

# Paperwork Reduction Act Submission

Please read the instruction before completing this form. For additional forms or assistance in completing this forms, 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.

<p>1. Agency/Subagency Originating Request:  <b>U.S. Department of Housing and Urban Development</b>                  Community Planning and Development</p>	<p>2. OMB Control Number:                  a. <b>2506-0148</b>      b. None</p>																																		
<p>3. Type of information collection: (check one)</p> <p>a. <input type="checkbox"/> New Collection</p> <p>b. <input type="checkbox"/> Revision of a currently approved collection</p> <p>c. <input checked="" type="checkbox"/> Extension of a currently approved collection</p> <p>d. <input type="checkbox"/> Reinstatement, <b>without change</b>, of previously approved collection for which approval has expired</p> <p>e. <input type="checkbox"/> Reinstatement, <b>with change</b>, of previously approved collection for which approval has expired</p> <p>f. <input type="checkbox"/> Existing collection in use without an OMB control number</p> <p>For b-f, note item A2 of Supporting Statement instructions.</p>	<p>4. Type of review requested: (check one)</p> <p>a. <input checked="" type="checkbox"/> Regular</p> <p>b. <input type="checkbox"/> Emergency</p> <p>c. <input type="checkbox"/> Delegated</p> <p>5. Small entities: Will this information collection have a significant economic impact on a substantial number of small entities?  <input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No</p> <p>6. Requested expiration date:                  a. <input checked="" type="checkbox"/> Three years from approval date    b. <input type="checkbox"/> Other (specify)</p>																																		
<p>7. Title:  <b>Annual Progress Reports for Empowerment Zones</b></p>																																			
<p>8. Agency form number(s): (if applicable)                  N/A</p>																																			
<p>9. Keywords:                  Housing, Economic Development, Empowerment Zones, Federal tax incentives, tax credits</p>																																			
<p>10. Abstract:                  The primary purpose of this collection is to continue current data reporting for Rounds I, II, and III Empowerment Zones (EZs). HUD previously designated 30 EZs, which are required to submit annual reports to HUD based on the progress reported in implementing the EZs' strategic plans. Businesses located in the EZs are eligible for Federal tax incentives to hire local residents and to expand or improve their operations. This is an extension of a currently approved collection.</p>																																			
<p>11. Affected public: (mark primary with "P" and all others that apply with "X")</p> <p>a. Individuals or households      e. Farms</p> <p>b. Business or other for-profit      f. Federal Government</p> <p>c. Not-for-profit institutions      g. <b>P</b> State, Local or Tribal Government</p>	<p>12. Obligation to respond: (mark primary with "P" and all others that apply with "X")</p> <p>a. Voluntary</p> <p>b. <b>P</b> Required to obtain or retain benefits</p> <p>c. <b>X</b> Mandatory</p>																																		
<p>13. Annual reporting and recordkeeping hour burden:</p> <table style="width: 100%; border: none;"> <tr> <td>a. Number of respondents</td> <td style="text-align: right;">75</td> </tr> <tr> <td>b. Total annual responses</td> <td style="text-align: right;">75</td> </tr> <tr> <td>    Percentage of these responses collected electronically</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>c. Total annual hours requested</td> <td style="text-align: right;">413</td> </tr> <tr> <td>d. Current OMB inventory</td> <td style="text-align: right;">1,230</td> </tr> <tr> <td>e. Difference (+,-)</td> <td style="text-align: right;">-817</td> </tr> <tr> <td colspan="2">f. Explanation of difference:</td> </tr> <tr> <td>    1. Program change:</td> <td></td> </tr> <tr> <td>    2. Adjustment:</td> <td style="text-align: right;">817</td> </tr> </table>	a. Number of respondents	75	b. Total annual responses	75	Percentage of these responses collected electronically	100%	c. Total annual hours requested	413	d. Current OMB inventory	1,230	e. Difference (+,-)	-817	f. Explanation of difference:		1. Program change:		2. Adjustment:	817	<p>14. Annual reporting and recordkeeping cost burden: (in thousands of dollars)                  Do not include costs based on the hours in item 13.</p> <table style="width: 100%; border: none;"> <tr> <td>a. Total annualized capital/startup costs</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td>b. Total annual costs (O&amp;M)</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td>c. Total annualized cost requested</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td>d. Current OMB inventory</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td>e. Difference</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td colspan="2">f. Explanation of difference:</td> </tr> <tr> <td>    1. Program change:</td> <td style="text-align: right;">\$0.00</td> </tr> <tr> <td>    2. Adjustment:</td> <td style="text-align: right;">\$0.00</td> </tr> </table>	a. Total annualized capital/startup costs	\$0.00	b. Total annual costs (O&M)	\$0.00	c. Total annualized cost requested	\$0.00	d. Current OMB inventory	\$0.00	e. Difference	\$0.00	f. Explanation of difference:		1. Program change:	\$0.00	2. Adjustment:	\$0.00
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<p>15. Purpose of Information collection: (mark primary with "P" and all others that apply with "X")</p> <p>a. Application for benefits      e. <b>X</b> Program planning or management</p> <p>b. <b>P</b> Program evaluation      f. Research</p> <p>c. General purpose statistics      g. Regulatory or compliance</p> <p>d. Audit</p>	<p>16. Frequency of recordkeeping or reporting: (check all that apply)</p> <p>a. <input checked="" type="checkbox"/> Recordkeeping      b. <input type="checkbox"/> Third party disclosure</p> <p>c. <input checked="" type="checkbox"/> Reporting:</p> <table style="width: 100%; border: none;"> <tr> <td>1. <input checked="" type="checkbox"/> On occasion</td> <td>2. <input type="checkbox"/> Weekly</td> <td>3. <input type="checkbox"/> Monthly</td> </tr> <tr> <td>4. <input type="checkbox"/> Quarterly</td> <td>5. <input type="checkbox"/> Semi-annually</td> <td>6. <input checked="" type="checkbox"/> Annually</td> </tr> <tr> <td>7. <input type="checkbox"/> Biannually</td> <td colspan="2">8. <input type="checkbox"/> Other (describe)</td> </tr> </table>	1. <input checked="" type="checkbox"/> On occasion	2. <input type="checkbox"/> Weekly	3. <input type="checkbox"/> Monthly	4. <input type="checkbox"/> Quarterly	5. <input type="checkbox"/> Semi-annually	6. <input checked="" type="checkbox"/> Annually	7. <input type="checkbox"/> Biannually	8. <input type="checkbox"/> Other (describe)																										
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<p>17. Statistical methods:                  Does this information collection employ statistical methods?  <input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No</p>	<p>18. Agency contact: (person who can best answer questions regarding the content of this submission)                  Name: Judith Mize                  Phone: (202) 402-4167</p>																																		

