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# Part A. Justification

## A1 Circumstances That Make the Collection of Information Necessary

Section 502 (g) of the Housing and Urban Development Act of 1970 (Public law 91-609) (12 U.S.C. 1701z-2) provides PD&R the authority to conduct surveys and to provide respondent confidentiality. Specifically, this section describes PD&R as having the ability to collect data as follows:

(g) Information and data; restriction on use or identification The Secretary is authorized to request and receive such information or data as he deems appropriate from private individuals and organizations, and from public agencies. Any such information or data shall be used only for the purposes for which it is supplied, and no publication shall be made by the Secretary whereby the information or data furnished by any particular person or establishment can be identified, except with the consent of such person or establishment.

In August, September, and October 2005, Hurricanes Katrina, Rita, and Wilma caused massive devastation in the Gulf region. As of February 2006, FEMA estimated that more than 300,000 homes suffered major or severe damage from the storm. Damage from Hurricane Katrina was concentrated in Louisiana, Mississippi, and Alabama, while Hurricane Rita most affected east Texas and western Louisiana, and Hurricane Wilma most affected Florida.

In response to the widespread destruction caused by these three storms, Congress appropriated \$19.7 billion in supplemental Community Development Block Grant (CDBG) program funds for Gulf Coast disaster recovery. Created in 1974, CDBG is one of the oldest programs administered by the Department of Housing and Urban Development (HUD), providing funding to states, cities, and counties nationwide to support neighborhood revitalization, housing rehabilitation, and economic development activities.

All five states affected by these hurricanes received supplemental CDBG disaster recovery funds, but 99 percent of this funding went to Louisiana, Mississippi, and Texas. The states were given considerable flexibility in determining how to use their CDBG disaster recovery funds, even beyond the flexibility afforded by the regular CDBG program. Louisiana, Mississippi, and Texas designated a majority of their funding for housing recovery. Most of the housing funds have been targeted to homeowners, but each state also has programs for owners of rental properties. Other sources of funding for housing repair/rebuilding include private hazard or flood insurance, Federal Emergency Management Agency (FEMA) grants, and Small Business Administration (SBA) loans.

As of September 2009, Louisiana, Mississippi, and Texas together had disbursed more than \$10 billion in supplemental CDBG disaster assistance funds to more than 150,000 homeowners and owners of rental properties. At the same time, tens of thousands of units across the three states remain unrepaired four years after the storms.

The purpose of this study – Tracking the Use of CDBG Homeowner and Small Landlord Disaster Assistance Grants – is to evaluate the role that supplemental CDBG disaster recovery funding has

played in housing recovery in the three states most affected by hurricanes Katrina and Rita (Louisiana, Mississippi, and Texas) and to identify the most important factors affecting property owners' willingness and ability to rebuild or repair their storm-damaged properties. The results of the study will help HUD use current allocations of CDBG funds to make better progress on Katrina and Rita rebuilding efforts during FY 2011. The study findings also will help the federal government respond more effectively to future disasters.

Another important purpose of the study is to evaluate alternative methods of providing CDBG disaster recovery funds for homeowners. The method used in Louisiana and Mississippi was to offer the funding to homeowners in the form of a lump sum "compensation" payment that did not obligate them to rebuild their homes. By contrast, Texas followed a "rehabilitation" model in which CDBG funds were not provided to homeowners directly but rather were used to pay contractors to do rebuilding or repair work on the owners' behalf under the supervision of the state. It is essential to find out how owners have or have not been able to use CDBG funds in order to give HUD and state and local governments the ability to make timely adjustments to their CDBG-supported programs. The findings of the study will provide insight into the relative effectiveness of the "compensation" and "rehabilitation" models and will be used to inform policy decisions about post-disaster housing strategies.

Although the states that received supplemental CDBG disaster recovery funds have administrative data on who applied for and received grants for housing rebuilding and rehabilitation, they do not collect systematic data on the outcomes of those grants in terms of the number of properties that have been rebuilt or repaired and re-occupied and/or the number of displaced owners who have been re-housed. First, there has not been a systematic, property-level survey of current housing conditions in areas that were significantly affected by the hurricanes. Second, neither HUD nor the states have collected data directly from owners on how they used their CDBG grants and the factors affecting their willingness and ability to rebuild. Finally, there has not been an explicit comparison of the outcomes of the two methods of disbursing CDBG funds: the "compensation" and "rehabilitation" models.

