# Supporting Statement for Paperwork Reduction Act Submissions

# Revitalization Area Designation and Management

## OMB Control Number 2502-0566

## 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.**

Section 204(h) of the National Housing Act (NHA), 12 U.S.C. 1710(h)(l)) authorizes the Department of Housing and Urban Development to make HUD Single Family Real Estate Owned (REO) properties, referred to as "eligible assets," available for sale in a manner that promotes the revitalization, through expanded homeownership opportunities within HUD-designated Revitalization Areas. Under section 204(h)(3) of the NHA (12 U.S.C. 1710(3)), HUD is required to designate Revitalization Areas, which must meet one of the statutory criteria for designation. Such criteria include whether the area is: (1) a very low-income area; (2) an area with a high concentration of eligible assets; or (3) an area with a low homeownership rate.

The Department identifies Single Family REO properties eligible for disposition through discount sales programs in Revitalization Areas. On April 30, 2019, HUD's Federal Register Notice 6040-N-01, Housing Notice for Revitalization Area Designation Criteria; Solicitation of Comment was published. The program guidance is described in the Federal Housing Administration (FHA) Single Family Housing Policy Handbook 4000.1 (Handbook 4000.1), Section IV.B.2.c.vi. A Housing Notice is pending development, which will provide updates to FHA's Revitalization Area Designation Criteria, in addition to updating Handbook 4000.1.

**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 Department's Jurisdictional Homeownership Center (HOC) Directors are responsible for evaluating and making Revitalization Area designation determinations. State, local, or tribal governments or HUD-approved Nonprofits may submit a request to the Director of the Jurisdictional HOC for the area to designate a Revitalization Area. Requests are generally stated in a one-to two-pages letter on the requester's stationery. A request must describe the area using census block group designations. 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 statutory established criteria. Deliberation is not required. 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 a property meets the requirements for that designation.

The requesting entity receives no direct benefit from approval of its request for designation. Individual citizens may receive a benefit resulting from the sale of HUD Single Family REO properties, located in Revitalization Areas, which are sold at a discount through the Department's Mission Programs, such as the Asset Control Area (ACA) and the Good Neighbor Next Door (GNND) Programs, and to certain government entities and HUD-approved Non-profit agencies. For example, the GNND sales program offers HUD REO properties located in a Revitalization Area for purchase to law enforcement officers, teachers, firefighters, and emergency medical technicians at fifty percent off the appraised value.

HUD is mandated to review the eligibility of all designated Revitalization Areas at least annually. The Department's Regional HOC Directors are responsible for reviewing the eligibility of designated areas within its jurisdiction and report the results to Headquarters.

This is an extension of a currently approved collection. The information collection is a requesting letter, without agency forms, and the estimates of the burden hours, responses and respondents decreased.

**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**.

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

The Revitalization Area is reported in the Enterprise Geospatial Information System (eGIS) Data at: https://egis.hud.gov. 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. 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.**

Governmental and HUD-approved Non-profit entities making the requests may be small entities. The information required is the minimum possible for HUD to review the request and will not have a significant impact on them.

**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.**

Collection of proposed information is necessary for HUD to designate an area as a revitalization area designation. Designated Revitalization Areas are, in turn, the basis for selecting FHA foreclosed properties for sale through the Department's various mission programs. Selection of inappropriate areas may result in the inappropriate sale of the HUD REO properties at substantial discounts resulting in a consequent loss of revenue to the FHA insurance fund.

**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 often than quarterly;**

Respondents are not required to report information to HUD more often than quarterly;

*** requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**

Respondents are not required to prepare a written response to a collection of information in fewer than 30 days after receipt of it.

*** requiring respondents to submit more than an original and two copies of any document;**

Respondents are not required to submit more than the original and two copies of any document.

*** requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;**

Respondents are not required to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years.

*** in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**

Respondents are not required to use a statistical survey;

*** requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**

Respondents are not required the use of a statistical data classification that has not been reviewed and approved by OMB;

*** 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**

This information collections take into consideration the need to assure data confidentiality and provide adequate Privacy Act Statement notices where needed. Therefore, this information collection does not include a pledge of confidentiality that is unsupported by authority in statute or regulation, that is unsupported by disclosures.

*** requiring respondents to submit proprietary trade secrets, 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.**

This collection does not require respondents to submit proprietary trade secrets 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.