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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.

Signature of Program Official:	Date:
X Pamela Glekas Spring, Director, Office of Community Renewal	06-19-08

Signature of Senior Officer or Designee:	Date:
X Wayne Eddins, Departmental Reports Management Officer, Office of the Chief Information Officer	

# Supporting Statement for Paperwork Reduction Act Submissions

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## 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, Rounds I, II, and III Empowerment Zones, will be submitting the reports. The statutes require HUD to review, periodically, the progress of designated urban communities (Rounds I, II and III) in carrying out their implementation of programs and achieving the goals of their strategic plans. 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.

The designation of the six Round I EZs and 65 Enterprise Communities ended on December 31, 2004. However, Congress extended the designations of Round I EZs in Sec. 112 of the Community Renewal Tax Relief Act of 2000 (CRTRA), Pub. L. No. 106-554, Section 112, 114 Stat. 2763A-587, 601 (2000). The Round I EZ regulations at 24 CFR Section 597.200 and 24 CFR Section 598.215 require the Round I EZs to include a Tax Incentive Utilization Plan (TIUP) in their strategic plan to indicate how they will utilize the tax benefits to support economic revitalization within the EZ. For Round I EZs, periodic reporting in PERMS now will be required for reporting progress in implementing the Tax Incentive Utilization Plan. Congress extended the EZ designations effective through December 31, 2009.

Data for Periodic Reports: This data is based on the progress submitted by the designee and individual progress reports on each project it has specified in its Implementation Plan. These periodic reports are required from Rounds I, II and III designees and are submitted in HUD's on-line Internet based Performance Measurement System (PERMS).

Data Refuting Possible Decertification: No warning letters have been issued since 1998 to Round I, Round II, or Round III urban designees. In the few instances where such letters may be sent to Rounds I, II, or III designees in the future, the information collection imposed on the designee would consist of narrative and data the designee would select in order to refute the Federal argument for decertification. If these 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 FY 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 was the Community Renewal Tax Relief Act of 2000 (CRTR Act). The CRTR Act authorizes the designation of nine Round III Empowerment Zones (EZs). However, eight Round III EZs were designated in urban areas by the Secretary of HUD, and two EZs were designated in rural areas by the Secretary of Agriculture. The CRTR Act conforms and enhances the tax incentives for Round I EZs/Enterprise Communities (ECs) and Round II EZs and makes the new Round III EZs eligible for these incentives. The first two rounds combine tax incentives with direct funding for physical improvements and for social services. The third round includes only tax incentives. The tax benefits that apply to EZs are as follows: EZ Wage Credits, tax-exempt bond financing, Welfare to Work Credit, Work Opportunity Tax Credit, Zero Percent Capital Gains, Environmental Cleanup Cost Deduction (Brownfields), and Increased Section 179 Deduction. Designations of Empowerment Zones are effective through December 2009, or the date the Secretary modifies or revokes the designation.

The Resident Benefit and Economic Development Standards for Empowerment Zone Grants established standards for determining whether grant funds allocated to Empowerment Zones will provide both a sufficient level of benefit to residents and to be used in conjunction with economic development activities consistent with the strategic plan for each Empowerment Zone.

