# 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.

1. Agency/Subagency Originating Request:
U.S. Department of Housing and Urban Development
Office of Public and Indian Housing Real Estate Assessment Center

2. OMB Control Number: 2577-0289
a.
b. ☒ None

3. Type of information collection: (check one)
a. ☐ New Collection
b. ☒ Revision of a currently approved collection
c. ☐ Extension of a currently approved collection
d. ☐ Reinstatement, **without change**, of previously approved collection for which approval has expired
e. ☐ Reinstatement, **with change**, of previously approved collection for which approval has expired
f. ☐ Existing collection in use without an OMB control number

For b-f, note item A2 of Supporting Statement instructions.

4. Type of review requested: (check one)
a. ☒ Regular
b. ☐ Emergency - Approval requested by
c. ☐ Delegated

5. Small entities: Will this information collection have a significant economic impact on a substantial number of small entities?
Yes No **X**

6. Requested expiration date:
a. ☒ Three years from approval date b. ☐ Other (specify)

7. Title:
National Standards for the Physical Inspection of Real Estate (NSPIRE) Demonstration

8. Agency form number(s):

9. Keywords: Housing, Multifamily, Housing, Public Housing, Physical Inspection, Self-Inspection

10. Abstract: Property owners and public housing agencies that participate in the Demonstration to test a new inspection protocol will submit information to HUD about the inspections of their properties that they conduct annually. The annual inspection self-inspection data includes building profile information, building system certifications, local code violations and work orders. Through the analysis of specific property conditions HUD will refine inspection standards and protocols to better ensure resident housing is decent, safe, sanitary and in good repair

11. Affected public: (mark primary with "P" and all others that apply with "X")
a. Individuals or households
b. **P** Business or other for-profit
c. X Not-for-profit institutions
e. Farms
f. Federal Government
g. State, Local or Tribal Government

12. Obligation to respond: (mark primary with "P" and all others that apply with "X")
a. Voluntary
b. Required to obtain or retain benefits
c. **P** Mandatory

13. Annual reporting and recordkeeping hour burden:

| | |
|---|---|
| a. Number of respondents | 35,000 |
| b. Total annual responses | 4,500 |
| Percentage of these responses collected electronically | 100% |
| c. Total annual hours requested | 12,150 |
| d. Current OMB inventory | 11,950 |
| e. Difference (+,-) | +200 |
| f. Explanation of difference: | |
| 1. Program change: | |
| 2. Adjustment: | +200 |

14. Annual reporting and recordkeeping cost burden: (in thousands of dollars)

| | |
|---|---|
| a. Total annualized capital/startup costs | 0 |
| b. Total annual costs (O&M) | $36,903 |
| c. Total annualized cost requested | $36,903 |
| d. Total annual cost requested | 0 |
| e. Current OMB inventory | 0 |
| f. Explanation of difference: | |
| 1. Program change: | |
| 2. Adjustment: | |

15. Purpose of Information collection: (mark primary with "P" and all others that apply with "X")
a. Application for benefits
b. **P** Program evaluation
c. General purpose statistics
d. Audit
e. Program planning or management
f. Research
g. **X** Regulatory or compliance

16. Frequency of recordkeeping or reporting: (check all that apply)
a. ☐ Recordkeeping b. Third party disclosure
b. ☒ Reporting:
1. ☐ On occasion 2. ☐ Weekly 3. ☐ Monthly
4. ☐ Quarterly 5. ☐ Semi-annually 6. ☒ Annually
7. ☐ Biannually 8. ☐ Other (describe)

17. Statistical methods:
Does this information collection employ statistical methods?
☐ Yes ☒ No

18. Agency contact: (person who can best answer questions regarding the content of this submission)
Name: H. Daniel Garza
Phone: 202-475-7852

## 19. Certification for Paperwork Reduction Act Submissions

On behalf of this Federal Agency, 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 be collected (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.

| | |
|---|---|
| Signature of Program Official:<br><br>X<br>Donald J. La Vow, Deputy Assistant Secretary<br>Real Estate Assessment Center | Date: |
| Signature of Senior Officer or Designee:<br><br>X<br>Colette Pollard, Departmental Reports Management Officer<br>Office of Chief Information Officer | Date: |

# Supporting Statement for Paperwork Reduction Act Submissions

## 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 United States Housing Act of 1937 at 42 U.S.C. §1437d(f)(3) requires public housing agencies (PHAs) to conduct an annual inspection of each project to determine if the units are maintained in accordance with federal housing standards. This statute states "properties shall retain the results of such inspections and, upon the request of the Secretary, the Inspector General for the Department of Housing and Urban Development…shall make such results available."