This study is designed to address these gaps by collecting two kinds of data. First, windshield observations of residential properties on a representative sample of blocks that sustained significant hurricane damage have been conducted to document the extent of housing rebuilding and re-occupancy. Second, a Property Owner Survey will be administered to a sample of owners of damaged units (owners as of 2005) to collect information on the factors affecting their willingness and ability to rebuild after the storms, including the amount and type of CDBG funding available. Together, these two data sources—in combination with administrative data provided by the states on CDBG grant applicants and recipients—will be used to analyze the outcomes of alternative models for providing disaster recovery funding.

This study was noted in the June 2009 report, "Gulf Coast Disaster Recovery: Community Development Block Grant Program Guidance to States to be Improved," and has been under contract since July 2009. The study is being conducted by Abt Associates Inc.

## **A2 How and by Whom the Data Will Be Used**

### **A2.1 Project Overview**

The study Tracking the Use of CDBG Homeowner and Small Landlord Disaster Assistance Grants will use two sources of primary data collected specifically for this study to assess the current state of housing recovery in Louisiana, Mississippi, and Texas and to evaluate alternative approaches to providing funds for housing rebuilding after a disaster. Windshield observations of residential properties on a representative sample of blocks that sustained significant hurricane damage were conducted in January and February 2010, and the resulting data will be used to document the extent of residential rebuilding and re-occupancy. In addition, a Property Owner Survey with a sample of the 2005 owners of damaged units is planned to provide information on the factors affecting owner willingness and ability to rebuild after the storms, including the amount and type of CDBG funding available.

The **Property Owner Survey** is the subject of this request for approval. The windshield observations were conducted from the street and did not involve researchers going onto owners' properties or interacting with owners in any way. Thus, they did not require OMB approval but are described here because of their role in the study design and analysis.

### **A2.2 Purpose of the Data Collection**

The overall goal of the study Tracking the Use of CDBG Homeowner and Small Landlord Disaster Assistance Grants is to provide HUD with statistically valid estimates of the extent of housing recovery across the three states and a linked analysis of information on the factors affecting owners' willingness and ability to rebuild. The purpose of the Property Owner Survey is to learn about owners' experiences applying for CDBG disaster recovery funds, how the funds were used, and whether owners were able to rebuild their homes or find acceptable housing elsewhere.

### **A2.3 Who Will Use the Information**

HUD will use the study's findings to inform future decisions about recovery funding strategies and housing strategies following disasters. In addition, states administering CDBG disaster recovery funds are likely to use the study's findings as they design future programs.

### **A2.4 Instrument Item-by-Item Justification**

Exhibit A-1 summarizes the target respondents, content, and reason for inclusion for each section and sub-section of the Property Owner Survey. Several sub-sections contain almost the same questions with slight variations in wording because they apply to different respondent groups. A copy of the complete survey is provided in Appendix A.

Exhibit A-1. Respondents, Content, and Reason for Inclusion by Survey Section and Sub-Section

Survey Section	Sub-Section	Respondents, Content, and Reason for Inclusion
Introduction	N/A	<p><b>Respondents:</b> All respondents.</p> <p><b>Content:</b></p> <ul style="list-style-type: none"> <li>• Description of survey purpose, length, and confidentiality.</li> <li>• Invitation to participate in the interview and rescheduling if necessary.</li> <li>• Screener questions to ensure that all respondents either owned a storm-damaged residential property in 2005 or purchased a storm-damaged property after 2005 as a rental property.</li> </ul> <p><b>Reason:</b> The screener questions are necessary to ensure that the respondent is the correct person of interest.</p>
A: Baseline Property Characteristics and Condition	A1.	<p><b>Respondents:</b> Owners (as of August 2005) of properties that sustained hurricane damage.</p> <p><b>Content:</b></p> <ul style="list-style-type: none"> <li>• Characteristics and condition of property and neighborhood pre-storm.</li> <li>• Tenure (owner/renter) and occupancy pre-storm.</li> <li>• Pre-storm market value, mortgage status, and insurance coverage.</li> </ul> <p><b>Reason:</b> To provide baseline information on the characteristics and value of the property prior to the 2005 hurricanes and distinguish between homeownership and rental properties.</p>
	A2.	<p><b>Respondents:</b> Owners who purchased the property after the 2005 hurricanes as rental properties.</p> <p><b>Content:</b></p> <ul style="list-style-type: none"> <li>• Characteristics, condition, and occupancy of property at time of purchase.</li> </ul> <p><b>Reason:</b> To provide information on the characteristics and value of the property at time of purchase as a baseline against which to compare its current characteristics.</p>

