

**Department of Commerce
U.S. Census Bureau
OMB Information Collection Request
Report of Building or Zoning Permits Issued
for New Privately-Owned Housing Units (C-404)
OMB Control Number 0607-0094**

Part A -- Justification

1. Necessity of the Information Collection

The Census Bureau is requesting a three-year extension of a currently approved collection of the Form C-404, otherwise known as the Building Permits Survey (BPS). This survey is authorized under Title 13, United States Code, Sections 131 and 182, to collect data on new residential buildings from state and local permit-issuing offices. The key estimates from the survey are the numbers of new housing units authorized by building permits; data are also collected on the valuation of the housing units. Form C-404 specifically collects information on changes to the geographic coverage of the permit-issuing place, the number and valuation of new residential housing units authorized by building permits, and additional information on residential permits valued at \$1 million or more, including, but not limited to, site address and type of building. The form is titled “Report of Building or Zoning Permits Issued for New Privately-Owned Housing Units”.

The Census Bureau produces statistics used to monitor activity in the large and dynamic construction industry. Given the importance of this industry, several of the statistical series have been designated by the Office of Management and Budget as Principal Economic Indicators. Two such indicators are directly dependent on the key estimates from the BPS. For New Residential Construction (which includes Housing Units Authorized by Building Permits, Housing Starts, and Housing Completions), form C-404 is used to collect the estimate for Housing Units Authorized by Building Permits. For New Residential Construction and Sales, the number of housing units authorized by building permits is a key component utilized in the estimation of housing units started, completed, and sold.

These statistics help state, local, and federal governments, as well as private industry, analyze this important sector of the economy. The building permit series are available monthly based on a sample of building permit offices, and annually based on the entire universe of permit offices. Published data from the survey can be found on the Census Bureau’s website at www.census.gov/permits.

The Census Bureau collects these data primarily by mail using the Form C-404

(Attachment A) or online using an online version of the same questionnaire. Some data are also collected via receipt of proprietary electronic files or mailed printouts for jurisdictions who have established reporting arrangements which allow them to submit their responses using their own file format.

We do not plan any changes to the information we collect on the C-404.

2. **Needs and Uses**

The Census Bureau uses the Form C-404 to collect data that provide estimates of the number and valuation of new residential housing units authorized by building permits. About one-half of the permit offices are requested to report monthly. The remaining offices are surveyed once per year. We use the data, a component of *The Conference Board Leading Economic Index*, to estimate the number of housing units authorized, started, completed, and sold (single-family only). In addition, the Census Bureau uses the detailed geographic data in the development of annual population estimates; those population estimates are used by government agencies to allocate funding and other resources to local areas, inform policy, and aid in city planning. Policymakers, planners, businesses, and others use the detailed geographic data to monitor growth and plan for local services, and to develop production and marketing plans. The BPS is the only source of statistics on residential construction for states, counties, and smaller geographic areas. Because building permits are public records, we can release data for individual jurisdictions, and annual data are published for every permit-issuing jurisdiction.

Information quality is an integral part of the pre-dissemination review of information disseminated by the Census Bureau (fully described in the Census Bureau's Information Quality Guidelines). Information quality is also integral to information collections conducted by the Census Bureau and is incorporated into the clearance process required by the Paperwork Reduction Act.

3. **Use of Information Technology**

In 2017 about 41 percent of the places that report monthly, provide their reports online or via an electronic file, and one state agency emails us an electronic file via special arrangements that we have made to receive data that the state collects from its jurisdictions. Respondents who choose to respond electronically receive email notifications rather than paper forms in the mail.

Internet collection is conducted through the Centurion Internet Reporting System. This method of data collection reduces the amount of data entry, thus providing a means of cost-effective data retrieval. In addition, the system's built-in data checks/edits improve quality of response and reduce the need for telephone follow-up. No additional software is needed by the respondent. In addition, all

data submitted through the Centurion Internet Reporting System are encrypted.

Respondents that do not report electronically receive forms in the mail and can return them via mail or fax. About 20 percent of the paper forms that we receive are faxed rather than mailed. This is more convenient for respondents and we receive their data more quickly.

We also continuously research web sites that contain information on building and zoning permits and we get data for a few municipalities via their Internet sites. We use this as a tool for nonresponding permit offices only, as we do not have the resources to regularly collect data in this manner. We have also obtained annual permit data for some jurisdictions from state government offices. We are also investigating obtaining data from various local government's online electronic databases and data feeds, as well as from private entities that compile building permit information.