HUD regulations at 24 CFR §200.857(b)(3) states owners of Multifamily (MF) properties are obligated to maintain their property in accordance with HUD's uniform physical condition standards as required by 24 CFR part 5, subpart G, the Regulatory Agreement, and/or the Housing Assistance Payment (HAP) Contract. The regulation further states that "good management principles require an owner to conduct routine inspections of its projects, develop improvement plans, and again, maintain its property to meet the standard of decent, safe, sanitary, and in good repair."

HUD assisted and insured properties must meet the physical condition standards in 24 CFR §5.703 and comply with the uniform physical inspection requirements in 24 CFR §5.705. The standards apply to the site, the building exterior, the building systems, the common areas and the units. This section states "any entity responsible for conducting a physical inspection of HUD housing, to determine compliance with this subpart, must inspect such HUD housing annually in accordance with HUD-prescribed physical inspection procedures."

In addition to statutory, regulatory, and housing program contractual requirements, annual self-inspections are a component of good management principles and are considered usual and customary business practice for entities involved in real estate. Information gathered from the self-inspection can aid property owners, managers, and HUD in risk mitigation, identifying budget priorities, and tracking routine/preventative maintenance. As part of a two-year Demonstration testing a new inspection model, titled the National Standards for the Physical Inspection of Real Estate (NSPIRE), HUD will collect self-inspection data from approximately 4,500 properties annually, out of the total population of approximately 35,000 properties that could be eligible to volunteer.

HUD will test the new model through a multistage Demonstration for the purpose of identifying potential adjustments to standards, protocols, and processes, prior to nationwide implementation. HUD will ask properties to participate in this Demonstration through a voluntary application process. Analyzing self-inspection data will allow HUD to better identify the deficiencies and improve the accuracy of property assessment, the consistency of inspections, while providing residents with quality affordable housing. Participating properties will annually submit: one self-inspection or all work order receipts, a building profile, building system certificates, and local code violations issued over the rolling calendar year. Additionally, HUD will have 900 of these properties provide demonstration feedback via one in-person listening session.

**Requested Collection:**

a) **Annual Self-inspection**:
The Demonstration's annual self-inspection has a total of four components: the self-inspection or work order system data; the building profile; building system certificates; and local code violations. Collection of this information will enable HUD to refine inspection standards and protocols to better ensure that resident housing is decent, safe, sanitary and in good repair. The self-inspection data also will enable HUD to identify patterns that indicate if a property's condition is declining between REAC inspection cycles.

   i. **Work Order System**:
   In lieu of submitting a self-inspection, properties can electronically submit all work order receipts across the rolling calendar year. This data demonstrates the property has evaluated all dwelling units for maintenance needs at least annually. Further this collection will enable HUD to verify properties are following good management practices, while also ensuring properties are compliant with 24 CFR part 5 subpart G.

HUD currently uses a 3-2-1-year inspection cycle, resulting in some properties only receiving a HUD UPCS inspection once every three years. Evidence suggests a percentage of properties regularly defer maintenance repairs to immediately before the REAC UPCS inspection. Collecting work order receipts annually will provide HUD with reasonable assurance that properties are routinely conducting maintenance, even in years where they are not scheduled for a REAC inspection.

HUD will analyze these submissions to update work order standards and help target technical assistance to MF and PHA properties. Furthermore, data from this collection will enable the Department to develop a resident-centered inspection model and better identify management performance and housing quality indicators for HUD assisted and insured properties.

**ii. Building Profile:**

Properties will submit a building profile with the: owner/company name, physical address, type of housing (e.g. section 8), structure type, number of buildings, number of floors, number of units, if there is an attached garage, if there are fuel burning appliances, and an updated floor plan. Although, HUD's UPCS inspectors currently collect some, but not all of, this information on site, HUD believes property owner submissions not only will be more complete and accurate but also provide a more up-to date and comprehensive understanding of the portfolio.

**iii. Building System Certificates:**

Properties will submit an electronic copy of the building system certificates, as well as any additional certificates that are specified. These documents consist of certificates for elevators, fire alarm systems, sprinkler systems, boilers (HVAC or domestic water), and lead-based paint inspection reports. With the electronic copy, properties will provide the name of the authority that issued the document, the date of certification, and the required renewal date. Inspectors currently examine these certificates during the REAC UPCS inspection, but some properties are only inspected once every three years and many system certificates need to be renewed annually. HUD believes that it is important POAs provide this information annually as the inoperability of these systems can have a substantial effect on the resident.