Survey Section	Sub-Section	Respondents, Content, and Reason for Inclusion
<b>B: Current Ownership of Property</b>	N/A	<p><b>Respondents:</b> All respondents.</p> <p><b>Content:</b></p> <ul style="list-style-type: none"> <li>• Current ownership of property.</li> <li>• If no longer own, whether sold or lost to foreclosure.</li> </ul> <p><b>Reason:</b> To establish the current ownership of the property. Respondents who lost the property to foreclosure may be less likely to have rebuilt prior to losing the property.</p>
<b>C: Current Occupancy and Condition of the Property</b>	N/A	<p><b>Respondents:</b> Current owners only.</p> <p><b>Content:</b></p> <ul style="list-style-type: none"> <li>• Current characteristics and condition of property and neighborhood.</li> <li>• Current tenure (owner/renter) and occupancy.</li> <li>• Current neighborhood satisfaction and neighborhood safety.</li> </ul> <p><b>Reason:</b> To document current housing and neighborhood conditions among properties that sustained significant storm damage.</p>
<b>D: Housing Status of Homeowners Living Elsewhere</b>	N/A	<p><b>Respondents:</b> Respondents no longer living on the property.</p> <p><b>Content:</b></p> <ul style="list-style-type: none"> <li>• Current housing conditions and neighborhood satisfaction for relocated households.</li> <li>• Interest in returning to pre-storm neighborhood and obstacles to returning.</li> </ul> <p><b>Reason:</b> To document housing and neighborhood conditions among households that relocated.</p>
<b>E: Extent of Hurricane Damage</b>	N/A	<p><b>Respondents:</b> Owners as of August 2005.</p> <p><b>Content:</b></p> <ul style="list-style-type: none"> <li>• Level and type of storm damage.</li> </ul> <p><b>Reason:</b> To provide information on the level and type of storm damage necessary for analyzing whether owners received the resources they needed to rebuild and determining which owners may not have been eligible for CDBG assistance based on the type of damage their properties sustained.</p>

Survey Section	Sub-Section	Respondents, Content, and Reason for Inclusion
<b>F: Repair and Rebuilding Activities</b>	<b>F1.</b>	<p><b>Respondents:</b> Owners as of August 2005 who still own the property.</p> <p><b>Content:</b></p> <ul style="list-style-type: none"> <li>• Repair and rebuilding activities since hurricanes—nature and extent of the work and whether the work was completed.</li> <li>• Barriers to rebuilding.</li> <li>• Incidence of contractor fraud.</li> </ul> <p><b>Reason:</b> To provide information on the rebuilding status of the property and on obstacles to rebuilding and factors that affected the pace of rebuilding.</p>
	<b>F2.</b>	<p><b>Respondents:</b> Owners as of August 2005 who no longer own the property.</p> <p><b>Content:</b></p> <ul style="list-style-type: none"> <li>• Same as F1.</li> </ul> <p><b>Reason:</b> Same as F1.</p>
	<b>F3.</b>	<p><b>Respondents:</b> Owners who purchased the property after 2005 and still own it.</p> <p><b>Content:</b></p> <ul style="list-style-type: none"> <li>• Same as F1.</li> </ul> <p><b>Reason:</b> Same as F1.</p>
	<b>F4.</b>	<p><b>Respondents:</b> Owners who purchased the property after 2005 and no longer own it.</p> <p><b>Content:</b></p> <ul style="list-style-type: none"> <li>• Same as F1.</li> </ul> <p><b>Reason:</b> Same as F1.</p>