4. Efforts to Identify Duplication

Several private firms collect data on the construction industry and request similar data from selected permit offices. While we are investigating using this data to supplement our data collection and reduce respondent burden, these data do not provide complete or timely enough coverage, making it impractical to solely use these data to provide monthly or annual estimates.

Our data collection operation is cost effective and efficient. We collect this information monthly for about 7,850 permit-issuing jurisdictions who respond via Internet or who mail or fax the provided form. Another 325 jurisdictions have established reporting arrangements that allow them to submit their responses monthly via proprietary electronic files or mailed printouts using their own file format. We collect this information annually for about 11,700 permit-issuing jurisdictions who respond via Internet or who mail or fax the provided form. Another 450 jurisdictions have established reporting arrangements that allow them to submit their responses annually via proprietary electronic files or mailed printouts using their own file format.

Our overall unit response rate for 2017 (including both monthly and annual reporters) was about 81 percent. Our total quantity response rate for 2017 (for both monthly and annual reporters) was about 93%.

We share the information we collect with state and local government agencies to avoid duplication of data collection efforts and to eliminate additional response burden on local building permit officials for identical or similar information. We provide these data, upon their request, at no cost.

5. **Minimizing Burden**

The respondents are state and local building permit officials. We try to reduce respondent burden by obtaining data from central sources and allowing the respondents to report electronically or to submit their own summary reports or listings of permits issued in lieu of the completed survey form. The respondent burden for smaller government offices is minimal because they cover smaller areas with lower populations and issue fewer permits. If offices have indicated that the data is available on their website, in order to reduce their burden, we will retrieve the data directly from their site in lieu of requesting the data from them.

We provide answers to respondents' frequently asked questions on our web site (www.census.gov/permitsfaq) and we provide a toll-free number where respondents can call with questions about the survey or about how to report. The online version of the questionnaire includes access to help for each question.

Respondents who have missed less than five months of reporting during the year receive a second request for each month missed at the end of the year. If the respondent has missed more than five months of reporting, annual totals are requested to reduce the burden of completing forms for every missing month.

6. **Consequences of Less Frequent Collection**

Less frequent collection would adversely affect estimates of housing units authorized, started, completed, and sold, and the index of leading economic indicators. All are monthly series. Many national policies, decisions, and analyses are formulated and updated frequently using information collected in the survey. If the survey was conducted less frequently, the estimates would be quickly outdated and of much less value to the public and private sector data users. Estimates for a calendar month are released to the public on the twelfth workday of the following month. It is essential that we receive a quick response in order to meet that deadline.

Annual data are collected between the months of January and April and annual totals are released to the public on the first working day in May. These annual data are essential for the benchmarking of revised monthly data, which are published with the annual totals on the first working day in May. Additionally, the Census Bureau uses the detailed geographic data in the development of annual population estimates, as mentioned above.

7. **Special Circumstances**

The collection of these data is consistent with OMB guidelines, with minimal exceptions. This collection requests respondents report information to the agency

more often than quarterly. This monthly survey provides data used to produce two monthly Principal Federal Economic Indicators, New Residential Construction and New Residential Sales. Additionally, respondents are requested to prepare written responses to a collection of information in fewer than 30 days. Responses are requested within two weeks after receipt of the request. This is necessary to provide timely statistics on the Construction sector, and for timely publication of the above mentioned monthly Principal Federal Economic Indicators.

8. Consultations Outside the Agency

We consulted with data users outside the agency to obtain comments regarding the BPS data and methods. The Census Bureau communicates regularly with data users from the Bureau of Economic Analysis (BEA), the National Association of Home Builders (NAHB), the Department of Housing and Urban Development (HUD), and the Harvard University Joint Center for Housing Studies. These data users suggested no changes to the questionnaire or data collection. These consultations were for the purpose of receiving individual opinions and not for the purpose of forming a group opinion.

We published a notice in the Federal Register on July 24, 2018 (Vol. 83, pages 34982-34983) inviting public comments on our plans to submit this request. One comment was received during the 60-day comment period. The comment was from the Bureau of Economic Analysis (BEA) and stated that the BEA strongly supports this data collection because these data are very important in preparing estimates for key components of BEA's economic statistics. See Attachment B.

9. Paying Respondents

The Census Bureau does not pay respondents nor provide gifts in return for complying with the survey.

