

A. Justification

A.1. Circumstances Making the Collection of Information Necessary

The U.S. Department of Housing and Urban Development—Office of Housing Assistance Contract Administration Oversight (HACAO)—is requesting Office of Management and Budget (OMB) approval to collect information through a customer-service survey of property owners who receive Housing Assistance Payments (HAPs) through the Section 8 Program, which provides rental subsidies for low- and moderate-income eligible families.

While some eligible families receive tenant-based vouchers to use toward rent in private-sector housing, other funding is paid directly to the property owners through project based Section 8 HAP Contracts. In these cases, HUD provides payments directly to property owners equal to the difference between the approved rental amount for the unit and the required rental contribution from eligible tenant families. In return, property owners are obligated to rent a specified portion of their units to Section 8 eligible families; maintain decent, safe, and sanitary housing for residents; and comply with various regulations and reporting requirements.

Compliance by property owners with program requirements is monitored by public-housing agencies (PHAs) under contract with HUD. In 2011, HUD began making these contracts performance based so that PHAs holding such contracts would be incentivized to work with owners to ensure decent, safe, and sanitary housing under the Section 8 program. In March 2011, HUD issued an Invitation for Applications for Performance-Based Contract Administrators (PBCAs). Following the review of applications, PBCAs were awarded to PHAs

covering 11 entities—nine States¹, Puerto Rico and the U.S. Virgin Islands—referred to collectively as ‘the States’. In the future, similar surveys will be used for the same purpose with other PBCAs, following awards in other States.² Additional PBCAs for other States are likely to be awarded in the future.

The newly awarded Performance-Based Annual Contributions Contracts (PB-ACCs), which went into effect in October 2011, specify the responsibilities of the PBCA and the fees that HUD will provide to the PBCA in exchange for undertaking the principle tasks. The PBCAs administer HAP contracts within their geographic boundaries. They are tasked to: monitor project owners’ compliance with their obligations and responsibilities; calculate and pay Section 8 HAP payments (e.g., rental subsidies) to property owners; and comply with Federal law and HUD regulations. In addition to the Basic Administrative Fee, the PBCA may also incur Annual Incentive Fees for customer service. The Annual Incentive Fee for customer service—5 percent of the sum of the Basic Administrative Fee earned during each 12-month period of the contract term—can be earned for the performance of the following tasks:

- Conducting management and occupancy reviews;
- Adjusting contract rents;
- Reviewing and paying monthly vouchers;
- Renewing HAP contracts and processing any terminations or expirations;
- Ensuring tenant health, safety, and maintenance issues are resolved; and

1 Iowa, Maine, Minnesota, Montana, New Hampshire, North Dakota, South Dakota, Vermont, and Wyoming.

2 Since the number and timing of these awards is not known, this information collection request covers only the 11 States with current PBCAs. Once determined HUD will make an adjustment of this Request for Clearance.

- Providing administrative support including: 1) monthly and quarterly reviews; 2) ACC year-end reports and certifications, and 3) annual financial reports – PHA fiscal year end.

A.2. Purpose and Use of the Information

The purpose of this Annual Customer-Service Survey of PBCAs is to enable HUD to decide which PBCAs have earned an Annual Incentive Fee for customer service. This will be the first such survey of the newly awarded PBCAs regarding their monitoring and oversight of HAP contracts.

The information collection for which this OMB approval is requested will consist of a customer satisfaction survey of property owners that are overseen by the 11 PBCAs. The surveys will collect information specifically on aspects of PBCAs' conduct of their monitoring and oversight responsibilities. Those surveyed in each State will consist of 100 property owners, drawn from a two-stage sample of property owners with HAP contracts. The responses to survey questions will be analyzed and compiled to form a basis for determining whether each PBCA is eligible to receive an Annual Incentive Fee.

The information collected from these interviews and the results of this analysis will only be used for the purposes of this study, and will not be shared with any other agencies or entities outside of HUD or used for any other purposes.

A.3. Use of Information Technology and Burden Reduction

The survey of property owners will be will be conducted by Web; property owners will be notified of the Web surveys first by a pre-notification letter and then by email from lists of

contact information available from PBCAs and/or HUD. Property owners who do not respond also will be followed up by telephone. As business entities, owners and manager access to the Web should be near universal. Their incentive to respond should be high, and with email and telephone reminders, sufficient to minimize non-response bias. Note that, in some cases, the property owner may not be the individual that deals directly with the PBCA. In these cases, we plan to send out the link to the most appropriate individual, such as the property manager or agent. This will be determined when we compile the sampling frame for the survey.

A.4 Efforts to Identify Duplication and Use of Similar Information

No prior studies have been conducted for this purpose or similar purposes. HUD and its survey contractor are not aware of any surveys of owners and managers to assess their satisfaction with the PBCAs.

A.5. Impacts on Small Businesses or Other Small Entities

Property owners contacted for the survey in their State may be small businesses. Their participation is essential to achieve sufficient representation of property owners within each State. Sampling procedures are designed to select small business in proportion to their representation of all property owners.

There are no known sources of information on the representation of small businesses among these property owners. Property owners who do respond to the survey may be asked if they are small businesses, using established Small Business Administration criteria based on revenues or number of employees.

A.6. Consequences of Collecting Information Less Frequently

The information collection proposed for this study consists of one interview for each property owner in each included State in which the owner holds properties. If these interviews are not conducted, HUD will not have a critical source of information for determining the eligibility of PBCAs for the Annual Incentive Fees. Owners provide the best overall source of information on PBCA performance.