Survey Section	Sub-Section	Respondents, Content, and Reason for Inclusion
<b>G: Reasons for Not Rebuilding</b>	<b>G1.</b>	<p><b>Respondents:</b> Respondents who still own the property but have not done any rebuilding or repair work to date.</p> <p><b>Content:</b></p> <ul style="list-style-type: none"> <li>• Reasons for not rebuilding.</li> <li>• Expectations for when rebuilding will start.</li> <li>• Plans for property once rebuilding is complete.</li> </ul> <p><b>Reason:</b> To provide information on obstacles to rebuilding and on respondents' intention for the property, which could affect their propensity to rebuild.</p>
	<b>G2.</b>	<p><b>Respondents:</b> Respondents who no longer own the property and did not do any rebuilding or repair work while they owned it.</p> <p><b>Content:</b></p> <ul style="list-style-type: none"> <li>• Same as G1, except no questions on plans for property.</li> </ul> <p><b>Reason:</b> Same as G1.</p>
<b>H: Sources and Uses of Funds – Louisiana</b>	<b>H1.</b>	<p><b>Respondents:</b> Respondents who owned a storm-damaged property in Louisiana.</p> <p><b>Content:</b></p> <ul style="list-style-type: none"> <li>• Sources of funding received for rebuilding or as compensation for damage caused by hurricanes Katrina or Rita.</li> <li>• Amounts of funding received.</li> <li>• Gap between funding received and rebuilding/repair needs.</li> <li>• Owner resources spent on rebuilding/repair.</li> </ul> <p><b>Reason:</b> To provide information on the amounts and types of funding received, including CDBG funds, and whether those funds were sufficient to cover the cost of repairs.</p>
	<b>H2.</b>	<p><b>Respondents:</b> Respondents who owned a storm-damaged property in Louisiana and indicated that they <u>did not</u> receive assistance through the CDBG-funded Road Home Homeowner Program or Road Home Small Rental Program.</p> <p><b>Content:</b></p> <ul style="list-style-type: none"> <li>• Whether respondent applied for funds.</li> <li>• Reasons for denial of application or failure to follow-through on application.</li> </ul> <p><b>Reason:</b> To provide information on obstacles to accessing CDBG program funds and reasons for not applying.</p>

Survey Section	Sub-Section	Respondents, Content, and Reason for Inclusion
	H3.	<p><b>Respondents:</b> Respondents who owned a storm-damaged property in Louisiana and indicated that they received assistance through the CDBG-funded Road Home Homeowner Program or Road Home Small Rental Program.</p> <p><b>Content:</b></p> <ul style="list-style-type: none"> <li>• Program option selected and reasons.</li> <li>• Use of funds for housing repairs.</li> <li>• Use of funds for other purposes.</li> </ul> <p><b>Reason:</b> To provide information on how Louisiana CDBG recipients used their grants—and how much was spent on housing needs—given that the program did not place restrictions on how people used the money.</p>
	H4.	<p><b>Respondents:</b> Respondents who owned a storm-damaged property in Louisiana and indicated that they applied for or received assistance through the CDBG-funded Road Home Homeowner Program or Road Home Small Rental Program.</p> <p><b>Content:</b></p> <ul style="list-style-type: none"> <li>• Problems with applying for CDBG funds and other sources of financial assistance.</li> <li>• Program problems that delayed rebuilding.</li> </ul> <p><b>Reason:</b> To provide information on problems with CDBG program delivery in Louisiana.</p>
I: Sources and Uses of Funds – Mississippi	I1.	<p><b>Respondents:</b> Respondents who owned a storm-damaged property in Mississippi.</p> <p><b>Content:</b></p> <ul style="list-style-type: none"> <li>• Sources of funding received for rebuilding or as compensation for damage caused by hurricanes Katrina or Rita.</li> <li>• Amounts of funding received.</li> <li>• Gap between funding received and rebuilding/repair needs.</li> <li>• Owner resources spent on rebuilding/repair.</li> </ul> <p><b>Reason:</b> To provide information on the amounts and types of funding received, including CDBG funds, and whether those funds were sufficient to cover the cost of repairs.</p>

