

**Supporting Statement for Paperwork Reduction Act Submission  
for Interviews with Tenants and Landlords  
Small Area Fair Market Rent Demonstration Evaluation  
OMB Number: 2528-New**

**A. JUSTIFICATION**

**1. Circumstances That Make Collection of Information Necessary**

One of the central questions that the U.S. Department of Housing and Urban Development (HUD) faces in administering the Housing Choice Voucher (HCV) program is how to create a more effective means for tenants to move into higher-opportunity, lower-poverty areas without significantly raising overall subsidy costs. HUD is conducting an evaluation that examines whether and to what extent providing higher subsidies in zip codes with higher rents, and lower subsidies in zip codes with lower rents, will help HCV holders access areas of opportunity. The evaluation also examines how this policy affects HCV recipients and landlords as well as HCV subsidy and administrative costs.

Currently, the subsidy available to families is generally based on a single Fair Market Rent (FMR) for each metropolitan area (and non-metropolitan county) set at the 40<sup>th</sup> percentile of rents. HUD publishes the metropolitan area (or non-metropolitan county) FMR and provides Public Housing Agencies (PHAs) with discretion to vary local voucher payment standards between 90 and 110 percent of the FMR (unless HUD approves an exception). FMRs set too low could impede HCV holders' access to quality housing and neighborhoods; even at 110 percent of the FMR, HCV holders could have limited access to higher-cost areas where gross rents are above the payment standard. FMRs set too high could drive up subsidy costs and reduce the number of families that can be served.

HUD's Small Area FMR (SAFMR) demonstration is testing an alternative approach of setting FMRs at the ZIP Code level. The core hypothesis is that this will significantly expand the ability of HCV holders to access housing in neighborhoods with high-quality schools, low crime rates, and other indicators of opportunity, as well as integrated neighborhoods in support of HUD's goal of affirmatively furthering fair housing. The SAFMR demonstration includes the Housing Authority of the City of Laredo (TX), the Town of Mamaroneck Housing Authority (NY), the Chattanooga Housing Authority (TN), the Housing Authority of the County of Cook (IL), and the City of Long Beach Housing Authority (CA). The demonstration started at the end of 2012, and ended on September 30, 2016, (though four of the demonstration areas are continuing to use SAFMRs). In addition to these five demonstration PHAs, this evaluation also includes analysis of SAFMRs in the Dallas, TX metro area, which has used SAFMRs since 2011 as a result of a legal settlement.

This request to interview tenants and landlords in the five PHAs participating in the SAFMR demonstration and two of the six PHA using SAFMRs as part of a court settlement is an important part of this evaluation. These interviews will be used to determine whether both existing and new voucher holders understood how the change affected their housing options and whether it led movers to search in new neighborhoods or affected the rate of moving of existing voucher holders. Similarly, we want to know whether landlords were aware of the change in the HCV program and whether this affected their willingness to rent to voucher holders and the level at which they set rents. In order to address these questions, we will interview ten voucher holders and 5 landlords (including both landlords with tenants that have vouchers and those that do not in high and low rent areas) in each of the seven SAFMR areas. Other data sets and analyses are being conducted that will bring in more data so a general determination of effectiveness on the SAFMRs can be made.

## **2. Purpose and Use of Information**

This clearance request will cover the use of in-person interviews (supplemented by telephone interviews where necessary) with 70 tenants and 35 landlords across seven PHA areas that are using SAFMRs.

On behalf of HUD, the information for the of the ***Small Area Fair Market Rent Demonstration Evaluation*** will be collected under a grant with Abt Associates, Inc. (Grant #: H-21669CA). Abt staff will be working in partnership with Quadel Consulting Corporation to conduct the tenant and landlord interviews. Site visits will be undertaken to each of the seven PHAs that have implemented SAFMRs. The interviews will be conducted in person during site visits by two-person site visit teams. The. Interviews are designed to be open-ended discussions with the lead interviewer while the junior member of the interview team creates the interview notes.