Inspecting building systems requires specialized skills and training, as well as a significant amount of time. Due to time and training, onsite UPCS inspectors are unable to conduct all required comprehensive examinations of these systems during a REAC inspection. And, it is either infeasible or impermissible for the inspector to test every components of these building systems, such as the fire sprinkler system. Because local code requires the certification of these building systems, collection of this information will provide HUD with reasonable assurance the property is compliant with 24 CFR § 5.703(g), the HUD regulatory requirement that HUD housing meet state and local codes.

**iv. Local Codes**:

Properties will submit a list of local code violations for which the POA was cited over a rolling calendar year. Properties are currently required to record, retain, and remedy these violations within specified time periods determined by their local authority.  HUD regulations at 24 CFR § 5.703(g), require HUD housing to adhere to local codes. HUD believes compliance (or non-compliance) with local code can serve as an important indicator as to whether a property is conducting regular maintenance and whether it is providing acceptable basic housing conditions.

Further, this information will enable HUD to comply with a 2018 Congressional to use local code violations to identify properties with substandard housing quality. Senate Report No. 115-138 (2018) directed HUD to establish a plan for responding to State and local building inspector findings so properties with serious outstanding code violations are targeted by REAC and, if conditions leading to those violations are not addressed, those properties do not receive a passing score from HUD. This data will enable the Department to establish the plan, analyze the frequency and severity of outstanding local code violations, and enable HUD to identify specific properties that warrant additional monitoring.

**b) Feedback/listening sessions/survey:**

Twenty percent (approximately 900) of properties participating in the Demonstration will provide annual feedback on their experience conducting and submitting the self-inspection information. Prior to the implementation of this Demonstration, REAC held several listening sessions soliciting comments from key stakeholders on the proposed inspection model and annual self-inspection collection.

Additionally, this collection will enable HUD to comply with a 2019 House Appropriations Bill which directed the Agency to solicit stakeholder comments regarding REAC inspections. House Report No. 115-750 (2018) issued a congressional directive for HUD to "solicit comments from stakeholders, including tenants, to identify ways the Department can improve its inspection protocols and oversight." This collection will provide the Department with stakeholder feedback that will better assist in tailoring REAC inspections to be resident-focused. These comments will help HUD identify and address explicit concerns that tenants have regarding affordable housing quality.

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.**

   Properties that volunteer to participate in the NSPIRE Demonstration will submit the requested information via an electronic data exchange system linked to HUD. A limited number of HUD employees and contractors will have access to the material properties submit. The requested data will assist in ensuring properties provide acceptable housing conditions for their residents. Because this information will be collected as part of the NSPIRE Demonstration, HUD will use this data to refine inspection standards and methods.

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.**

   All information related to the property's self-inspection will be submitted electronically. HUD is developing and distributing a standardized electronic system and data exchange standard that properties will use to collect and submit the requested information. Having an electronic data exchange standard will make submitting the annual self-inspection less burdensome to owners and enable HUD to more efficiently distill and analyze the data received. The Demonstration will test the most effective way to receive and process this data and will test several electronic submission methods to determine the least burdensome process.

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.**

   No duplicate data exists. The data is inherently local, and the property is the source of this data.

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.**

   This collection will not lead to an undue or unreasonable burden to any property, regardless of size. Upon request, HUD will make available a standardized electronic system to track and submit the requested data. These technologies will allow managers or owners the ability to electronically link data directly to HUD, minimizing any burden related to the submission of these documents.

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.**

   Without the information on property-conducted physical inspections, HUD's interest is not protected nor is HUD able to readably identify risks due to neglected maintenance. If the collection is not conducted, or is conducted less than annually, HUD will not have the ability to verify property maintenance is conducted year-round, especially correction, abatement and mitigation of health and safety (H&S) and exigent health and safety (EH&S) conditions. Currently, HUD is aware that some properties defer regular maintenance until immediately before a REAC inspection, leaving residents at risk of living in substandard conditions. Conducting the collection less frequently than annually might provide a property with an incentive/opportunity to defer property maintenance which in turn may have an adverse impact on the residents.