Survey Section	Sub-Section	Respondents, Content, and Reason for Inclusion
	12.	<p><b>Respondents:</b> Respondents who owned a storm-damaged property in Mississippi and indicated that they <u>did not</u> receive assistance through the CDBG-funded MDA Homeowner Program or MS Small Rental Program.</p> <p><b>Content:</b></p> <ul style="list-style-type: none"> <li>• Whether respondent applied for funds.</li> <li>• Reasons for denial of application or failure to follow-through on application.</li> </ul> <p><b>Reason:</b> To provide information on obstacles to accessing CDBG program funds and reasons for not applying.</p>
	13.	<p><b>Respondents:</b> Respondents who owned a storm-damaged property in Mississippi and indicated that they received assistance through the CDBG-funded MDA Homeowner Program or MS Small Rental Program.</p> <p><b>Content:</b></p> <ul style="list-style-type: none"> <li>• Program option selected and reasons.</li> <li>• Use of funds for housing repairs.</li> <li>• Use of funds for other purposes.</li> </ul> <p><b>Reason:</b> To provide information on how Mississippi CDBG recipients used their grants—and how much was spent on housing needs—given that the program did not place restrictions on how people used the money.</p>
	14.	<p><b>Respondents:</b> Respondents who owned a storm-damaged property in Mississippi and indicated that they applied for or received assistance through the CDBG-funded MDA Homeowner Program or MS Small Rental Program.</p> <p><b>Content:</b></p> <ul style="list-style-type: none"> <li>• Problems with applying for CDBG funds and other sources of financial assistance.</li> <li>• Program problems that delayed rebuilding.</li> </ul> <p><b>Reason:</b> To provide information on problems with CDBG program delivery in Mississippi.</p>

Survey Section	Sub-Section	Respondents, Content, and Reason for Inclusion
<b>J: Sources and Uses of Funds – Texas</b>	<b>J1.</b>	<p><b>Respondents:</b> Respondents who owned a storm-damaged property in Texas.</p> <p><b>Content:</b></p> <ul style="list-style-type: none"> <li>• Sources of funding received for rebuilding or as compensation for damage caused by Hurricane Rita.</li> <li>• Amounts of funding received.</li> <li>• Gap between funding received and rebuilding/repair needs.</li> <li>• Owner resources spent on rebuilding/repair.</li> </ul> <p><b>Reason:</b> To provide information on the amounts and types of funding received, including CDBG rebuilding/repair assistance, and whether those funds/assistance were sufficient to cover the cost of repairs.</p>
	<b>J2.</b>	<p><b>Respondents:</b> Respondents who owned a storm-damaged property in Texas and indicated that they <u>did not</u> receive assistance through the CDBG-funded TX Homeowner Assistance Program.</p> <p><b>Content:</b></p> <ul style="list-style-type: none"> <li>• Whether respondent applied for CDBG-funded assistance.</li> <li>• Reasons for denial of application or failure to follow-through on application.</li> </ul> <p><b>Reason:</b> To provide information on obstacles to accessing CDBG program assistance and reasons for not applying.</p>
	<b>J3.</b>	<p><b>Respondents:</b> Respondents who owned a storm-damaged property in Texas and indicated that they received assistance through the CDBG-funded TX Homeowner Assistance Program.</p> <p><b>Content:</b></p> <ul style="list-style-type: none"> <li>• Overall satisfaction with home repairs/rebuilding conducted by state.</li> <li>• Satisfaction with design, size, and building materials.</li> <li>• Satisfaction with workmanship.</li> </ul> <p><b>Reason:</b> To provide information on the level of satisfaction among Texas CDBG recipients with the work conducted on their behalf.</p>

Survey Section	Sub-Section	Respondents, Content, and Reason for Inclusion
	<b>J4.</b>	<p><b>Respondents:</b> Respondents who owned a storm-damaged property in Texas and indicated that they applied for or received assistance through the CDBG-funded TX Homeowner Assistance Program.</p> <p><b>Content:</b></p> <ul style="list-style-type: none"> <li>• Problems with applying for CDBG funds and other sources of financial assistance.</li> <li>• Program problems that delayed rebuilding.</li> </ul> <p><b>Reason:</b> To provide information on problems with CDBG program delivery in Texas.</p>
<b>K: Owner Demographics</b>	<b>N/A</b>	<p><b>Respondents:</b> All individual respondents. (Excludes representatives of corporate owners of rental properties.)</p> <p><b>Content:</b></p> <ul style="list-style-type: none"> <li>• Age, marital status, employment status, disability, income, financial hardship, household composition, race, ethnicity.</li> </ul> <p><b>Reason:</b> To provide information on the demographic characteristics of respondents that may affect their propensity to rebuild.</p>
<b>L: Closing</b>	<b>N/A</b>	<p><b>Respondents:</b> All respondents.</p> <p><b>Content:</b></p> <ul style="list-style-type: none"> <li>• Confirmation of current mailing address and spelling of name.</li> </ul> <p><b>Reason:</b> To ensure that the respondent can receive the \$25 in compensation for completing the interview.</p>

### **A3 Use of Improved Technologies**

The Property Owner Survey will be administered using computer-assisted telephone interviewing (CATI) technology. The CATI questionnaire format is user-friendly and easily guides interviewers through the survey. Abt has successfully used this technology on past projects, including Moving to Opportunity Interim Evaluation (MTO), the Effects of Housing Choice Vouchers on Welfare Families Evaluation, and the HOPE VI Panel Study.