This amended 24 CFR Part 598 by adding a new subpart G, "Empowerment Zone Grants," to govern the use of funds appropriated by Congress and made available by HUD specifically for the Round II Urban Empowerment Zones (EZs). These funds Congress appropriated to date are found under the following appropriations acts commencing with fiscal year 1999: Public 105-277, 106-74, 106-554, 107-73, and 108-7. Should additional funds be made available in the future for Round II or Round III EZs, the requirements of this rule would apply to them as well. The first new requirement would ensure that a certain level of the benefits resulting from the expenditure of these funds will accrue to persons who reside within the EZ. The second requirement provides more specific direction on the restriction contained in the appropriation acts that the HUD EZ Grant Funds be used, "in conjunction with economic development activities" and sets standards for applying the restriction to individual activities that may be assisted through the use of the funds.

2. How is this information to be used?

Pursuant to the statutes and regulations cited above, HUD will require annual reports to be submitted for Round I, Round II and Round III designees. The designees' annual progress reports provide management information for HUD and status reporting for Congress. HUD will use the information to determine if the EZ is complying with and making progress in achieving their strategic plan. For potential decertification, HUD would use the designees' rebuttal information to make a final decision regarding decertification. The goal of the EZ initiative is to create self-sustaining, long-term economic development in distressed communities through the use of innovative and comprehensive strategic plans developed and implemented by partnerships among private, public and non-profit entities in each community. Congress originally planned for a ten-year designation focusing on distressed urban neighborhoods and rural communities for Round I EZs. However, Congress extended the designations of Round I EZs in Sec. 112 of the Community Renewal Tax Relief Act of 2000 (CRTRA), Pub. L. No. 106-554, Section 112, 114 Stat. 2763A-587, 601 (2000). The Round I EZ regulations at 24 CFR Section 597.200 and 24 CFR Section 598.215 require the Round I EZs to include a Tax Incentive Utilization Plan (TIUP) in their Strategic Plan to indicate how they will utilize the tax benefits to support economic revitalization within the EZ. For Round I EZs, periodic reporting in PERMS now will be required for reporting progress in implementing the Tax Incentive Utilization Plan.

The Resident Benefit and Economic Development Standards for Empowerment Zone Grants also evaluates the effectiveness of the program. The information is used to establish standards for determining whether grant funds allocated to Empowerment Zones will provide both a sufficient level of benefit to residents and to be used in conjunction with economic development activities consistent with the strategic plan for each Empowerment Zone.

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 are required to 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 urban Empowerment Zone 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. The collection requirements have been limited to the minimum necessary to provide assistance and oversight of the designees as required by the statute.

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, the Department could not oversee the program as required.

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

- a statistical survey not designed to produce results than can be generalized to the universe of study;

There are no special circumstances.

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; Annual Progress Reports for Empowerment Zones” was published in the *Federal Register* on May 21, 2008, FR-5188-N-07. (Please see attached). No comments were received.

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

No gifts or payments are given.

10. Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation or agency policy. There is no assurance of confidentiality.

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;

Estimated burden:

Burden	Respondents	Est. Hrs.	Frequency of Response	Frequency of Response	Total Hrs.	Hrly. Rate	Total Cost
Round 1	7	10	1	7	70	\$30	\$2,100
Round 2	15	10	1	15	150	\$30	\$4,500
Round 3	8	10	1	8	80	\$30	\$2,400
Response to a Letter of Warning	0	4	2	0	8	\$30	\$240
<b>Current Total</b>	<b>30</b>				<b>308</b>		<b>\$9,240</b>
598.610	15	4	1	15	60	\$30	\$1,800
598.615	15	3	1	15	45	\$30	\$1,350
598.620(d)	15	6	1	15	0	\$30	0
<b>Total</b>	<b>75</b>	<b>Varies</b>		<b>75</b>	<b>413</b>		<b>\$12,390</b>

This is an extension not a revision as there has not been a program change to this collection. The designation of the six Round I EZs and 65 Enterprise Communities ended on December 31, 2004. However, Congress extended the designations of Round I EZs until December 31, 2009, and periodic reporting will be required for implementing their Tax Incentive Utilization Plan.

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 cost incurred, other than as indicated in response to Item 12 above.

14. Estimate annualized costs to the Federal government.

Reports	Respondents	Est. Hrs.	Total Hrs.	Avg. Rate	Total Cost
Round 1	7	40	280	\$40	\$11,200
Round 2	15	70	1,050	\$40	\$42,000
Round 3	8	40	320	\$40	\$12,800
<b>TOTALS</b>	<b>30</b>		<b>1,650</b>		<b>\$66,000</b>

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

This is an extension to a currently approved collection. Adjustments reported in item 13 of the OMB Form are due to the designation of the Round I EZs and Enterprise Communities ended on December 31, 2004. However, Congress extended the designation of Round I EZs

until December 31, 2009 for periodic reporting of their Tax Incentive Utilization Plan. Designations of Round I, II and III EZs are effective through December 31, 2009.

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

HUD does not intend to publish or tabulate the information from this collection of data.

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.

No exceptions to the certification.

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

None