The ***Tenant Interview Protocol*** and the ***Landlord Interview Protocol*** are the subjects for this request for approval. The purpose of the interviews is to learn qualitatively whether HCV tenants and landlords are aware of the change in payment standards and how these changes have affected (or could affect) tenant decisions about housing and neighborhood choice and landlord decisions about participation in the HCV program. Information from the interviews will be analyzed in conjunction with administrative data sets, demographic data, and discussions with Public Housing Agencies (PHAs) to determine if Small Area Fair Market Rents (SAFMRs) help tenants move to higher opportunity areas and the impact of this program on PHAs and landlords in the Section 8 Voucher program.

Exhibit A-1 (below) summarizes the policy and research questions being addressed by the tenant and landlord interviews. The question numbers correspond to the policy and research questions listed above. The complete

***Tenant Interview Protocol*** is provided in Appendix A. The complete ***Landlord Interview Protocol*** is provided in Appendix B.

## Exhibit A-1: Correspondence of Research Questions and Interview Protocol Sections

Research Question	Tenant Interview Protocol Section	Landlord Interview Protocol Section
1b. Did changing to SAFMRs increase existing HCV holders' likelihood of moving to higher-opportunity or more-integrated neighborhoods? Were new HCV holders more likely to locate in higher-opportunity neighborhoods under SAFMRs than under metro area FMRs? How did the characteristics of HCV holders' neighborhoods change after adoption of SAFMRs?	A - Housing History C - Movers D - Experience with SAFMRs E - Stayers	
1c. How did the change to SAFMRs affect HCV holders' experience with the HCV program? What effects did it have on tenants' rent burdens? Did they understand how the change affected their housing options? What was their perception of the change? Did the change to SAFMRs influence HCV holders' success in using their vouchers to rent a unit?	A - Housing History B - Understanding of SAFMRs C - Movers D - Experience with SAFMRs E - Stayers	D - Impact of changing payment standards
1d. To what extent were landlords, both those participating in the HCV program and potential new participants, aware of the change in the HCV program? How did they perceive this change?	C - Movers D - Experience with SAFMRs E - Stayers	B - Understanding of SAFMRs C - Satisfaction with HCV program D - Impact of changing payment standards
2b. What were the financial and human costs of the one-time transition from metro area FMRs to SAFMRs? How did the change affect PHA interaction with HCV holders and potential holders? How did the change affect PHA interaction with landlords?		A - Background B - Understanding of SAFMRs C - Satisfaction with HCV program D - Impact of changing payment standard

### 3. Improved Information Technology

In accordance with the E-Government Act of 2002, information technology has been incorporated into the data collection to reduce respondent burden. Electronic mail will be used, whenever possible, to communicate with tenant and landlord interview respondents to request and confirm interviews, as shown in Appendix F.

### 4. Duplication of Similar Information

As part of the design process for the study, the contractor conducted a review of literature regarding the HCV program. No studies were identified that involved discussions with tenants or landlords about SAFMRs or changes to the way payment standards were calculated. HUD is unaware of any other studies for which this study represents a duplicate research effort.

## **5. Efforts to Minimize Burden on Small Businesses**

This data collection effort may include interviews with landlords who are owners of rental properties, and these owners could include small property ownership entities. However, this is a voluntary survey and no effort will be made to include small property owners. At most, 35 landlords will participate in the data collection and each participant will be given \$40 as an incentive to participate.

## **6. Consequences of No or Less Frequent Data Collection**

This data collection effort will only be conducted once and under specific contract guidelines. If this collection activity is not approved, the evaluation will be able to answer the questions of whether tenants moved to higher opportunity areas, but would not be able to answer why some tenants moved while others did not. Likewise, it would not be possible to know why landlords left the program or refused to enter the program, or even were aware of the program. These questions can only be answered by these surveys, so the Government would have incomplete information on the SAFMR Demonstration to evaluate this new policy direction. A full assessment of the use of SAFMRs is crucial as the Department considers an expansion of the use of SAFMRs.