### **A4 Efforts to Avoid Duplication**

As part of the design process for the study, the contractor conducted discussions with HUD staff and representatives of state agencies administering the supplemental CDBG disaster recovery funds to determine whether there were any areas where our study duplicated other research efforts. HUD is not aware of any other similar data collection being undertaken for applicants and recipients of CDBG disaster recovery funds across Louisiana, Mississippi, and Texas.

The state of Louisiana recently surveyed a sample of recipients of CDBG disaster recovery funds for purposes of documenting program compliance, and HUD's Office of Inspector General a follow-up study of a sample of elevation grant recipients who did not respond to the state's survey.<sup>1</sup> Both studies are based on a small sample of grant recipients in a single state and have a narrow focus on program compliance.

### **A5 Involvement of Small Entities**

The majority of respondents to the Property Owner Survey will be individual property owners, and the survey will not involve data collection from many small entities. However, a small number of properties in the survey are expected to be rental properties, and it is expected that a portion of the owners of these properties will be small property-ownership entities.

### **A6 Consequences of Less Frequent Data Collection**

The Property Owner Survey will only be completed once only. There is no additional data collection from individuals or entities.

### **A7 Special Circumstances**

The proposed data collection activities are consistent with the guidelines set forth in 5 CFR 1320.6 (Controlling Paperwork Burden on the Public—General Information Collection Guidelines). The 60-day Federal Register Notice was published in Volume 75, Number 16, pages 4097-4098 on January 26, 2010. Comments from two individuals were received that requested review of the draft survey instrument, which was not available under this initial review period. However, the individuals submitting comments were encouraged to respond to the upcoming 30-day Federal Register Notice

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<sup>1</sup> "Inspection of the State of Louisiana's Road Home Elevation Incentive Program Homeowner Compliance," March 2010.

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for an opportunity to review the draft instrument. Otherwise, there are no special circumstances that require deviation from these guidelines.

However, the study schedule is in conflict with the OMB notice “Minimizing Household Surveys During the 2010 Census of Population and Housing.” HUD is requesting an exemption to the OMB blackout because timely completion of the study is critical for policy-making affecting the recovery of the Gulf Coast region:

- ***The results of the survey will be critical to state and local officials and other decision-makers responsible for deciding where and how CDBG funds will be spent.*** As evidence of the need for adjustments to policy and practice, HUD’s Office of Inspector General currently is reviewing Louisiana’s CDBG-funded elevation program, and preliminary OIG findings show that poor coordination between the elevation grants program and the rest of CDBG-funded activities has thwarted the effective use of recovery funds by individual owners.
  - ***HUD has an urgent need to understand how CDBG disaster recovery funds are being used and so that programs can be improved for subsequent funding rounds.*** The recent GAO report was critical of the guidance HUD provided to state recipients of CDBG disaster recovery funds in the wake of Hurricane Katrina and Rita. The owner survey will provide important information on the outcomes associated with different program approaches and obstacles that will help HUD address some of the concerns raised in the GAO report.
  - ***Delaying the owner survey until September 2010 would delay the initial analysis of survey results until early 2011 and publication of results until the late spring of 2011.*** This delay would make it difficult for HUD to implement timely administrative changes essential to the effective use of current CDBG funds for housing recovery in the Gulf Coast Region. The delay also would make it impossible to make policy changes for how CDBG is used to respond to disasters in advance of the 2011 hurricane season.
  - ***Delaying the owner survey until September 2010 also could affect the quality of the survey data.*** Owner recall is a challenge for this survey, given that it has been nearly five years since the hurricanes and it may be difficult for owners to remember the factors guiding rebuilding decisions they made several years ago. A delay could be significant for owner recall, especially if another hurricane hits in late summer 2010 and requires further rebuilding. Delaying the survey also might make it more difficult to locate the owners to survey, leading to lower response rates. Owners who did not rebuild are increasingly selling their storm-damaged properties and moving elsewhere. As time goes on, it will become increasingly difficult to locate this type of owner respondent, potentially compromising the validity of the survey results.
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## **A8 Consultations Outside the Agency**

In accordance with the Paperwork Reduction Act of 1995, the Department of Housing and Urban Development published a notice in the Federal Register in January 2010 announcing the agency's intention to request an OMB review of data collection activities for the Property Owner Survey for the study Tracking the Use of CDBG Homeowner and Small Landlord Disaster Assistance Grants. The notice provided a 60-day period for public comments.

