

Supporting Statement for Paperwork Reduction Act Submissions

Revitalization Area Designation and Management

A. Justification

1. The Secretary is authorized to sell any properties conveyed to the Department in exchange for debentures and certificates of claim (12 U.S.C. 1710(g)). The Secretary is required to carry out a program under which eligible assets shall be made available for sale in a manner that promotes the revitalization, through expanded homeownership opportunities, of revitalization areas (12 U.S.C. 1710(h)(1)). The Secretary is required to designate areas as revitalization areas after consulting with affected units of general local government and interested nonprofit organizations. The Secretary may designate as revitalization areas only areas that meet one of the following requirements: (a) very low-income area; (b) high concentration of eligible assets; or (c) low home ownership rate (12 U.S.C. 1710(h)(3)). The program is operating under a Housing Notice with regulatory development pending.

The requesting entity receives no benefit from approval of its request for designation. Individual citizens may receive a benefit resulting from the operation of special property disposition programs in an approved area. For example, HUD's Officer Next Door and Teacher Next Door Sales programs offers homes for purchase to law enforcement officers and teachers at a fifty percent discount. The homes must be located in a revitalization area to be eligible for sale at the discount rate.

2. A local government or interested nonprofit may submit a request to the Department for designation of a described geographic area as a Revitalization Area. Requests are generally stated in a one to two page letter on the requester's stationery. A request must describe the area using census block group designations. No other form of submission is required. The underlying research by the requester to identify an area of interest for designation is likely to be performed in the general course of the entity's community development interests and work such that the principal effort will be discussing and formulating the actual request. HUD's review is limited by legislation to determining or verifying that the nominated area meets at least one of three legislatively established criteria. Deliberation is not required, as any nominated area meeting at least one criterion must be approved. HUD must examine and consider any area proposed by an entity. The entity is not required to justify the request. HUD uses the information to determine whether or not a property meets the requirements for that designation.

HUD is mandated to review the eligibility of all designated revitalization areas at least annually. HUD accomplishes this by requiring each of the four Homeownership Centers to review the eligibility of designated areas within its jurisdiction and report the results to Headquarters.

A small increase in burden hours is a result of increased HUD owned homes that are within designated revitalization areas. This increased supply of designated properties also increases the number and activity of participation by local governments and non-profits.

3. The information is not generally collected electronically, although HUD will accept requests and related attachments to email. Requests are generally stated in a one to two page letter on the requester's stationery. The local government or interested nonprofit initiates a request to the Department through a regional Homeownership Center administrative office to designate a geographic area as a revitalization area. The requester identifies the nominated area by census block group listings. The Department utilizes geographic information systems to determine if the proposed area meets revitalization area designation criteria. Automation for the small number of responses would not be cost-efficient.

Federal field officials are required to review existing designated areas at least annually to determine the continuing appropriateness of a Revitalization Area designation for a geographic area. The review process

relies solely on geographic mapping tools for the review and does not request or require submissions by the original requesting party.

4. The information is not collected elsewhere.
5. Governmental and non-profit entities making the requests may be small entities. The information required is the minimum possible for HUD to review the request.
6. Collection of proposed designation information is necessary in order to have a revitalization area program. Designated revitalization areas are, in turn, the basis for selecting FHA foreclosed properties for sale through various discount sales programs. Selection of inappropriate areas may result in the inappropriate sale of certain properties at substantial discounts resulting in a consequent loss of revenue to the FHA insurance fund.
7. There are no special circumstances required in this collection.
8. In accordance with 5 CFR 1320.8(d), the agency's notice soliciting public comments was announced in the *Federal Register* on September 13, 2012, (Vol. 77, No. 178, pages 56670-71). No comments were received.

Comments were solicited from field office staff at three HUD homeownership center offices who normally review the revitalization area requests. Respondents indicated satisfactorily to the amount of data, frequency of collection, clarity of instructions, and all aspects of the data elements.
9. No payments or gifts to respondents are involved in this program.
10. No assurance of confidentiality is provided to respondents and there is no basis for assurance in statute, regulation, or agency policy.
11. There are no questions of a sensitive nature.
12. The following are the estimates of the burden hours for the collection of information.

Information Collection	Number of Respondents	Frequency of Response	Total Annual Responses	Hours per Response	Total Annual Hours	Cost per Hour	Total Annual Cost
Preparation of Requesting Letter	42	1	42	2	84	\$35	\$2,940

Hourly rate based on an estimated salary for local government employees of approximately \$73,000 annually.

13. There are no additional costs to the respondents.

14. Cost to the Federal Government.

Information Collection	Total Annual Responses	Review / Completion by HUD Staff	Hours per Response	Total Annual Hours	Cost per Hour	Total Annual Cost
Request for designation of a specific geographic area as a revitalization area	42	12	3	126	\$35	\$4,410
Annual review of designated areas (by 4 HOC offices)	4	4	8	32	\$35	\$1,120
Grand Totals	42	12	3	158	\$35	\$5,530

HUD staff costs are based on GS-12-1, \$73,100 annually or approximately \$35 per hour.

15. This is an extension of a currently approved collection. There are no program changes. The information is submitted voluntarily. The small increase in burden hours is a result of increased HUD owned homes that are within designated revitalization areas. This increased supply of designated properties also increases the number and activity of participation by local governments and non-profits.
16. The information is not published.
17. A request not to display the expiration date is not being made.
18. There are no exceptions to the certification statement.

B. Collections of Information Employing Statistical Methods

Information is not collected employing statistical methods.