## **7. Special Circumstances Requiring Collection of Information in a Manner Inconsistent with 5 CFR 1320.6**

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). As noted below, there are no special circumstances that require deviation from these guidelines.

- **Requiring respondents to report information to the agency more than quarterly**  
Respondents will only be involved in a one-time data collection.
- **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 as part of this data collection effort. The interviews are conducted in person, (or alternatively by telephone), by a two-member interview team. The junior member of the interview team takes notes of respondent's oral responses. Where interviews cannot be conducted in person, they are conducted by telephone, and the junior member of the team makes notes of the responses.
- **Requiring respondents to submit more than an original and two copies of any document**  
Respondents are not required to submit any documents as part of this data collection effort.
- **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 as part of this data collection effort.

- **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**

This data collection does not involve a statistical survey. The interviews will gather qualitative information to inform HUD on some experiences of tenants and landlords with regard to the changes being implemented in the HCV program.

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

This data collection does not involve the use of any statistical data that would not be 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**

This data collection does not involve the use of a pledge of confidentiality that would deviate from statute or regulation, be inconsistent with disclosure and data security policies, or be considered as impeding the sharing of data as appropriate.

- **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.**

This data collection does not require respondents to submit proprietary trade secrets or confidential information. Any such information would be kept confidential to the extent permitted by law.

## **8. Federal Register Notice / Consultation Outside the Agency**

In accordance with the Paperwork Reduction Act of 1995, the Department of Housing and Urban Development (HUD) published a notice in the *Federal Register* on September 21, 2016. The docket number was **FR-5915-N-10** and the document number is FR Doc. 2016-22722. The *Federal Register* notice appeared on pages 64929-64930 [81 FR 64929]. The authority is Section 3506 of the Paperwork Reduction Act of 1995, 44 U.S.C, Chapter 35, as amended. The notice provided a 60-day period for public comments, and comments were due by November 21, 2016. A copy of the notice is shown in Appendix C.

The ***Small Area Fair Market Rent Demonstration Evaluation*** was developed and is being implemented with the assistance of Abt Associates Inc., the prime contractor. Several subcontractors and consultants have collaborated with the Abt team to develop the study design. Key members of the Abt team include Dr. Meryl Finkel, Dr. Samuel Dastrup, Mr. Jeffrey Lubell, Ms. Carissa Climaco, Ms. Kimberly Burnett, Dr. Ingrid Gould Ellen (NYU Furman Center), Dr.

Stefanie DeLuca (Johns Hopkins University), and Ms. Amy Jones (Quadel Consulting).

Two comments were received and these comments are provided In Appendix D. Both commenters support the information collection, but they provided ways to enhance the quality, utility, and clarity of the information to be collected. The commenters were concerned that the limited size of the proposed information collection raises question about whether it can capture enough information to establish that the demonstration program has been effective. The results of the proposed interviews should be viewed as a set of commentary that supplements other data and that should not necessarily be extrapolated beyond the specific tenants, landlords and markets reviewed.

HUD agrees that the information collected from these interviews will not be sufficient to extrapolate potential national trends on its own. There are only seven PHAs participating in this evaluation, five that voluntarily participated in the Small Area Fair Market Rent (SAFMR) demonstration and two of the six PHAs in the Dallas, TX metropolitan area that are using SAFMRs as part of a court settlement. HUD will use these interviews to determine whether both existing and new voucher holders understood how the change affected their housing options and whether it led movers to search in new neighborhoods or affected the rate of moving of existing voucher holders. Similarly, HUD will use the information from the landlord interviews to determine if landlords were aware of the change in the HCV program and whether this affected their willingness to rent to voucher holders and the level at which they set rents.

## **9. Payment or Gifts to Respondents**

To build rapport during recruitment and to acknowledge the value of their time, payments are being provided to both tenants and landlords for the interviews. Tenants will receive \$20 and landlords will receive \$40 for completing the interviews. Because we assume the landlord interviews will be conducted during the work day when a landlord would typically be at work, the incentive payments to landlords are higher than the payments to HCV holders. We have assumed that tenant interviews would be conducted outside of their working hours.

