

Supporting Statement for Paperwork Reduction Act Submission
Capital Needs Assessment of Public Housing
OMB Control Number 2528-New

A. JUSTIFICATION

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

The Office of Policy Development and Research (PD&R) at the U.S. Department of Housing and Urban Development (HUD) is proposing the collection of information for the Capital Needs Assessment of Public Housing. Public housing serves low- and very-low-income households, including low-income families, the elderly, and the disabled. In the United States, public housing is owned and managed by public housing agencies (PHAs), which are units of state and local government. Public housing projects are heavily subsidized and regulated by HUD's Office of Public and Indian Housing (PIH) through the Operating Fund, Capital Fund, Rental Assistance Demonstration (RAD), Low-Income Housing Tax Credits (LIHTCs), Streamlined Voluntary Conversion, Section 18, Choice Neighborhoods, Federal Home Loan Bank funds, and other state and Federal funding sources. The capital needs of public housing have a direct bearing on HUD's Capital Fund budget and PHAs' use of other sources of financing to meet their capital needs.

The number of public housing projects and units in the United States and the number of PHAs that own and manage public housing projects and units have changed over time. According to recent HUD data, there are currently 2,780 PHAs that own and manage 940,330 units in 6,523 public housing projects.

The public housing Capital Fund provides funds for the capital and management activities of PHAs as authorized under Section 9 of the Housing Act of 1937 (42 U.S.C. 1437g) (the Act). Capital Funds are budgeted for and provided through annual Congressional appropriations based on an assessment of the magnitude and urgency of the capital needs of public housing. Congress periodically requests that HUD update its estimate of the capital needs of public housing. Section 9(d)(1) of the Act and 24 CFR 905.200 list the eligible activities of the Capital Fund program. These activities include, among others, the development, financing, and modernization of public housing; vacancy reduction; nonroutine maintenance; and planned code compliance. This work is intended to bring each PHA's projects up to applicable modernization and energy conservation standards.

Although HUD collects and maintains administrative data on the capital needs of public housing projects, this data is not collected systematically and is unlikely to be comprehensive or complete enough to enable HUD to generate a reliable estimate of the capital needs of public housing.

This Paperwork Reduction Act (PRA) submission includes the data collection instrumentation required for use as part of the Capital Needs Assessment of Public Housing. This study follows up on previous work that Congress funded and provided to HUD about a decade ago to collect and analyze data to assess the capital needs of public housing. In contrast to those previous data

collection efforts, however, this data collection relies on the submission of capital needs estimates by a sample of PHAs through a web-based survey, rather than the direct collection of capital needs data through onsite inspections.

Data are collected under Title 12, U.S.C. Sec. 1701z2(g)

2. 1Indicate 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.

This is a new data collection funded by Congress and provided to HUD. It will be undertaken by a team of outside contractors managed by HUD PD&R. The data collected will be used to evaluate common and best practices in capital needs assessments (CNAs) undertaken by PHAs, develop an estimate of the overall capital needs of public housing projects, and support recommendations on how HUD can estimate the capital needs of public housing and address barriers to PHAs in meeting their public housing capital needs. A main goal of this assessment is to better understand whether a non-inspection-based approach can yield reliable and valid results that are comparable to those in past studies, if not better.

HUD and its contractor will administer a web-based survey to an initial sample of approximately 300 PHAs to collect data on their CNA estimates, their practices to arrive at those estimates, and their use of those estimates. After analyzing the data from the first survey of PHAs, HUD and its contractor will administer a second web-based survey of another 500 PHAs. The second survey will ask many of the same questions as the first survey. Both surveys will provide data that, when combined with HUD's other data sources, will be used to estimate the capital needs of public housing following an iterative and duplicable approach. Both surveys include questions about the processes that PHAs use to assess their capital needs. Based on responses to those questions, the study will assess PHAs' processes to see how they compare to in-person data collection methods used in previous CNAs and to industry best practices.

This study uses a mixed-methods approach to qualitative and quantitative data collection that relies on the following:

- Existing secondary data sources, where available, from HUD, a sample of PHAs, and other public sources, along with data from a third-party vendor specializing in CNAs for PHAs.
- A review of the literature on CNAs from available HUD and private industry sources.
- Primary data sources consisting of interviews with a small sample of staff from fewer than 10 PHAs and industry experts from fewer than 10 specializations, including mortgage lenders, multifamily housing owners and operators, and public housing stakeholder organizations.
- Primary data from a survey of two samples of a total of 800 PHAs.

