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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 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.

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Signature of Program Official:

X  
Pamela Glekas Spring, Director, Office of Community Renewal

Date:

4-3-08

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Signature of Senior Officer or Designee:

X  
Wayne Eddins, Departmental Reports Management Officer,  
Office of the Chief Information Officer

Date:

# Supporting Statement for Paperwork Reduction Act Submissions

## A. Justification

1. Why is this 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/authorizing the collection of information.

The respondents are 40 Renewal Communities (RC), which will be submitting the reports. The statutes require HUD to review periodically the progress of designated Renewal Communities in achieving the goals of their Tax Incentive Utilization Plan (TIUP) in carrying out their local and state commitments, including economic growth promotion requirements, and implementing the course of action using Federal, state and local resources made available in the RC. The Secretary is directed to collect such periodic and other data as deemed necessary for the review of the designees' progress. These periodic progress reviews provide the basis for HUD to continue or revoke a designation. A third set of data is required in those rare cases where HUD would send a decertification warning letter to a designee, which then would submit data needed to rebut a proposed decertification.

**Data for Periodic Reports:** This data is based on the progress submitted by the designee on its local and state commitments, economic growth promotion requirements, and the Tax Incentive Utilization Plan (TIUP) in furtherance of its application. These periodic reports are submitted to Community Planning and Development's on line Performance Measurement System (PERMS).

**Data Refuting Possible Decertification:** No warning letters have been issued to Renewal Community designees. In the few instances where such letters may be sent in the future, the information collection imposed on the RC would consist of narrative and data the designee would select in order to refute the Federal argument for decertification. If these RC designees fail to comply or make progress in achieving the commitments, HUD will issue a letter of warning. The letter will request a reply within 90 days from the date of receipt of the letter. HUD will consider any response to making its determination whether or not to revoke the designation.

The Omnibus Consolidated and Emergency Supplemental Appropriations Act for Fiscal Year 2001 (Omnibus Act) (Pub.L. 106-554. 114 Stat. 2763, approved December 21, 2000) enacted into law the provisions of a number of bills of the 106<sup>th</sup> Congress. One of the bills enacted by the Omnibus Act is H.R. 5662, the Community Renewal Tax Relief Act of 2000 (CRTR Act). The CRTR Act authorizes HUD to designate up to 40 Renewal Communities (RCs) within which special tax incentives would be available. Section 101 of the CRTR Act adds a new Subchapter X, consisting of sections 1400E through 1400J, to Chapter 1 of the Internal Revenue Code of 1986 (IRC) Subchapter X, which governs the designation of and tax incentives for RCs. HUD published an Interim Rule that implements at 24 CFR part 599, sec. 1400E, which authorizes HUD to designate the RCs. Designations of an area as a Renewal Community will remain in effect during the period of January 1, 2002 and ending on December 31, 2009, or the date HUD revokes the designation as cited in 24 CFR section 599.501.

2. How is this information to be used?

The information is used to determine whether the designation shall be continued or revoked and to gather data to evaluate the need and effectiveness of the program. Federal tax benefits are a significant part of the Federal commitment to the success of RCs. The Federal commitment includes assisting State and local governments and community-based organizations in their planning and outreach to the business community and residents to develop and expand activities in RCs.

Code of Federal regulations, 24 CFR 599.509 authorizes a coordinating responsible authority (CoRA) to submit requests to HUD to modify the State and local commitments. Requests must provide evidence to support the proposed modifications. HUD will review the information and approve, suggest additional or alternate modifications or deny the request. CFR 599.511 authorizes HUD to require the CoRA and the State and local governments in which the Renewal Community is located to submit periodic reports and additional information. HUD would use the information to determine if the RC is complying with and making progress in achieving the State and local commitments made at the time of application as described above. Finally, if these entities modify the boundaries of the area or fail to comply or make progress in achieving the commitments, HUD will issue a

letter of warning (24 CFR 599.513(b)). The letter will request a reply from the CoRA and State and local governments within 90 days from the date of receipt of the letter. HUD will consider any response in making its determination whether or not to revoke the designation.