## **10. Assurances of Confidentiality Provided to Respondents**

The subjects of this information collection and the nature of the information to be collected require strict confidentiality procedures. The information requested under this collection is protected and held confidential in accordance with 42 U.S.C. 1306, 20 CFR 401 and 402, 5 U.S.C.552 (Freedom of Information Act), 5 U.S.C. 552a (Privacy Act of 1974) and OMB Circular No. A-130. A Privacy Impact Assessment is on file with the Department.

All communications with study participants include assurances that participation is voluntary, that all information will be kept confidential, and that the respondents' answers will be reported only in aggregate form. Members of the research team must sign a pledge of confidentiality as a condition of employment. For both interview survey data and corresponding HUD administrative data on sample members, computer security will be maintained by restricting access only to

project staff members that require direct access to the raw data files for analysis purposes; analysts and authors will have access only to aggregate data.

In addition, all design documents, random assignment protocols, and analysis files must be protected. The study's data collection plan, this OMB statement, and the proposed survey instrument are also subject to the review and approval of the research team's Institutional Review Board (IRB), which has approved the study design.

## **11. Sensitive Questions**

The Tenant Interview Protocol and the Landlord Interview Protocol does not contain any sensitive questions. We are not asking for financial information or for any personal and sensitive information. The interviews collect data on tenant and landlord perceptions of the SAFMR policy.

## **12. Burden Estimates (total Hours and Wages)**

Exhibit A-2 presents the estimated respondent burden for this information collection. The burden cost estimate is based on the number of tenants and landlords from which we will recruit, estimated burden, and estimated annualized cost of respondent burden for each part of data collection. The estimate also includes burden for respondents who are contacted but do not agree to be interviewed. Annualized cost of respondent burden is the product of each type of respondent's annual burden and an average hourly wage rate. As shown in the table, the total estimated burden across all data collection components is 170 hours. The estimated total cost of respondent burden is \$2,485.

The recruitment telephone call scripts for tenants and landlords are in Appendix E. Recruitment confirmation emails or letters are in Appendix F.



**Exhibit A-2: Number of Respondents, Estimated Burden, and Estimated Cost of Respondent Burden for the Evaluation of the Small Area FMR Demonstration**

Affected Public	Data Collection Activity	Respondent Pool	Responsive					Non-Response					Grand Total Annual Burden Estimate (hours)	Hourly Wage Rate	Total Annualized Cost of Respondent Burden
			Estimated Number of Respondents	Frequency of Response	Total Annual Responses	Average Burden Hours per Response	Total Annual Burden Estimate (hours)	Estimated Number of Respondents	Frequency of Response	Total Annual Responses	Average Burden Hours per Response	Total Annual Burden Estimate (hours)			
<b>HCV Holders</b>															
Individual	Telephone Call (Recruiting Call Script)	700	70	1	70	0.08	5.60	630	1	630	0.08	50.40	56.00	\$7.25	\$406.00
Individual	Recruitment Confirmation Email/Letter	70	70	1	70	0.20	14.00	0	0	0	0.00	0.00	14.00	\$7.25	\$101.50
Individual	In-person Interview	70	70	1	70	0.75	52.50	0	0	0	0.00	0.00	52.50	\$7.25	\$380.63
<b>Subtotal Tenants</b>						<b>72.10</b>					<b>50.40</b>	<b>122.50</b>			<b>888.13</b>
<b>Landlords</b>															
Individual	Telephone Call (Recruiting Call Script)	175	35	1	35	0.08	2.80	140	1	140	0.08	11.20	14.00	\$33.79	\$473.06
Individual	Recruitment Confirmation Email/Letter	35	35	1	35	0.20	7.00	0	0	0	0.00	0.00	7.00	\$33.79	\$236.53
Individual	In-person Interview	35	35	1	35	0.75	26.25	0	0	0	0.00	0.00	26.25	\$33.79	\$886.99
<b>Subtotal Landlords</b>						<b>36.05</b>					<b>11.20</b>	<b>47.25</b>			<b>\$1596.58</b>
<b>Grand Total</b>						<b>108.15</b>					<b>61.60</b>	<b>169.75</b>			<b>\$2,484.71</b>

The average hourly wage rate for HCV Holders (\$7.25) is based on the current Federal minimum wage. The average hourly rate for Landlords (\$33.79) is based on the average hourly rates for Property, Real Estate, and Community Association Managers (Source: Bureau of Labor Statistics, May 2016 National Occupational Employment and Wage Estimates.)