HUD's contractor for the study, Abt Associates Inc., developed the Property Owner Survey in consultation with staff from HUD, the Texas Department of Housing and Community Affairs, the Louisiana Office of Community Development, and the Mississippi Housing and Redevelopment Authority. Pre-testing of the survey with up to nine respondents will be conducted in May 2009.

## **A9 Payments to Respondents**

The use of incentive payments for the Property Owner Survey is proposed to help ensure a high response rate, which is necessary to obtain unbiased estimates of key study measures. Owners would be offered \$25 as an incentive to complete the survey.

## **A10 Arrangements and Assurances Regarding Confidentiality**

HUD's contractor, Abt Associates, takes seriously the responsibility to protect the subjects they interview. The data collection plan and survey instrument were reviewed by Abt Associates' Institutional Review Board (IRB) in April 2010 to help ensure appropriate protection.

To protect the confidentiality of respondents, the findings from the study will be reported only at the aggregate level, and responding survey participants will not be identified in the study reports.

## **A11 Sensitive Questions**

The Property Owner Survey does not contain any especially sensitive questions, although the subject of rebuilding may be sensitive for some respondents given the difficult experiences they may have had during and following the hurricanes. Interviewers will be trained to be empathetic to respondents' concerns and to remind respondents during the interviews that their responses will be kept confidential.

## **A12 Estimate of Annualized Burden Hours**

Exhibit A-2 provides information on the estimated time necessary to complete the data collection for each household outcome survey. Total burden for data collection for the study is estimated at 738 hours.

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## Exhibit A-2. Response Burden Summary

A	B	C	D	E
		Burden per Respondent (Minutes)	Total Respondent Burden (Minutes)	Total Respondent Burden (Hours)
Data Collected	Number of Respondents		(C*E)	D/60
Property Owner Survey	984	45	44,280	738

### A13 Estimated Record Keeping and Reporting Cost Burden on Respondents

There is no cost to respondents other than the time required to respond to the survey.

### A14 Estimated Cost to the Federal Government

The direct and indirect costs for a contractor to collect, analyze, and provide this information for the Office of Policy Development and Research at HUD is \$585,939.

### A15 Reasons for Changes in Burden

This submission to OMB is a new request for approval; there is no change in burden.

### A16 Tabulation Plan, Statistical Analysis, and Study Schedule

#### Tabulation Plan and Statistical Analysis

The information collected as part of the proposed survey will be used in conjunction with windshield observations and administrative data to assess the current state of housing recovery in Louisiana, Mississippi, and Texas, evaluate alternative approaches to providing funds for housing rebuilding after a disaster, and analyze the outcomes of alternative models for providing disaster recovery funding.

The study includes four primary areas of inquiry:

1. What is the overall state of housing recovery in areas most affected by Hurricane Katrina and Hurricane Rita?
2. What factors have affected the extent of housing recovery?
3. What role has CDBG disaster assistance played in housing recovery?
4. How do housing outcomes and owner experiences differ based on the CDBG program model?

The descriptive and multivariate analysis of the complete dataset (including information from all sources) to address these four research areas are described below.

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The sample used for the **windshield observations** data collection is a representative sample of significantly affected blocks (SABs) in storm-damaged areas. The **Property Owner Survey** supplements the windshield observations with in-depth information gathered from a sample of owners of residential properties with major or severe damage on the SABs included in the windshield observations.

Sampling weights will be applied to data on both of these samples, to provide a representative picture of the state of housing recovery. For measures in the windshield observations, block-level data can be weighted to provide information that is representative of the population of SABs in each locality, county/parish, and state. Similarly, property-level data from the windshield observations can be weighted to provide information that is representative of the population of residential properties on SABs in each locality, county/parish, and state covered by the study.<sup>2</sup> Any measure in the full Property Owner Survey can be weighted to provide a representative estimate with respect to the population of property owners on SABs that experienced major or severe hurricane damage for each locality, county/parish, and state.