A.7. Special Circumstances Relating to the Guideline of 5.CFR 1320.5

There are no special circumstances. The collection of information is conducted in a manner consistent with the guidelines in 5 CFR 1320.5.

A.8. Comments in Response to the Federal Register Notice and Efforts to Consult Outside Agency

The notice required by 5 CFR 1320.8(d) was published in the *Federal Register* on [month date, year] in Vol. 77, No. 79 /Tuesday, April 24, 2012 and provided a 30-day period for public comment. No public comments were received regarding this notice at the time of this submission. Any comments received in response to this notice will be addressed and forwarded to OMB.

HUD does not plan any consultation from outside of the agency.

A.9. Explanation of Any Payment or Gift to Respondents

No payment or gift will be offered to respondents.

A.10. Assurance of Confidentiality Provided to Respondents

All respondents in the study will be given assurance that any information they provide is confidential and their participation will have no impact on their receipt of HAP contracts or payments (for property owners) or rental subsidies or ongoing occupancy for tenants. Interviewees will also be assured that no individually identifiable information will be included with any response and the identity of respondents will not be provided to HUD. Further, the key that links any response to any individual will be maintained by HUD's contractor in a locked file (hard copy) or encrypted (computer file) and destroyed at the conclusion of the study pursuant to applicable HUD regulations. All Insight Policy Research and ICF data collection staff are required to sign a data confidentiality pledge associated specifically with this study.

A.11. Justification for Sensitive Questions

The survey instrument for property owners will include questions on the business size (number of employees, revenues) and participation in Section 8 (number of properties with Section 8 units, total number of units in this property, total number of units in all section 8 properties, length of participation in Section 8, length of ownership/management of this property) for categorization purposes. Some of these questions could be considered sensitive by certain respondents. The survey instrument is provided in Attachment B.

As part of the consent process, respondents will be assured that they may choose not to answer any specific question(s).

A.12. Estimates of Hour Burden Including Annualized Costs

The burden estimates for respondents are shown in Table A.12.1. For property owners, the plan is to conduct 100 surveys per State of 15 minutes each, for a total of 1,100 completed

responses from property owners in the 11 States with PBCAs, plus 840 attempted responses of 3 minutes each. The table below illustrates the burden level for a single year’s survey in 11 States.

Table A.12-1. Estimated Hour Burden of the Data Collection

Respondent Type	Type of Instrument	Number of respondents	Frequency of Response	Total Annual Responses	Hours per Response	Total Annual Hour Burden
Property Owners	Web survey questionnaire / Telephone follow up	1,100 (completed)	1	1100	.25	275.00
		840 (attempted)	1	840	.050	42
TOTAL		1,940	1	1,940		317

Table A.12.2 below illustrates the estimated annualized cost to respondents for the hours of burden for this data collection. For property owners, with an average hourly wage rate of \$49.12³, the total cost burden would be \$13,508.00 for completed surveys and \$2,063.04 for attempted surveys. The table below illustrates the maximum possible cost burden for property owners.

Table A.12-2. Annualized Cost to Respondents

Type of respondents	Type of Instrument	Number of respondents	Hours per Response	Frequency of Response	Hourly Wage Rate	Respondent Cost
Owners	Web	1,100 (completed)	.25	1	\$49.12	\$13,508.00
		840 (attempted)	.050	1	\$49.12	\$2,063.0
TOTAL		1,940		1		\$15,574.04

A.13. Estimates of Other Total Annual Cost Burden to Respondents or Record Keepers

³ The mean hourly wage for owners was determined using national data for “Managers, All Other” as reported for May 2010 by the Bureau of Labor Statistics.

No capital/startup or ongoing operation/maintenance costs are associated with this information collection.

A.14. Annualized Cost to Federal Government

The total cost to the Federal Government is \$335,418. This total includes include the cost of design, instrument development, technical development of survey forms, information collection, analysis, reporting, and presentation/publication of the results. The average annualized cost is \$167,710.

A.15. Explanation for Program Changes or Adjustments

This is a new collection of information, so there are no changes to items 13 and 14.

A.16. Plans for Tabulation and Publication and Project Time Schedule

Respondents will be asked to rate, on a 6-point scale, their satisfaction with the PBCA's overall performance as well as their specific satisfaction on three key customer service functions (health, safety and maintenance of their properties). Overall satisfaction scores will be computed for each PBCA in aggregate. Tabulations will be conducted for the percentage of respondents reporting satisfaction ratings (5 or 6 on the 6 point scale) overall and broken down by tenant vs. owners. If sample sizes allow, we also plan to analyze the results to determine whether key variables affect differences in customer-service rating (e.g., urban/rural location, size and age of the property and characteristics of the tenants, such as percent under 100% of the Federal Poverty Level, FPL).

The schedule for data collection, analysis, and reporting is shown in Table A.16-1 below.

Table A.16-1. Project Time Schedule

Activity	Expected Activity Period
Develop and Test Data Collection Instruments	November to December 2011
Receive OMB approval	July 2012
Conduct Surveys	September to October 2012
Data analysis	November 2012
Submit Final Report to HUD	December 2012

A.17. Reason(s) Display of OMB Expiration Date is Inappropriate

The agency plans to display the expiration date of OMB approval on all forms/questionnaires associated with this information collection.

A.18. Exceptions to Certification for Paperwork Reduction Act Submissions

There are no exceptions to the certification statement.