**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 purpose of this information collection is to update the information collection approved in 2019 for an existing rent setting option in the public housing program (“flat rent exception request”). This requirement is established by the United States Housing Act of 1937 (42 U.S.C. 1437, et seq., “the 1937 Act”), which requires PHAs to establish flat rents using the market rents of comparable, unassisted rental units. The 2014 Appropriations Act amended the Act and required PHAs to establish flat rents at no less than 80 percent of the Fair Market Rent (FMR) published by HUD. The 2015 Appropriations Act further amended the Act to provide additional flat rent setting options that may more accurately reflect local market conditions through the use of Small Area FMRs and unadjusted rents. Further, the 2015 Appropriations Act permitted PHAs to submit an exception request based on a PHA-conducted fair market rental analysis. The statutory requirement is also codified at 24 CFR § 960.253 and 24 CFR § 903.7(d).

Prior to 2019, HUD did not require PHAs submitting flat rent exception requests to utilize a specific format or template for their supporting fair market rental analysis. Based on feedback from PHAs, this ambiguity complicated the submission process, resulting in PHA confusion, multiple correction requests from HUD, and longer review times. HUD received OMB approval of a streamlined submission format that responded to stakeholder concerns while retaining the flexibility necessary to reflect individual PHA’s market conditions in the analyses and providing clearer documentation trail for HUD staff. That form was implemented for the FY20, FY21 and FY22 flat rent exception requests cycles.

After three years of PHAs and HUD using the HUD-5880, it is clear to HUD that updates are needed to further reduce the burden on PHAs and for HUD to reduce the number of corrections. The form has been updated to add a tab for written justifications that are required by Notice PIH 2021-27 and allows the justifications to be included directly on the market analysis form. The “cable in rent” amenity has been removed and an amenity category has been added for washer and dryer connections (“washer/dryer hook-up”). Additionally, updates have been made to the formulas in the form that now allow HUD to automatically calculate the difference in age between the PHA unit and the market rate units as well as indicate when an amenity is over the threshold allotted in Notice PIH 2021-27. The addition of these formulas reduces the requirement for HUD to manually tabulate the monetary values associated with age differences.

Typographical errors and formatting inconsistencies have also been corrected.

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.

HUD uses the information from the current form (flat rent market analysis) to collect data from PHAs that compares the proposed flat rent for public housing units compared with the fair market rents in their city or neighboring city. The information is used for PHAs that are proposing to set their units’ rents lower than 80 percent of the fair market rent. PHAs are then able to justify the change in rent and the data collected determines if HUD will approve the flat rent exception request.

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 collection of information does not require the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology. While it is strongly encouraged that PHAs submit the supporting fair market rental analysis form to HUD electronically, it is not required. To date, 100 percent of submissions have been electronic.

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 information collection does not duplicate information under any other approved HUD information collections for the public housing program.

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.

Small entities are not unduly impacted by this information collection; no collection exceeds statutory requirements; no alternatives for submission exist; and there are no significant economic impacts on a substantial number of entities.

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.

The collection is not required for all PHAs. It is only required by PHAs which elect to request an exception to the HUD-Fair Market Rent-based flat rent rates for the public housing program. Regular collection is necessary to monitor the market conditions captured in the PHA-conducted fair market rental analysis.

1. **Explain any special circumstances that would cause an information to be collected in a manner:**

* 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 the study;

**Not Applicable**

* requiring the use of 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**

1. 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.

This information is collected in a manner consistent with guidelines of 5 CFR 1320.8(d). The Federal Register announcing this collection of information was posted on April 29, 2022, (Volume 87, Number 83, Page 25513). No comments have been received.

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

There are no payments or gifts provided to respondents.

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

There are no assurances of confidentiality provided or needed for this collection.

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 collection does not involve any questions of a sensitive nature.

12. Provide estimates of the hour burden of the collection of information. The statement should:

1. 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;
2. 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
3. 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.

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| **Information Collection** | **Number of Respondents** | **Frequency of Response** | **Responses**  **Per Annum** | **Burden Hour Per Response** | **Annual Burden Hours** | **Hourly Cost Per Response** | **Annual Cost** |
| **HUD-5880 – Flat Rent Market Analysis** | **50** | **1** | **1** | **8** | **400** | **$17.11** | **$6844.00** |
| **Total** |  |  |  |  |  |  |  |

Explanation of burden hour and cost calculation:

* Number of respondents = 50
* Frequency of response/responses per annum = 1 /1 (PHAs make one submission per fiscal year)
* Burden hours per response = estimated time to complete a market analysis
* Annual burden hours =400
* Hourly cost per response = the average hourly pay rate earned by a housing specialist in a PHA responsible for collecting market data
* Annual cost = 400 \* $17.11

13. Provide an estimate of 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).

1. 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;
2. 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.
3. generally, estimates should not include purchases of equipment or services, or portions thereof made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

There are no other costs associated with this collection of information other than what is reported in Item 12 above.

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.

There is no additional cost to HUD for the collection of this information.

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

HUD has reviewed data on trends over the last 2 fiscal years to obtain more accurate data on the number of PHAs

annually that submit a flat rent exception request. The revised form updates the number of respondents and burden

hours. It also corrects the reporting frequency.

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 information collected by PHAs 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.

Not Applicable

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

There are no exceptions to the certification statement.

**B. Collections of Information Employing Statistical Methods**

Not Applicable