

Supporting Statement for Paperwork Reduction Act Submissions
Section 3 Reporting
(OMB# 2501-New)

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

This request is for a new collection of a new form HUD Form 60002-A, the Opportunity Portal and Business Registry to reflect changes from a new rule called “Enhancing and Streamlining the Implementation of Section 3 Requirements for Creating Opportunities for Low- and Very-Low Income Persons and Eligible Businesses,” published at 24 CFR § 75. The Section 3 Working group including participants from all affected program offices, have determined the necessary changes on the forms affected.

2. Indicate how, by whom and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

The Section 3 Summary Report (Form HUD 60002-A) is used by certain recipients of HUD financial assistance (e.g., public housing agencies, municipalities, and property owners) to report the number of labor hours that have been worked by Section 3 workers from their usage of covered HUD financial assistance, as required at 24 CFR § 75. Data collected on this form is used to assess the overall effectiveness of Section 3 and to make determinations of compliance with regulatory requirements. This form is typically completed by the staff at these agencies.

The HUD Opportunity Portal is utilized by low- or very-low income workers as determined by HUD. Low income is an average income of 50% lower than the Annual Median Income (AMI) and Very-low income is considered 80% lower than the AMI. The average wage of low- or very-low income workers is the federal minimum wage of \$7.25.

The Section 3 Business Registry is utilized by businesses and contractors who are eligible under the definitions in 24 CFR Part 75 to be considered a Section 3 Business Concern. These eligible businesses are typically construction businesses.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

Form HUD 60002-A is submitted electronically by recipients of certain HUD financial assistance.

The Opportunity Portal and Business Registry are separate online portals utilized by Section 3 workers and businesses.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

There is no duplication of information.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I) describe any methods used to minimize burden.

This collection does not impose a significant burden on Small Entities. The regulation allows for small PHAs to report quantitatively on their agency efforts instead of recording quantitative information on labor hours. In addition, small businesses are encouraged to use the Section 3 Business Registry to self-identify Section 3 Business concern status for funding recipients that are looking to contract with Section 3 Businesses; however, such utilization is not required.

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.

The information collected on Form HUD 60002-A is required by the regulation entitled “Enhancing and Streamlining the Implementation of Section 3 Requirements for Creating Opportunities for Low- and Very-Low Income Persons and Eligible Businesses” at 24 CFR § 75.

The Opportunity Portal and Business registry are optional portals available for stakeholder use. There is no mandate to utilize these systems.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:
- requiring respondents to report information to the agency more than quarterly; **Not Applicable**
 - requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it; **Not Applicable**
 - requiring respondents to submit more than an original and two copies of any document; **Not Applicable**
 - requiring respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years; **Not Applicable**
 - in connection with a statistical survey, that is not designed to produce valid and reliable results than can be generalized to the universe of study; **Not Applicable**
 - requiring the use of a statistical data classification that has not been reviewed and approved by OMB; **Not Applicable**
 - that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or **Not Applicable**
 - requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law. **Not Applicable**

There are no special circumstances that would cause this information collection to be conducted in a manner that would impose one or more of the additional requirements identified under this item.

8. If applicable, provide a copy and identify the date and page number of publications in the Federal Register of the agency's notice, required by 5 CFR § 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.
- Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping disclosure, or reporting format (if any) and the data elements to be recorded, disclosed, or reported.
 - Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years -- even if the collection of information activity is the same as in prior periods. There may be circumstances that preclude consultation in a specific situation. These circumstances should be explained.

In accordance with the Paperwork Reduction Act of 1995, the Department of Housing and Urban Development published a notice in the Federal Register March 11, 2021, Vol. 86, No. 46, page 13911, announcing the agency's intention to request an OMB review of data collection activities for the Section 3. The notice provided a 60-day period for public comments and no comments were received.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

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

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

Form HUD 60002-A does not request confidential information. A statement included in the burden statement will exist within the system identifying, "No assurance of confidentiality is provided nor is any such assurance needed as confidential information is not requested." The Opportunity Portal collects confidential information (name/workers and business address/telephone numbers), HUD requires verification of any business that requests to review workers submitted information into the Portal. A statement included in the burden statement will exist within the system identifying that no assurance of confidentiality is provided.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

No information collection requests information of a sensitive nature.

12. Provide estimates of the hour burden of the collection of information. The statement should:

- indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices;

- if this request covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I; and
- provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 13.

Information Collection	Number of Respondents	Frequency of Response	Responses per Annum	Burden hour per response	Burden Hours	Hourly per response	Annual Cost
Opportunity Portal	350.00	1.00	350.00	1.00	350.00	\$7.25	\$2,537.50
Business Registry*	6,000.00	1.00	6000.00	1.00	6,000.00	\$45.80	\$274,800.00
HUD Form 60002-A**	4,283.00	1.00	4283.00	3.00	12,849.00	\$18.12	\$232,823.88
Total	10,633.00				19,199.00		\$510,161.38

*The Business Registry is primarily utilized by small business owners and construction managers with an annual wage of \$45.80 (<https://www.bls.gov/oes/current/oes119021.htm>)

**The HUD Form 60002-A is primarily utilized by agency Section 3 coordinators(<https://www.bls.gov/oes/current/oes436014.htm>)

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information (do not include the cost of any hour burden shown in Items 12 and 14).
- The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s) and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities;
 - If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10) utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.

- generally, estimates should not include purchases of equipment or services, or portions thereof made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

There are no additional cost burdens for respondents or record keepers beyond the labor-cost of burden hours described in item 12 above.

- Provide estimates of annualized cost to the Federal government. Also, provide description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

The HUD Form 60002-A will be analyzed by HUD staff located in HQ with an average salary of GS-14, step 1. The Opportunity Portal and Business Registry do not require any processing from the federal government and function as independent resources for Section 3 stakeholders.

Information Collection	Number of Respondents	Frequency of Response	Responses per Annum	Burden hour per response	Burden Hours	Hourly per response	Annual Cost
HUD Form 60002-A	4,283.00	1.00	4,283.00	3.00	12,849.00	\$18.12	\$232,823.88

- Explain the reasons for any program changes or adjustments reported in Items 13 and 14 of the OMB Form 83-I.

This is a new collection

- For collection of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

Information collected on HUD Form 60002-A will be analyzed by HUD staff to determine the overall effectiveness of the Department's enforcement of the regulatory requirements at 24 CFR § 75, and to track the percentage of labor hours performed by section 3 workers and targeted section 3 workers. This collection will begin on July 1, 2021 and will continue to be collected indefinitely until this form is updated or replaced.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

This information collection is not seeking approval to not display the expiration date for OMB approval of the information collection.

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

There are no exceptions to the certification statement.

B. Collections of Information Employing Statistical Methods.

This information collection does not employ statistical method.