

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**[Docket No. FR-4818-N-13]****Notice of Proposed Information Collection for Public Comment: Project Rent Surveys for Update of Section 8 Fair Market Rents****AGENCY:** Office of Policy Development and Research, HUD.**ACTION:** Notice.

SUMMARY: The proposed information collection requirement described below will be submitted to the Office of Management and Budget (OMB) for review, as required by the Paperwork Reduction Act. The Department is soliciting public comments on the subject proposal.

DATES: January 30, 2004.

ADDRESSES: Interested persons are invited to submit comments regarding this proposal. Comments should refer to the proposal by name and/or OMB Control Number and should be sent to: Reports Liaison Officer, Office of Policy Development and Research, Department of Housing and Urban Development, 451 7th Street, SW., Room 8226, Washington, DC 20410.

FOR FURTHER INFORMATION CONTACT: Marie Lihn, Economic and Market Analysis Division, Office of Policy Development and Research, Department of Housing and Urban Development, 451 7th Street, SW., Room 8222, Washington, DC 20410; telephone (202) 708-0614; e-mail

marie_l. lihn@hud.gov. This is not a toll-free number. Copies of the proposed forms and other available documents submitted to OMB may be obtained from Ms. Lihn.

SUPPLEMENTARY INFORMATION: The Department of Housing and Urban Development will submit the proposed information collection package to OMB for review as required by the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35, as amended).

This Notice is soliciting comments from members of the public and affected agencies concerning the proposed

collection of information to: (1) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (2) Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information; (3) Enhance the quality, utility, and clarity of the information to be collected; and (4) Minimize the burden of the collection of information on those who are to respond; including the use of appropriate automated collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

This Notice also lists the following information:

Title of Proposal: Project Rent Survey for Update of Section 8 Fair Market Rents.

Description of the need for the information and proposed use: HUD is testing a new methodology to determine if it can be used in place of telephone random digit dialing (RDD) surveys of individuals. HUD currently contracts with a private company to conduct two types of RDD surveys: (1) Approximately 50 individual fair market rent (FMR) areas are surveyed every year to test the accuracy of their FMRs; (2) In addition, 20 RDD surveys are conducted every year to provide updating factors for FMRs not surveyed individually and for Annual Adjustment Factors (AAFs). These surveys are conducted in the non-metropolitan portions of all 10 HUD regions, and in the 10 metropolitan portions of the regions that do not have their own Consumer Price Index (CPI) surveys. While RDD telephone surveys have been used for several years to adjust FMRs, these surveys are becoming more difficult and more costly to conduct. This survey of project rents would replace both the regional and area telephone RDDs with surveys of approximately 30 standard rental projects in 200 areas. These project surveys would provide regional change factors for updating the FMRs and

specific change factors will be calculated for FMR areas where the Section 8 program is not working properly. It is unlikely that one-fourth of the 200 areas would ever have to be surveyed in a given year, so this request is being made on this maximum amount of 50 areas. In the study of project rents currently underway, using only purchased data, it is clear that data can be purchased for most metropolitan areas.

The survey will be conducted in the field by qualified rental appraisers with the project management staff. In each area, 30 rental projects will be surveyed and questions will cover rent, age of structure, utilities, number and size of units, and recent changes to the area. The survey form has 31 questions, but the appraiser should be able to answer almost one-third by site inspection. The interview with the resident manager should take up, at most 7 minutes to complete.

This new method would be a fast, inexpensive way to update Section 8 Fair Market Rents (FMRs). This new method would only provide estimates of annual rent changes, not actual rents, as the current area RDD survey does. Section 8(C)(1) of the United States Housing Act of 1937 requires the Secretary to publish Fair Market Rents (FMRs) annually to be effective on October 1 of each year. FMRs are used for the Section 8 Rental Certificate Program (including space rentals by owners of manufactured homes under that program); the Moderate Rehabilitation Single Room Occupancy program; housing assisted under the Loan Management and Property Disposition programs; payment standards for the Rental Voucher program; and any other programs whose regulations specify their use.

Members of affected public: Managers of rental projects.

Estimation of the total numbers of hours needed to prepare the information collection including number of respondents, frequency of response, and hours of response:

Type of survey	Number of interviews	Average minutes each	Total minutes	Total hours
Field Interviews	1,500	7	10,500	1,313