Information Collection in This ICR

HUD is seeking onetime approval for the administration of one survey instrument within this Information Collection Request (ICR) for a survey of 800 PHAs, divided into an initial 300-PHA sample and a second 500-PHA sample. See Appendix A for the survey instrument.

The use of qualitative interviews for small samples of PHAs, outside industry experts, HUD staff, and other interested stakeholders is noted but outside the scope of this ICR.

The findings from the evaluation will be presented in interim and final reports to HUD PD&R. PD&R disseminates studies and publications through their website at www.huduser.org. HUD publication policies and procedures comply with all applicable information quality guidelines.

Table 1 summarizes the need for the information collection and the data collection instrument.

Table 1. Justification of Data Collection Instruments

Instruments	Respondents, Content, and Reason for Inclusion
Survey of PHAs	<p>Respondents: Two representative, stratified samples of 800 PHAs currently owning and operating public housing projects.</p> <p>Content: The survey is divided into four sections:</p> <ol style="list-style-type: none"> I. Survey instructions with questions about the PHA, estimates of the PHA’s public housing capital needs, approaches used by the PHA to estimate its public housing capital needs, and perceptions of barriers to meeting its public housing capital needs. II. Letter inviting PHAs to participate. III. Email inviting PHAs to participate. IV. Follow-up email reminding PHAs to participate. <p>Reason for Inclusion: HUD has determined that its administrative data sources are unlikely to be adequate to estimate the capital needs of public housing, that PHAs potentially provide a useful source of capital needs data on their public housing, and that the combination of HUD administrative data and PHA CNAs can be used iteratively to generate an estimate of the overall capital needs of public housing that is just as good as alternative methods, such as a more costly and time-intensive direct observation approach.</p>

3. 1Describe 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 collection proposed for this effort includes a survey of (1) an initial sample of 300 PHAs and (2) a second sample of 500 PHAs. Both samples will use substantially the same survey instrument, which may be modified for the second sample based on responses from the first sample. The two samples will be stratified and will involve independent sample draws without replacement from the population of PHAs that own and operate public housing projects. The PHA sample surveys will use a web-based survey application that is widely used in social science research. Recipients can complete the survey online at their convenience as well as upload documents that the research team requests. The web-based survey instrument contains instructions, help screens, definitions, automated skip patterns, and other aids that guide respondents through the survey and reduce respondent burden.

Additional key features of the web-based survey instrument include:

- Secure data entry.
- User login, save, review and submit capabilities.
- Navigation to access different sections.

- Navigation to access different screens sequentially or non-sequentially.
- Interactive features to address questions.
- Accessible glossary of key terms.
- Answers to frequently asked questions.

The survey will be launched via an integrated communications protocol capable of sending personalized email cover letters, tracking which respondents have and have not completed the survey in whole or in part, and sending out timely reminders to participants who have not started or completed the survey. The survey responses will be shared only with members of the contractor survey team. One hundred percent of the data gathered through the web-based survey will be collected electronically.

Using a web-based system will reduce the burden on the respondents of the total amount of time needed to complete and submit the information. By enabling participants to save, stop, and restart their responses, this web-based system offers the added convenience of spreading the data entry burden over time as may be needed to accommodate other demands on their work schedules.

All information will be protected and held confidentially.

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 existing data source available to HUD that can be analyzed to estimate the current state of capital needs for all public housing. Available data from HUD administrative sources will be incorporated into the analysis by the research team; HUD expects, however, that these sources are inadequate and must be supplemented with additional data to generate an estimate of public housing capital needs that is at least as accurate as the direct observational method used before.

The proposed PHA surveys are specific to this study assessing capital needs in public housing. Some PHA staff may have been asked to participate in earlier CNAs, but it has been over a decade since the last time HUD gathered capital needs information. The data gathered for this study is unique to this study.

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.

Small businesses or other small entities are not part of the target population of this information collection effort, except for small PHAs (fewer than 250 public housing units). The information collection is limited to a stratified sample of PHAs with public housing projects. Stratification is a sampling technique widely used to minimize the number of entities in a sample while providing an acceptable degree of representativeness. The survey will be administered first to a sample of 300 PHAs. Depending on the results, the same survey will be administered to a second sample of 500 PHAs. Splitting the sample into two phases allows for the possibility that the second sample may not be surveyed if the results of the first sample survey indicate the limits of this approach to data collection.