10. Assurance of Confidentiality

The data collected on Form C-404 are public information and are not confidential. Letters sent to respondents inform respondents of this and state that this is a voluntary survey. Our web site with answers to respondents' frequently asked questions (www.census.gov/permitsfaq) also states that the survey is voluntary. See Attachments C-G.

11. Justification for Sensitive Questions

The Form C-404 contains no sensitive questions.

12. Estimate of Hour Burden

Reporting burden is calculated as follows:

Frequency	C-404	Responses per Respondent	Total Annual Responses	Avg. Burden per Response (minutes)	Total Burden (hours)
Monthly via mail, fax, or Centurion	7,850	12	94,200	8	12,560
Monthly via proprietary electronic files or mailed printouts	325	12	3,900	3	195
Annual via mail, fax, or Centurion	11,700	1	11,700	23	4,485
Annual via proprietary electronic files or mailed printouts	450	1	450	3	23
Total	20,325		110,250	9.39	17,263

The reporting burden is estimated to vary from 3 to 23 minutes per response. This varies because of the differences in the number of items per respondent and the method for record keeping in local permit offices. The least active places have no data to report and are asked to complete only one question on the survey form. The most active places have to complete all items per response, which requires more time.

We estimate that the average time per monthly response for those who report by mail, fax or Centurion is eight minutes. We base our estimate of the time required to complete the monthly report on (a) the average number of items reported per respondent, (b) our knowledge that the largest offices use computers to compile the data, and (c) our knowledge that the local building permit officials keep records on the number and kinds of permits issued per month, and use our instructions only for references after the initial month they are in our sample.

We estimate that the average time per annual response via mail, fax or Centurion is 23 minutes. The average response time for respondents who report only annually is higher because they need to review records for the past 12 months and consolidate them into an annual report.

We estimate the average time per response via proprietary electronic files or mailed printouts (both monthly and annually) is 3 minutes based on the

knowledge that the local building permit officials keep records on the number and kinds of permits issued, and their response is solely sending us a preexisting file.

The cost to the respondents is estimated to be \$430,021 based on an average hourly wage of \$24.91 for local government employees. The hourly salary estimate was taken from the Bureau of Labor Statistics' Occupational Employment Statistics for May 2016 using the National Industry-Specific Occupational Employment and Wage Estimates for NAICS 999300 - Local Government, excluding schools and hospitals (OES Designation) which can be found here: https://www.bls.gov/oes/current/naics4_999300.htm#00-0000.

13. Estimate of Cost Burden

We do not expect respondents to incur any costs other than that of their time to respond. The information requested is of the type and scope normally carried in office records and no special hardware or accounting software or system is necessary to provide answers to this information collection. Therefore, respondents are not expected to incur any capital and start-up costs or system maintenance costs in responding. Furthermore, purchasing of outside accounting or information collection services, if performed by the respondent, is part of usual and customary business practices and not specifically required for this information collection.

14. Cost to Federal Government

The estimated total cost for Fiscal Year 2018 of the Building Permits Program, of which this questionnaire is a part, is \$2,435,121, all borne by the Census Bureau. The estimated cost includes postage; forms printing; salaries for data capture and collection processing staff; salaries for staff at headquarters responsible for methodology, instrument design, data analysis and dissemination and project management, and operational costs such as overhead and equipment. The costs are expected to stay relatively consistent over the three years of clearance.

15. Reason for Change in Burden

The number of burden hours increased due to the total number of permit-issuing jurisdictions being larger than it was three years ago. When local permit offices split the responsibility for issuing permits among their smaller jurisdictions, we include those additional jurisdictions in order to maintain the same coverage. This has the effect of increasing the total number of respondents.

16. Project Schedule

We collect the majority of the data in the first two weeks of the calendar month. We process and edit the data as it is received. We tabulate preliminary estimates

of the number of housing units authorized on the 9th workday, and that data is subsequently released on the 12th workday. We tabulate final estimates on the 14th workday which are released on the 17th workday.

We receive the annual reports in the first three months following the end of the survey year. We process and edit the data as it is received, and tabulate the data in the fourth month following the survey year. We release the data each year on the first working day in May.

17. Request to Not Display Expiration Date

The expiration date will be printed on the form.

18. Exceptions to the Certification

There are no exceptions.

19. NAICS Codes Affected

The data for this survey are not collected using the NAICS categories, however, the industries being measured fall within NAICS 236115 (New Single-Family Housing Construction (except For-Sale Builders)) and NAICS 236116 (New Multifamily Housing Construction (except For-Sale Builders)).