3. Describe whether, and to what extent, the collection of information is automated (item 13b1 of OMB form 83-i). Also describe any consideration of using information technology to reduce burden.

Designees submit Annual Progress Reports in PERMS, an on-line Internet based system.

4. Is this information collected elsewhere? If so, why cannot any similar information already available be used or modified.

There are no other Federal Renewal Community programs, and thus no duplication with this initiative of the Administration.

5. Does the collection of information impact small businesses or other small entities (item 5 of OMB form 83-i)? Describe any methods used to minimize burden.

The collection of information will not impact small businesses. Local governments, nonprofits, and community-based organizations are required to report to HUD.

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 requirements have been reduced to the minimum necessary to provide assistance and oversight of the designees as required by the statute.

7. Explain any special circumstances requiring:

- respondents to report information more than quarterly;
- a written response in fewer than 30;
- more than an original and two copies of any document;

The collection of information does not give rise to the special circumstances set forth in the instructions for preparing the Supporting Statement.

8. Identify the date and page number of the *Federal Register* notice (and provide a copy) soliciting comments on the information. Summarize public comments and describe actions taken by the agency in response to these comments. Describe all 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.

“Notice of Proposed Information Collection: Comment Request; Renewal Communities Annual Progress Reporting” was published in the *Federal Register* on January 28, 2008, FR-5188-N-02. (Please see attached). No comments were received.

9. Explain any payments or gifts to respondents, other than reenumeration of contractors or grantees.

HUD will not make a gift or payments to the respondent.

10. Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation or agency policy. HUD will not provide an assurance of confidentiality to the respondents.

11. Justify any questions of a sensitive nature, such as sexual, religious beliefs, and other matters that are commonly considered private. No questions of a sensitive nature are asked.

12. Estimate public burden: number of respondents, frequency of response, annual hour burden. Read the complete instructions on the form 83i. Explain how the burden was estimated. Generally estimates should not include burden hours for customary and usual business practices;
- if this collection uses more than one form, provide separate estimates for each form and aggregate the hour burdens in item 13 of OMB Form 83i; 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.

Estimated Burden:

Burden Type	Respondents	Est. Hours	Total Hours	Total Responses	Hrly Rate	Total Cost
Modifications* (599.509)	40	10	400	40	\$30	\$12,000
Periodic Reporting (599.511)	40	30	1200	40	\$30	\$36,000
Response to a Letter of warning	0	12	0		\$30	\$00
<b>Total</b>	<b>40</b>		<b>1,600</b>	<b>80</b>		<b>\$48,000</b>

\* It is expected that all RCs will submit a modification during this reporting period.

13. Estimate of the annual cost to respondents or recordkeepers (do not include the cost of hour burden shown in Items 12 and 14). Read the complete instructions on the form 83i.

No costs incurred, other than as indicated in response to Item 12 above.

14. Estimate annualized costs to the Federal government.

Burden Type	Respondents	Est. Hours	Total Hours	Hrly Rate	Total Cost
Modifications (599.509)	40	2	80	\$40	\$3,200
Periodic Reporting (599.511)	40	15	600	\$40	\$24,000
Response to a Letter of warning	0	2	0	0	\$00
<b>Total</b>	<b>40</b>		<b>680</b>		<b>\$27,200</b>

The annualized cost to the Federal government is estimated at \$40 per hour (GS-13 salary) for a total of \$27,200.

15. Explain any program changes or adjustments reported in items 13 and 14 of the OMB Form 83i.

There are no program changes reported in items 13 and 14 in OMB Form 83i. This is an extension of a currently approved collection.

16. If the information will be published, outline plans for tabulation and publication.

Information is available to the public online in HUD's Performance Measurement System (PERMS).

17. Explain any request to not display the expiration date.

HUD will display the expiration date for OMB approval of the information collection as deemed appropriate by OMB.

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

None

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## B. Collections of Information Employing Statistical Methods

None