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.

Collecting data from PHAs is the best way to ascertain whether PHAs collect and maintain reliable estimates of the capital needs for use in estimating the capital needs of all public housing. Without this data collection, HUD expects it will be unable to generate a useful estimate of public housing capital needs without resorting to a more costly and time-intensive data collection effort, such as the direct observation method used in the past.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

The proposed data collection activities are consistent with the guidelines set forth in 5 CFR 1320.6 (Controlling Paperwork Burdens on the Public – General Information Collection Guidelines (Public protection)). There are no special circumstances that would require this information collection to be conducted in a manner that would be inconsistent with OMB guidelines. The following below are **“Not Applicable”** to this collection:

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

- 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 the data elements to be recorded, disclosed, or reported.
 - Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years -- even if the collection of information activity is the same as in prior periods. There may be circumstances that preclude consultation in a specific situation. These circumstances should be explained.

In accordance with the Paperwork Reduction Act of 1995, HUD published a 60-Day Notice of Proposed Information Collection in the *Federal Register* on September 7, 2022. The docket number was **87 FR-54709**, and the notice appeared on pages 54709-54710. The notice provided a 60-day period for public comments, and comments were due by November 7, 2022. One public comment on the proposed information collection was received, addressed, and documented.

The Capital Needs Assessment of Public Housing was developed and is being implemented with the assistance of Econometrica Inc. and their consultants.

- 9. Explain any decisions to provide payments or gifts to respondents, other than remuneration of contractors or grantees.**

There are no payments or gifts to respondents of the surveys.

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

HUD's contractor, Econometrica, provides written assurances of confidentiality to all survey respondents. Econometrica has established stringent procedures and safeguards for securing and protecting against inappropriate disclosure or release of confidential information that will be collected during this study. Where opinions are elicited from individuals, the confidentiality agreement stands; the data that Econometrica provides to HUD will be purged of information that would enable HUD to identify a specific individual, including a PHA official, offering personal and confidential opinions. This will not apply to the bulk of information that is collected, but only to the information that is of a personal and confidential nature, as indicated on the survey.

All respondents included in the study will be informed that information they provide will be used only for the purpose of this research. The information will **not** be used by HUD for grantee monitoring. All Econometrica team members who will have access to this data will sign Data Confidentiality Pledges.

The statutory authority related to HUD’s ability to conduct research through a contract with Econometrica is summarized below:

- a. Section 3(b) of the Department of Housing and Urban Development Act, as amended, 42 U.S.C. 3532, authorizes the Secretary to “conduct continuing comprehensive studies, and make available findings, with respect to the problems of housing and urban development.”
- b. Section 7(r)(1) of the Department of Housing and Urban Development Act, as amended, 42 U.S.C. 3535, provides that appropriated funds “shall be available to the Secretary for evaluating and monitoring of all such programs ... and collecting and maintaining data for such purposes.” Subsection (r)(4)(a) of the act further provides that the Secretary “may provide for evaluation and monitoring under this subsection and collecting and maintaining data for such purposes directly or by grants, contracts, or interagency agreements.”
- c. Section 502(g) of title V of the Housing and Urban Development Act of 1970, as amended, 12 USC 1701z-2 (g), authorizes the Secretary “to request and receive such information or data as he deems appropriate from private individuals and organizations, and from public agencies.” It further provides that “[a]ny 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.”

Before beginning data collection, if needed, HUD will revise the System of Records Notice (SORN) No. PD&R/RRE.01, “Rental Assistance Demonstration (RAD) Program Evaluation Data Files,” revised on December 21, 2020. This SORN was established for the prior evaluation of the RAD program and, if needed, will be amended to include the Capital Needs Assessment of Public Housing.

Each contact person selected to respond to the web-based survey will be given a link to access and complete the survey. For the survey respondents, the survey contractor will provide a clear overview of the study’s purpose, reasons why it would be in the interest of the program to respond, an assurance as to the legitimacy of the survey, and the name of a person the respondent can contact directly if the respondent has questions.