**8. If applicable, provide a copy and identify the date and page number of publication 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 on 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 may preclude consultation in a specific situation. These circumstances should be explained.**

In accordance with 5 CFR 1320.8(d), this information collection soliciting public comments was announced in the Federal Register on March 4, 2022, (Volume 87 Number 43, Pages 12481). No comments received.

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

The collection of this information does not provide for payments or gifts to respondents.

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

The Privacy Act of 1974 (Pub. L. No. 93-579, 88 Stat. 1896, 5 U.S.C. 552a) protects respondents who meet the information reporting requirements.

**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.**

There are no questions 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 for approval 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.**

*** 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.**

Estimated Burden and Cost to Respondents:

| Information Collection | Number of Respondents | Response Frequency (average) | Number of Responses | Burden Hour Per Response | Annual Burden Hours | Hourly Cost /Response | Annual Cost |
|---|---|---|---|---|---|---|---|
| Preparation of Requesting Letter | 4.00 | 1.00 | 4.00 | 2.00 | 8.00 | $38.18 | $305.44 |
| Compilation and submission of additional documentation needed for the review | 4.00 | 1.00 | 4.00 | 3.00 | 12.00 | $38.18 | $458.16 |
| Totals | 8.00 | | 8.00 | | 20.00 | | $763.60 |

Average hourly wage rate based for urban and regional planner of the U.S. Department of Labor, Bureau of Labor Statistics website https://www.bls.gov/oes/current/oes_nat.htm is approximately $79,410 annually.

**13. Provide an estimate for 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 and 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 collections 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 costs to the respondents.

**14. Provide estimates of annualized costs to the Federal government. Also, provide a 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 may also aggregate cost estimates from Items 12, 13, and 14 in a single table.**

Estimated Burden and Annual Cost to the Federal Government:

| Information Collection | Number of Responses | Burden Hour Per Response | Annual Burden Hours | Hourly Cost /Response | Annual Cost |
|---|---|---|---|---|---|
| Revitalization Area Requesting Letter and Review | 4.00 | 3.00 | 12.00 | $32.02 | $384.24 |

The hourly cost is based on a GS12 federal employee salary CY2021.

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

There are no reporting changes or adjustments.  The figures in Chart 14 are based on the actual number of responses received, which has decreased over the years.

**16. For collections 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.**

There are no plans to publish this collection of information for statistical use.

**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.**

HUD is not seeking approval to avoid displaying the expiration date.

**18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.**

There are no exceptions to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

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

**The agency should be prepared to justify its decision not to use statistical methods in any case where such methods might reduce burden or improve accuracy of results. When Item 17 on the Form OMB 83-I is checked, "Yes," the following documentation should be included in the Supporting Statement to the extend that it applies to the methods proposed:**

**1. Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection methods to be used. Data on the number of entities (e.g., establishments, State and local government units, households, or persons) in the universe covered by the collection and in the corresponding sample are to be provided in tabular form for the universe as a whole and for each of the strata in the proposed sample. Indicate expected response rates for the collection as a whole. If the collection had been conducted previously, include the actual response rate achieved during the last collection.**

**2. Describe the procedures for the collection of information including:**

*** Statistical methodology for stratification and sample selection,**

*** Estimation procedure,**

*** Degree of accuracy needed for the purpose described in the justification,**

*** Unusual problems requiring specialized sampling procedures, and**

*** Any use of periodic (less frequent than annual) data collection cycles to reduce burden.**

**3. Describe methods to maximize response rates and to deal with issues of non-response. The accuracy and reliability of information collected must be shown to be adequate for intended uses. For collections based on sampling, a special justification must be provided for any collection that will not yield "reliable" data that can be generalized to the universe studied.**

**4. Describe any tests of procedures or methods to be undertaken. Testing is encouraged as an effective means of refining collections of information to minimize burden and improve utility. Tests must be approved if they call for answers to identical questions from 10 or more respondents. A proposed test or set of tests may be submitted for approval separately or in combination with the main collection of information.**

**5. Provide the name and telephone number of individuals consulted on statistical aspects of the design and the name of the agency unit, contractor(s), grantee(s), or other person(s) who will actually collect and/or analyze the information for the agency.**

This collection of information does not employ statistical methods.