Trust Fund; and 3) is the property part of HUD's Rental Assistance Demonstration (RAD). In addition, in response to comments, HUD removed "Non-compliance" as a reason why the property is no longer monitored for LIHTC compliance, since this is not a legal reason for exiting the program. HUD determined that the additional requested questions either not practical or represented too great a burden for respondents. These included: 1) whether

the developer agreed to waive its right to a Qualified Contract; 2) the rent level of units set-aside below the rent ceiling; and 3) the name of the General Partner. HUD determined that the first of these questions was too great a burden for HFAs to answer. The second of these questions could be calculated with the tenant data HUD receives. The third of these questions was not practical because the general partner could change over time and this data collection only requests information at the time the property is placed into service. Thus, if the name of the general partner changed, HUD would not likely receive that information from the HFA.

One commenter requested that HUD provide time for HFAs to update their systems in order to provide the information and allowances for previously submitted properties. HUD's responses stated that HFAs will be provided one year to make changes to their collection forms and systems before the information is required and that the new information is only required for newly submitted records.

Finally, one commenter requested HUD 1) collect household member data in aggregate, 2) change how the data is received, and 3) allow more time for the HFAs to review their data before its published by HUD. The requested change to how household member data is collected would make the data collection less efficient and would increase burden on HFAs. The requested change to how the data is collected asked for HUD to allow HFA software vendors to directly submit files on behalf of the HFAs and to provide immediate feedback on the status of uploaded files, i.e. whether the files contain errors. HUD already allows software vendors to upload directly to HUD and provides file status upon upload. Finally, HUD will allow for more review time by the HFAs before the data is published.

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

No payments 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.

Privacy Act information is provided on data collection form instructions. The collected tenant data will be aggregated to prevent the identification and protect the privacy of individuals prior to public release. HUD will apply Census-type disclosure rules to protect tenant privacy.

The property characteristics information to be collected are basic, descriptive data about publicly subsidized housing projects, specifically their location, size, and use of specific financing mechanisms. All of this information is already publicly available. Therefore, no offers of confidentiality will be made for the collected project data. The requested property-level data are public information.

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.

The tenant data collection form contains questions which may be considered sensitive, including income, rent, date of birth, race, ethnicity and disability status. However, these questions are mandated by the 42 USC § 1437z-8 and HUD has no discretion regarding their inclusion. In the absence of these tenant questions, HUD would be violation of the National Housing Act as amended by HERA.

The questions concerning property characteristics are not considered sensitive in nature. Information focuses on standard variables concerning the location, size, and other characteristics of federally subsidized housing projects.

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;
- if this request 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; and
- 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 in Item 13.

Information Collection	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost Per Response	Annual Cost
Tenant Data Form HUD-52697	60.00	1.00	60.00	40.00	2,400.00	\$41.25	\$99,000.00
Project Data Form HUD-52695	60.00	1.00	60.00	8.00	480.00	\$41.25	\$19,800.00
TOTAL	120.00			48.00	2,880.00		\$118,800.00

The requested information is currently collected by the respondents. Respondents are also familiar with the electronic submission process that is used. To assist with the electronic submission of data, HUD plans to procure a contractor who will advise and if needed assist states in submitting the data.

Based on past experience with collecting data on projects placed in service, respondents generally spend approximately twenty-four person-hours responding to the property survey. It is expected that respondents will spend an additional twenty-four person-hours responding to the tenant survey. The burden will be lessened with the assistance provided from the HUD-funded contractor described above.

Each housing finance agency that administers LIHTCs must respond once annually to the tenant and property data requests. There are 60 agencies (states plus DC, territories, and a few sub-state allocators), excluding American Samoa which received a permanent waiver because it does not actively allocate new LIHTCs.

The overall annual response burden totals 48 person-hours per respondent. Based on the average hourly wage of Data Processing employees (source: BLS) of \$41.25, the total aggregate cost is \$1,980.00 per respondent annually and \$118,800.00 annually in aggregate across all responding HFAs.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers 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.

Not applicable.

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.

Information Collection	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost Per Response	Annual Cost
Tenant Data Form	60.00	1.00	60.00	40.00	2,400.00	\$56.15	\$134,760.00
Project Data Form	60.00	1.00	60.00	8.00	480.00	\$56.15	\$26,952.00
TOTAL	120.00			48.00	2,880.00		\$161,712.00

The cost is calculated at the hourly rate of a GS-14 staff member in the Washington, DC area and additional operating expenses to review the responses. The only budgeted cost to the federal government is approximately \$161,712.00 annually to fund a contractor to assist state housing agencies with their data submissions.

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

There is no change in burden per agency. There is one additional agency which will respond to both the property and tenant forms. In the past, the state of Minnesota responded for itself and the state's sub-allocating agencies. However, the state sub-allocating agencies will respond as a group but separate from the state.

HUD is proposing to change the data collections forms by adding several questions and revising to account for new policies. On the tenant form, HUD is proposing to request the county of each property and is revising responses to the rent and income limit questions to account for the new income-averaging option that was passed in Consolidated Appropriations Act 2018. Finally, the Program type questions is revised to reduce burden by removing the income limits for the identified programs. On the property form, HUD is proposing to collect information on whether the property was re-syndicated or is a scattered-site property, whether the property has an affordability period longer than the Federal minimum, and whether the property received funds from the National Housing Trust Fund or Opportunity Zone investment funds, and whether the property participated in HUD's Rental Assistance Demonstration (RAD). For properties that are no longer monitored, the property form also requests the reason. Finally, responses to two questions are revised to account for the new income-averaging option.

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 data collection and analysis described above will be completed by HUD. The data collection is scheduled to occur in September 2019 and annually through the expiration of the data collection form.

Following collection of all data, HUD will have all projects geocoded with Census Tract identifiers and continue the congressionally mandated descriptive report. HUD also plans to report aggregated tenant data in its Picture of Subsidized Households, as the coverage and quality of data allows. HUD's public use database of LIHTC properties in service will also be updated.

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.

Not applicable.

18. Explain each exception to the certification statement identified in item 19.

Not applicable.

B. Collections of Information Employing Statistical Methods

Not applicable. Statistical methods will not be employed.