

## **SUPPORTING STATEMENT for PAPERWORK REDUCTION ACT SUBMISSIONS**

### **PART A - JUSTIFICATION**

Information Collection: Section 3 Implementation and Coordination Grant Application and Monitoring Reports.

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

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) grant competition for certain recipients of Section 3 covered HUD funding. These are very limited funds with very specific requirements for when they must be spent.

In August 2010, HUD was granted an emergency request for information collection number 2529-0050. However, due to several internal delays, the Department has not had the opportunity to conduct the NOFA grant competition or to award these funds.

On February 18, 2011, the Section 3 Coordination and Implementation NOFA (FR-5415-N-37) was approved by OMB, and it is currently ready to be published in the Federal Register so the grant competition can take place immediately. Unfortunately, the approval for the emergency collection expired on February 28, 2011, and the competition will have to be delayed until the approval date is extended. Once the approval date is extended, the NOFA competition can be conducted and awards will be made within 60 days.

The Department is seeking another emergency extension of this current approval. The circumstances surrounding this request are extenuating and failure to reinstate the approval could result in losing the Discretionary funds provided for this purpose.

#### **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.

Recipients of funding under this NOFA will 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:** The addition of three new forms (HUD 965, 966, and 967). These forms were created to allow the Department to rate and rank each applicant for funds under the NOFA grant competition.

Additionally, the reporting requirements under the eLogic Model (HUD Form 96010) will be revised 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 June 11, 2010 (Vol. 75, No 112). 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)	12	3	20	720
Outcome Report	12	1	20	240
Final Report	12	1	40	480
Record-keeping	12	1	30	360

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: 31,800**

## 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 12 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 (31,800) x Professional Hourly Rate (\$13.22) = \$420,396.***

### **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 Department anticipates that fewer grantees will be selected for funding under this grant competition than originally anticipated.

### **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 identified in Item 19 of OMB Form 83-1.

**PART B - EMPLOYMENT OF STATISTICAL METHODS**

This information collection does not employ statistical methods.