

## SUPPORTING STATEMENT

### Section 3 Implementation and Coordination Grant Application and Monitoring Reports

#### **PART A - JUSTIFICATION**

##### **A1. Circumstances Making Information Collection Necessary**

The Economic Opportunity Division of the Office of Fair Housing and Equal Opportunity in HUD Headquarters will use the information provided in the Section 3 Implementation and Coordination grant applications to objectively evaluate applicants on how well they meet the selection factors set out in the NOFA. This information will also serve to monitor selected applicants or grantees to assess compliance and effectiveness under the NOFA.

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, (Section 3) ensures that employment, training, and contracting opportunities generated from the expenditure of certain HUD funds are provided to low- and very low-income persons (particularly those who are recipients of government assistance for housing), and to business concerns that provide economic opportunities to these persons. The implementing regulation for Section 3 is found at 24 CFR Part 135.

In FY 2010, the Economic Opportunity Division received discretionary funds from the HUD Secretary as a part of the Department's Transformation Initiative, which will be used to sponsor a Notice of Funding Availability (NOFA) competition for certain recipients of Section 3 covered HUD funding. The purpose of this NOFA is to build the capacity of successful applicants to meet the regulatory requirements of Section 3. Under the Section 3 Program and Implementation NOFA, successful applicants will receive awards of up to \$50,000 to pay for the salary, fringe benefits, and other administrative expenses related to hiring a full-time Section 3 Program Coordinator for one year. Section 3 Program Coordinators will be responsible for carrying out key assignments that will result in employment, training, and contracting opportunities for Section 3 residents and business concerns; thereby increasing the recipient agency's capacity to comply with the requirements of Section 3.

Pursuant to the NOFA, this competition is limited to a sub-set of Section 3 recipient agencies, which includes: States, units of local government, PHAs, IHAs, Indian Tribes, or other public bodies.

##### **A2. How and By Whom the Data will be Used**

The information will be used to assess the qualifications of applicants for funding under the Section 3 Program Implementation and Coordination NOFA. It will assess each applicant's ability to hire a Section 3 Program Coordinator that will be responsible for carrying out key assignments that will produce employment, training, and contracting opportunities for low- and very low-income persons and the businesses that provide services to them. The information will also be used to determine if the strategies proposed in the applicant's NOFA will reasonably increase the recipient agency's capacity to meet the regulatory requirements of Section 3.

Eligible applicants will submit electronic applications (unless waived in accordance with established NOFA procedures) to the Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity, Office of Programs, Economic Opportunity Division in accordance with the Notice of Funding Availability. Application information is available from [www.grants.gov](http://www.grants.gov). The NOFA will discuss the requirements and weighted factors for selection and solicit applications for the Section 3 Program

Implementation and Coordination NOFA. Funding will be awarded to successful applicants on a competitive basis.

In FY 2010 these factors will be: 1) Hiring Plan and Relevant Organizational Experience; 2) Need/Distress/Extent of the Problem; 3) Soundness of Approach; 4) Leveraging Resources; and 5) Achieving Results and Program Evaluation. Applicants will be rated and ranked on these factors, and selections made accordingly.

Recipients of funding under this NOFA will also be required to submit quarterly and annual reports to the Department documenting their progress and performance with accomplishing the goals of the NOFA. This information will be submitted to HUD in the form of narrative reports that are based upon the milestones and deliverables established in the grantee's Work Plan.

**Modifications to existing application submission and or reporting requirements include:** Revising the reporting requirements under the eLogic Model (HUD Form 96010) to report Section 3 Program Implementation and Coordination performance and accountability under the grant.

**A3. The Extent of the Collection of Information Involving the Use of Automated, Electronic, or Other Forms of Information Technological**

As indicated above, electronic forms were implemented for the 2005 fiscal year under the E-Grants initiatives and will be continued, and improved, in the future.

**A4. Efforts to Identify Duplication**

There is no duplication of information. The Department must obtain information relating to proposals for addressing fair housing needs from applicants and progress made in carrying out projects, activities and tasks of funded proposals from grantees.

**A5. Efforts to Minimize the Burden on Small Entities**

The collection of information involves Public Housing Authorities, States, Counties, and other units of local government that are located in Metropolitan Statistical Areas (MSAs) with the highest unemployment rates as published by the Department of Labor Bureau of Labor Statistics. Since MSAs contain a core urban area with 50,000 or more population, and consists of one or more counties (including the counties containing the core urban area, as well as any adjacent counties that have a high degree of social and economic integration), the Department does not anticipate that this information collection will create a burden on small entities. However, to address any unforeseen burden, the suggested formats for quarterly and final reports, eLogic Model information, and supplemental outcome information will only collect the minimum amount of narrative information that is required to make determinations regarding grantee performance.

**A6. Consequences of Less Frequent Data Collection**

Without benefit of the information requested and certified from applicants, the Department would have no means for distinguishing proposals with a high probability for success in carrying out projects, activities and tasks to increase compliance with the requirements of Section 3 of the Housing and Urban Development Act from those which may prove to be troublesome. In addition, the Department could not ensure a fair competition for funding or certify that the funds awarded under this NOFA are used in accordance with the applicable statutes and regulations.

