

# Supporting Statement for Paperwork Reduction Act Submissions

## A. Justification

1. **Why is this information necessary? Identify 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.**

Section 3 of the Housing and Urban Development Act of 1968 mandates that the Department ensure that employment, training, and contracting opportunities generated by certain financial assistance are, to the greatest extent feasible, directed to low- and very low income persons, particularly those who are recipients of government assistance for housing residing in the community where the funds are spent, and to the businesses that substantially employ these persons. The implementing regulations are found at 24 CFR Part 135 Subparts D & E.

Congressional actions support the need for a data collection instrument to assess the impact of Section 3 covered financial assistance. Responding to a directive in the Conference Report on the Housing and Community Development Act of 1987, the Department issued a report to Congress in FY 1991. This report assessed the impact of HUD-assisted activities on enhancing the employment opportunities for lower income persons and the use of businesses located in the area of assisted projects. Further, the Fair Housing Act, as amended in 1988, at Section 808(e)(6) requires the Secretary of HUD to report annually to Congress, and make available to the public, data on beneficiaries of HUD-assisted programs pursuant to Section 3 which allows the Department to determine the potential or evaluate the impact of the statute in meeting its objective.

2. **How is the information to be used?**

A. *The Section 3 Summary Report –Form HUD 60002*

The information will be used by the Department to monitor program recipients' compliance with requirements of Section 3. HUD headquarters will use the information to assess the results of the Department's efforts to meet the regulatory objectives; make compliance determinations; influence enforcement actions; and formulate policy decisions. Also, recipients will use the data collected, as a self-monitoring tool.

B. *The Complaint Register Form HUD 958*

Complainants will use the Complaint Register to file a complaint. A complaint may be filed by mail, in person or by telephone with the Office of Fair Housing and Equal Opportunity (FHEO), Department of Housing and Urban Development. FHEO staff will use the information provided by this form as the basis for the Department's determination of jurisdiction over a complainant's allegations.

3. **Improved Technology to Reduce Burden**

Section 3 Data Collection System has been developed to incorporate the form HUD 60002. This system is currently automated and is available for use and as result has increased the number of annual reports submitted. The form HUD 958 Complaint Register is available via the Section 3 Website as a downloadable file. Further automation of the HUD 958 and HUD 60002 are being considered in the future.

4. **Duplication**

This information does not duplicate any other reporting requirement in the Department.

5. **Small Business Burden**

The collection of information involves direct recipients receiving Federal financial assistance for Public and Indian Housing and/or housing and community development programs covered by Section 3. To minimize the burden, the Department provided clear guidance on the required information collection on an ongoing basis and revised the relevant guidance on the Section 3 website. This guidance will prevent the recipient from collecting and submitting unnecessary or duplicative information.

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.**

If the information is not collected HUD will be unable to prepare the mandatory reports to Congress, assess the effectiveness of Section 3, investigate Section 3 complaints, or make adequate determinations of compliance.

7. **Explain any special circumstances requiring:**

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.**

The Federal Register notice was published on December 28, 2010, volume 75 on page 81632 To date only 1 comment have been received.

9. **Explain any payments or gifts to respondents, other than re-numeration of contractors or grantees.**

There have been and are no payments or gifts to respondents, other than re-numeration or contractors or grantees.

10. **Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation or agency policy.**

All information collected by the Section 3 Complaint Register complies with the Privacy Act of 1974 and OMB Circular A-108.

11. **Justify any questions of a sensitive nature, such as sexual, religious beliefs, and other matters that are commonly considered private.**

The reporting requirements do not contain sensitive questions.

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.**

We estimate the information collection requirement will have the following reporting burden:

Form	# of Respondents	# of Responses	# of Hrs	Total Hrs.	Cost	Total Cost
HUD-60002	5000	10,000	2	40,000	\$20	\$800,000
HUD-958	50	50	1	50	\$10	\$ 500
Totals	5050	10,050	5	40,050	\$30	\$800,500

Approximately 5000 respondents are required to submit Section 3 Summary Reports (HUD-60002) to HUD. Each recipient may submit up to two reports to HUD depending on the type of covered financial assistance that they receive. The required summary report(s) shall be submitted to HUD annually. The recipients maintain documentation that summarizes efforts made and the results of those efforts generate information.

We anticipate that approximately 50 new Section 3 complaints (Form HUD 958) are filed with HUD every year.

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

There are no additional costs to respondents or record keepers.

14. **Estimate annualized costs to the Federal government.**

There are no additional costs to the Federal government.

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

There are no program changes

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

There are no plans to publish the information collected.

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

There is no request not to display the expiration date

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

There are no exceptions to the certification statement identified in item 19 above.

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

None

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