7. **Explain any special circumstances that would cause an information collection to be conducted in a manner:**
   a. **requiring respondents to report information to the agency more often than quarterly**
   Not Applicable

   b. **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
   Not Applicable

   c. **requiring respondents to submit more than an original and two copies of any document**
   Not Applicable

   d. **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years**
   Not Applicable

   e. **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;**
   Not Applicable

   f. **requiring the use of a statistical data classification that has not been reviewed and approved by OMB**
   Not Applicable

   g. **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

   h. **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.**
   Not Applicable

8. **If applicable, provide a copy and identify the date and page number of publications 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 Notice of Proposed Information Collection for comment in the Federal Register, Volume 84, No. 157, Page 40434, on August 16, 2019. The public was given until October 15, 2019, to submit comments on the proposed information collection. Comments were received from Andrea Ponser, Stewards for Affordable Housing for the Future, and Michael Gantt, The Inspection Group. HUD responded to the comments by providing the link to the available information on the NSPIRE Model to include a concept paper and informational briefs presented at past listening sessions.

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

   No payment of gift 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.**

    No assurance of confidentiality is need nor are any provided.

11. **Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

    No sensitive questions are being asked.

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 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.**
    - **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.**

The estimated burden hours are based on each of the approximately 4,500 properties responding annually.

| Information Collection | Number of Respondents | Frequency of Response | Responses Per Annum | Burden Hours Per Response | Annual Burden Hours | Total Cost |
|---|---|---|---|---|---|---|
| Self-Inspection | 4,500 | 1 | 4,500 | 30 min = .5 | 2,250 | $51,210 |
| Building System Certificates | 4,500 | 1 | 4,500 | 30 min = .5 | 2,250 | $51,210 |
| Building Profile | 4,500 | 1 | 4,500 | 30 min = .5 | 2,250 | $51,210 |
| Work Order Receipts | 4,500 | 1 | 4,500 | 30 min = .5 | 2,250 | $51,210 |
| Local Code Violations | 4,500 | 1 | 4,500 | 30 min = .5 | 2,250 | $51,210 |
| Feedback Session | 900 | 1 | 900 | 1 hour | 900 | $20,484 |
| **TOTAL:** | | | | | 12,150 | $276,534 |

HUD used data from a U.S. employment search engine and GAO to make these estimates.

- The annual cost burden was estimated using the average salary for a Property Manager in the United States, $47,500 per year (https://www.indeed.com/salaries/Property-Manager-Salaries)
- GAO calculated the average number of hours a full-time employee will work annually to be 2,087 hours. (https://www.opm.gov/policy-data-oversight/pay-leave/pay-administration/fact-sheets/computing-hourly-rates-of-pay-using-the-2087-hour-divisor/)
- $47,500 / 2,087 hours = $22.76/hour for Property Managers in the United States

The burden hours associated with a property identifying maintenance needs was not included in the estimation because this is a customary and usual business practice for entities engaged in real estate management.

**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 cost of any hour burden shown in Items 12 and 14).**

No other costs are associated with the collection of this information.

**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 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.**

The estimated annualized cost to the federal government, based on a GS-11, step 1, rate is provided in the table below. A GS-11, step 1, rate is the average salary for a Program Analyst. This annualized cost represents the time for the federal government staff to design and maintain the data exchange and standards and to conduct data analysis on the submissions.

This estimated 4,500 annual submissions will require a nominal amount of data storage or 3GB of data. The Department will not purchase any additional system storage or system hardware for this collection.

| Operational Expense: | Annual Hours: | Hourly Rate: | Total Cost |
|---|---|---|---|
| **Design data exchange** | 40 | $32.60 | $1,304 |
| **Maintain data exchange** | 52 | $32.60 | $1,695 |
| **Data analysis** | 1040 | $32.60 | $33,904 |
| **Total:** | | | $36,903 |
| GS-11 (Step 1, Washington D.C) earns $68,036/year and $32.60 per hour (Salary Table 2018-GS). | | | |

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

This Information Collection was previously approved as an Emergency PRA, with the specific intent of expeditiously testing revisions to the inspection standards and protocol through a demonstration program to enable enhanced identification and resolution of health and safety deficiencies in HUD-assisted/insured housing. An inadvertent mathematical error was noted in the burden requirement and corrections have been made accordingly. A revision to correct the burden hours is being requested from 11,950 to 12,150, for a total an adjustment of 200 hours.

**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 information collected will not be published

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 is not seeking approval to not display the expiration data of the OMB approval. The approval number and expiration date will be displayed when the property provides HUD the data through the electronic submission.

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

    There are no exceptions to the Certification statement identified in Item 19 of the form OMB 83-I.