Without record-keeping, progress reports, and financial reports, the Department would have no means to measure how successful selected applicants are in carrying out their projects and managing funds awarded under this NOFA. In addition, without record-keeping, the Department would not be able to assess the overall performance of this initiative in delivering services to provide economic opportunities to Section 3 residents and businesses and increase the capacity of recipient agencies to meet the regulatory requirements of Section 3.

**A7. Circumstances Requiring Deviation from Guidelines of 5 CFR 1320.6**

Applicants must submit their grant proposals to the Department via the Federal Government’s electronic portal. Electronic submissions are protected but are accessible to each reader on the Technical Evaluation Panels (TEPs). TEPs are responsible for evaluating proposals under the various initiatives.

**A8. Federal Register Publication**

This information is collected in a manner consistent with guidelines of 5 CFR 1320.8(d). The agency notice announcing this collection of information appeared in the *Federal Register* on August 6, 2010 (Vol. 75, No 151, Page 47614). No comments were received.

**A9. Incentive Payments and Gifts**

This information collection does not involve any payments or gifts to respondents.

**A10. Arrangements and Assurances Regarding Confidentiality**

Applicants are advised in the Notice of Funding Availability that their proposals are subject to disclosure under the provisions of the Freedom of Information Act (FOIA), and as such may be released in whole or in part, depending on the Department's determination of what information must be released. Applicants are permitted to indicate which portions of an application they believe should not be released and the basis for that belief, but the Department retains the right to make an independent evaluation as to releasing the requested information.

**A11. Sensitive Questions**

This information collection does not contain requests for information of a sensitive nature.

**A12. Estimate of Record-keeping and Reporting Hour Burden on Respondents**

The Department estimates that application development, logic model, quarterly report, enforcement log, semi-annual and/or final report, are anticipated to have the following reporting burdens:

	Number of Respondents	Frequency of Use	Hours/Response	Burden Hours
Application Development	500	1	60	30,000
Quarterly Report (eLogic Model)	15	3	20	900
Outcome Report	15	1	20	300
Final Report	15	1	40	600
Record-keeping	15	1	30	450

The number of respondents is an estimate based upon the possible universe of eligible applicants for funding under the Section 3 NOFA.

**TOTAL BURDEN HOURS: 32,250**

Annualized Cost to Respondents for Hour Burdens for Information Collections

Estimates for eLogic Models, quarterly and annual reports, record-keeping, and supplemental outcome reports are based on approximately fifteen grantees. This estimate is based on the total amount of funds available under this NOFA and the dollar amount to be awarded. The 15 respondents will be required to report 4 times annually (or quarterly reports) on program performance and financial status.

Quarterly Reports provide the Department with grid reporting and narrative reporting on the status of program tasks and deliverables. These quarterly reports also report the grantees' performance on activities outside of the eLogic Model. These activities include: Key Assignments Completed, Outcomes, and Increased Agency Capacity. The reporting process assists HUD in evaluating performance and providing early intervention to grantees if needed. The Final Report is a compilation of activities for the prescribed grant period and is required within 90 days of the close of grant activities for each grantee. It provides HUD with a summary that includes objectives, accomplishments, and results; economic opportunities provided to Section 3 residents and businesses; and overall agency compliance.

Hours per response are averages based on grantee estimates of time to review instructions, search existing data sources, gather and maintain the data needed, and respond to and review the collection of information. Actual time will vary because of differences in activity, size, or complexity of grants, and depending on whether the grantee automates format. It is anticipated that an additional reduction will be forthcoming by the next information collection process to accommodate the modification/elimination of this form by continued use/modification of the form HUD-96010, Logic Model, which also tracks grantee progress and achievements and may eventually replace other forms/narrative portions of the quarterly reports.

Total costs were calculated (rounded to the nearest dollar): ***Total Burden Hours (32,250) x Professional Hourly Rate (\$13.22) = \$426,345.***

**A13. Estimate of Record-keeping and Reporting Cost Burden on Respondents**

This information collection does not result in any additional cost burden to respondents.

**A14. Estimated Cost to the Federal Government**

There will not be any additional cost to the Federal Government as a result of this information collection beyond the usual personnel costs to review and select applications, award funding, and monitor performance of grantees.

**A15. Reasons for Change in Burden**

The proposed information collection is new and does not propose changes to any existing information collection.

**A16. Plans for Tabulation, Analysis, and Publication**

The Department will publish eLogic Model and enforcement log information as part of its mandatory Annual Report to Congress and under the Transparency requirements.

**A17. Reasons for Not Displaying the OMB Expiration Date**

There is no request seeking approval to not display the expiration date for OMB approval of the information collection.

**A18. Exceptions**

There are no exceptions to the certification statement.

**PART B - EMPLOYMENT OF STATISTICAL METHODS**

This information collection does not employ statistical methods.