Recruiting call scripts are in Appendix E. Recruitment confirmation emails/letters are in Appendix F. The *Tenant Interview Protocol* is in Appendix A, and the *Landlord Interview Protocol* is in Appendix B.

### 13. Total Annual Cost Burden to Respondents

This data collection effort involves no recordkeeping or reporting costs for respondents other than the time burden to respond to questions during the interview of \$2,485, as described in item A.12 above. In addition, as shown below, incentive payments of \$20 per tenant and \$40 per landlord are made to encourage participation.

#### Summary of Incentive Payments to Respondents

Information Collection	Number of Respondents	Frequency of Response	Total Annual Responses	Incentive Payment	Annual Cost
Tenants	70	1	70	\$20.00	\$1,400.00
Landlords	35	1	35	\$40.00	\$1,400.00
Total	105		105		\$2,800.00

### 14. Estimated Annualized Costs to the Federal Government

The estimated cost to the federal government of the planned 36-month *Small Area Fair Market Rent Demonstration Evaluation* is \$849,738. The subtotal of the cost for this data collection activity, is \$172,256, including the \$2,800 for incentive payments listed above.

Exhibit A-3 shows the costs to the federal government of the planned collection activities as a portion of the evaluation budget. HUD's current evaluation contractor, Abt Associates, prepared these estimates. The data collection activity of \$172,256 includes the recording and analysis of interviews with tenants and landlords at each of the seven PHA sites. The remaining cost to the Government of \$677,482 includes the cost of the research design, the analysis of administrative and demographic data, and the preparation of the interim and final reports; the total cost to the federal government of this evaluation is \$849,738.

#### Exhibit A-3: Estimated Costs to the Federal Government

Data Collection Activity	Cost to the Federal Government
In-person interviews with tenants and with landlords	\$172,256
Research Design, Data Analysis, and Report Writing	\$677,482
Total Cost to Government	\$849,738

### 15. Reasons for Change in Burden

This submission to OMB is a new request for approval.

## **16. Plan for Tabulation, Statistical Analysis, and Publication**

Analysis of the tenant and landlord interview data will begin after each site visit is completed. Qualitative research software, NVivo, will be used to sort and analyze interview findings. NVivo allows the analyst to import the interview write-ups into a central database and assign codes to each section of the write-up. Codes based on the interview topics, such as HCV holder experience with SAFMRs, can be assigned to the text automatically, allowing the user to compare all interview responses on the same topic. Additional codes will be developed based on both the interview protocols and any unanticipated themes that may have arisen during interviews. These codes will be assigned manually to all the interview write-ups following a consistent coding tree, allowing us to analyze themes that cross interview topics and sites.

Once the HCV holder and landlord interviews are coded and analyzed, the reports will be presented as stand-alone findings. In addition, the information will be used to understand findings from other data analysis such as observed changes in tenants' location and relocation; HCV holders' success in leasing up using a voucher; landlords' participation in the HCV program; and major drivers of changes in PHA administrative costs.

Under the current study schedule, the site visits with tenant and landlord data collection will last approximately three months. The data collection will begin by September 2017, ending by December 2017. The analysis of these data will be carried out through January 2018. The final report will be prepared from January 2018 to March 2018.

## **17. Explain any Request to Not Display the Expiration Date**

HUD is not seeking approval to avoid displaying the expiration date. All data collection instruments will prominently display the expiration date for OMB approval.

## **18. Exceptions to the Certification for Paperwork Reduction Act Submissions.**

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