#### ***Producing Representative Estimates of Housing Recovery***

A primary objective for HUD is to produce updated information on the state of the housing stock and the extent of rebuilding in significantly affected blocks in Louisiana, Mississippi, and Texas. This analysis will include distributions of several measures (using weighted data) to describe the status of recovery including:

- Distribution of properties by current condition
- Distribution of properties by rebuilding status
- Distribution of SABs by current condition of housing
- Distribution of SABs by rebuilding status
- Extent of vacant properties.

#### ***Describing the Process of Grant Receipt and Factors Affecting Rebuilding Decisions***

To address the research objective regarding the factors and influences that played into property owners' decisions of whether to rebuild, the analysis will include (weighted) descriptive statistics that show the distributions of property owners, as well as multivariate analyses that explore the association of owner's rebuilding responses to the characteristics of the owner, property, neighborhood, and jurisdiction. Descriptive measures will include:

- Distribution by rebuilding status by pre-storm status (including occupancy, insurance, mortgage status, owner characteristics, neighborhood characteristics).
- Distribution by rebuilding status by post-storm status (change of ownership, type of damage, extent of damage, receipt of CDBG grant).

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<sup>2</sup> Detail on the study's geography is provided in Section B1 below.

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In addition to simple descriptions, multivariate analysis will attempt to isolate the relationship between each factor and the rebuilding decision, by controlling for other property, owner, location and jurisdiction characteristics.

### ***Identifying the Effects of CDBG Grant Receipt***

Beyond describing property owners' receipt and use CDBG funds, a more complex study objective is to understand the relationships between CDBG fund provision and property owners' decisions about the extent and location of rebuilding activities. This study cannot make causal inferences about the impact of receiving CDBG funds; only a study in which CDBG grants were randomly assigned to eligible owners (something not imaginable under disaster circumstances) could have done that. However, the Property Owner Survey will support descriptions of the process of applying for and using CDBG funds, permit an assessment of the relative role of CDBG compared with other sources of funds for rebuilding, identify barriers encountered during attempts to rebuild with CDBG or other funds, and permit an assessment of the extent to which relocation of owners away from SABs has affected the extent of rebuilding in SABs.

Despite the absence of random assignment in CDBG grant provision, several differences between the program rules implemented by each state create potential opportunities for meaningful comparisons. Specific descriptive measures to be used include:

- Amounts of CDBG funds spent, numbers of recipients (by owner/renter units)
- Percentage of properties in SABs that have applied for, and percent that received CDBG grants
- Owner understanding of options, obstacles in applying for funds, other sources of funds available/received
- Distribution of use of CDBG funds by property, owner, location, and jurisdiction characteristics
- Other uses of CDBG funds, aside from property repair (including temporary housing, other housing, living expenses).

### ***Contrasting Outcomes by CDBG Program Model***

Another topic of interest in the analysis of state CDBG program differences is whether the use of a compensation-based (vs. a rehabilitation-based) program design affected the extent and speed of rebuilding activity. Again, the design of the state CDBG programs might allow some careful comparisons between similar groups of grantees. Such variation is difficult to find, as participants were not randomly assigned to compensation versus rehabilitation programs. In general, Texas implemented a rehabilitation-based program, whereas Louisiana and Mississippi implemented compensation-based programs. Within Louisiana and Mississippi, compensation-based programs were used for homeowners' assistance and rehabilitation-based programs were used for their small landlord programs.

This issue will be addressed primarily through descriptive comparisons of findings across states:

- Comparison of state of the housing stock and rebuilding status across states
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- Comparison of owner experience with the process by state (for homeowners and owners of rental properties).

### **Study Schedule**

Under the current study schedule, the Property Owner Survey data collection will last approximately 4 months. Assuming OMB approval and no exemption to the household survey blackout period (described in Section A1 above), the data collection from property owners will begin in September 2010 and end in December 2010. The analysis of these data will be carried out in January and February 2011. The final report will be prepared in March 2011.

### **A17 Expiration Date Display Exemption**

All data collection instruments will prominently display the expiration date for OMB approval.

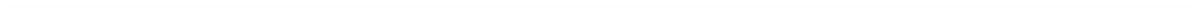
### **A18 Exceptions to Certification**

This submission describing data collection requests no exceptions to the Certificate for Paperwork Reduction Act (5 CFR 1320.9).

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**APPENDIX A**  
**Property Owner Survey**

***To be inserted***



**APPENDIX B**  
**Survey Advance Letter**