The full research team will maintain the following procedures:

- Before collecting data from all respondents, **informed consent** will be administered. They will be given a clear overview of the study and its goals, the data security plan, the staff confidentiality agreement, and our methods for safeguarding anonymity in our reports and publications. We will stress the voluntary nature of participation and make clear that there are no negative consequences for those who choose not to participate. For PHA respondents, the information will be provided in the invitation emails and in the survey introduction.
- The research team will safeguard the information gathered. Data gathered from the PHA surveys will be analyzed and discussed exclusively in the aggregate; no published reports using the data will single out any particular agencies. Information identifying particular respondents will be shared only with staff members who have signed Data

Confidentiality Pledges and who need the information for research purposes. All such staff members will sign this pledge. Hard-copy materials containing respondent identifying information will be locked up when not in use, and electronic materials with identifying information will be stored on a secure server in password-protected and/or encrypted files, where appropriate.

We will make arrangements for HUD to transfer administrative data through Secure File Transfer Protocol (SFTP) or another secure method. All raw and summarized data will be securely stored per HUD protocol, including proper password protection and encryption, as required. We will also ensure that all data and summary files are de-identified before transfer to HUD.

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.

None of the questions in any of the protocols request sensitive data.

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

- **indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices;**
- **if this request covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I; and**
- **provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 13.**

Respondents: PHA staff participating in CNA survey.

Estimated Number of Respondents: This information collection will affect approximately 800 PHAs. This includes (1) an initial survey of 300 PHAs and (2) a second survey of 500 PHAs. The two samples do not overlap.

Burden Hours: Table 2 demonstrates how the burden hours are calculated.

Table 2. Response Burden Table

Information Collection	Number of Respondents	Frequency of Response	Responses per Annum	Burden Hour per Response	Annual Burden Hours	Hourly Cost per Response*	Annual Cost
First PHA Survey	300	1	300	0.75	225	\$38.18	\$8,590.50
Second PHA Survey	500	1	500	0.75	375	\$38.18	\$14,317.50
Total	800	1	800	1.5	600	\$76.36	\$22,908.00

*Source: U.S. Bureau of Labor Statistics. (2022, March). Average hourly and weekly earnings of all employees on private nonfarm payrolls by industry sector, seasonally adjusted (Table B-3). *Economic news release*. <https://www.bls.gov/news.release/empsit.t19.htm>

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information (do not include the cost of any hour burden shown in Items 12 and 14).

- The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s) and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities;
- If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10) utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.
- Generally, estimates should not include purchases of equipment or services, or portions thereof made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

This data collection effort involves no recordkeeping or reporting costs for respondents other than the time burden to respond to questions on the data collection instruments, as described in item 12 above. There is no additional cost burden to the respondents.

14. Provide estimates of annualized cost 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 also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

Table 3 displays estimates of the one-time costs to the Federal government for data collection performed by the contractor. There are no estimated recurring costs, since this is a one-time data collection. Costs include contractor-estimated costs for developing and populating the survey form, maintaining the survey website and communicating with respondents and nonrespondents. There are no survey incentives.

Table 3. Estimated Cost to the Federal Government

Information Collection	A. Contractor Average Hourly Cost	B. Hours to Develop & Populate Survey Form	C. Hours to Maintain Website, Contact Non-Respondents & Answer Questions	D. Survey Incentives	Total Estimated Cost (A*(B+C)+D)
First PHA Survey	\$156.84	200	400	\$0	\$94,104.00
Second PHA Survey	\$156.84	200	500	\$0	\$109,788.00
Total Estimated Annualized Cost to the Government:	\$156.84	400	900	\$0	\$203,892.00

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

This ICR is a new request and does not result from any program changes or adjustments.

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

The results of the evaluation covered by this ICR will be documented in an interim report to HUD based on the initial survey of a sample of 300 PHAs and a final report to HUD based on the second survey of an additional sample of 500 PHAs. In these reports, the research team will provide summary aggregated data documenting study findings and methodology. HUD plans to publish the findings of the evaluation on their website (www.huduser.org) at the conclusion of the study.

Data will be collected and stored in Microsoft Excel files. Data analysis will be primarily conducted using SAS or Stata.

Table 4 provides a timeline for the data collection for the three study components.

Table 4. Data Collection and Reporting Timeline

Task	Start Date	End Date
First PHA survey	OMB approval date	3 months after OMB approval
First interim report	After completing first PHA survey	2 months after start date

Task	Start Date	End Date
Second PHA survey	2 months after completing first interim report	3 months after start of survey
Final report	After completing second PHA survey	3 months after start date

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.

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

18. Identify and explain each exception to the certification statement.

This submission describing data collection requests no exceptions to the Certificate for Paperwork Reduction Act.