

## Fair Market Rent Area Surveys

### Introduction

Econometrica's substantial experience enables us to provide unparalleled services in collecting and analyzing data to appeal the U.S. Department of Housing and Urban Development's (HUD) proposed Fair Market Rents (FMRs). Econometrica is a professional firm that understands the technical complexities and requirements of this work and will provide any public housing authority (PHA) with high-quality deliverables. Taking an objective approach, we have assisted PHAs in achieving successful appeals that comply with HUD's requirements. Econometrica has an ongoing relationship with HUD's Office of Policy Development and Research (PD&R) and Economic and Market Analysis Division (EMAD) and can quickly access the appropriate HUD personnel for any questions that may arise during FMR projects.

#### ECONOMETRICA'S PRIMARY PRODUCTS ARE:

- > Survey Research and Statistical Analysis
- > Economic Impact Analysis
- > Budget and Financial Analysis
- > Risk Analysis
- > Benefit-Cost Analysis
- > Econometrics
- > Simulation Modeling
- > Program Evaluation
- > Operations Research
- > Training and Technical Assistance
- > Information Management Support
- > Technical Writing and Editing
- > Data Graphics Design and Production
- > Publication Design and Production
- > Web Publishing

### Housing Authority of the City of Santa Barbara, California, Fair Market Rents Survey

Econometrica conducted a survey for the Housing Authority of the City of Santa Barbara (HACSB) on behalf of the two housing authorities in Santa Barbara County to appeal HUD's proposed FY 2014 FMRs. In a 4-month period, Econometrica was able to complete a HUD-approved rental survey in submission-ready format; obtain rental cost data that were statistically representative of the FY 2014 HUD Metropolitan Fair Market Area for Santa Barbara County; and demonstrate that a change was warranted from the proposed FY 2014 HUD FMRs. Econometrica produced a survey and carried out all aspects of the survey effort. Econometrica revised the FMR questionnaire into mail and Web survey instruments available in both Spanish and English. We used an Address-Based Sample (ABS) methodology to obtain a random sample; the survey design applied the appropriate statistical weighting adjustments to maximize the chance that a statistically representative sample of respondents would be obtained.



Econometrica analyzed the survey responses to obtain a more accurate and current estimate of FMRs in a given area and prepared FMR calculations. HACSB was able to use the report and supporting data files to appeal its 2014 proposed FMR from HUD; the appeal was successful, and the FMRs were increased from the proposed rates. ■



## HUD Survey Research and Overview of Area Rent Surveys

From 2011 to 2013, Econometrica provided support to HUD PD&R's EMAD in its calculation of FMRs. Through a subcontract agreement in 2011, Econometrica performed estimation-focused analysis, including data cleansing, imputation, and statistical testing for an experiment to determine the most effective data collection methodology for FMR estimates. Econometrica continued to render additional data analysis in calculating and reporting to HUD FMRs for a total of 10 areas. In each case, Econometrica performed the data analysis and report preparation within 2 weeks of receipt of weighted data.

In this project, Econometrica provided the calculation of the FMR for the Alameda County Housing Authority based on the data collected from 10 survey localities in the East Bay region. Econometrica provided estimates and data files within 7 to 10 days of receipt of data files and responded to client requests for additional information within 1 or 2 business days. The purchase order was signed on March 22, 2013, and by May 3, 2013, Econometrica had delivered a draft report for review. Our work included receiving, cleansing, analyzing, imputing, and calculating the FMR, as well as preparing and delivering SAS and Microsoft Excel data files. Reports for the client were also prepared as Microsoft Word documents for ease of reading and sharing.

Other technical support Econometrica provided for this endeavor included researching and writing a related literature review, as well as providing assistance with data source guidance, experiment design input and survey material review, recruitment, and selection of a survey cadre of experts. Documents that Econometrica produced in whole or in part included a data analysis plan, an analytic report

with recommendations, and a research experiment report, in addition to the area reports and SAS data files for each FMR calculated. Econometrica participated in regular conference calls, email communications, and meetings with a representative and the Director of HUD's EMAD. This project resulted in HUD's PD&R adopting a revised methodology for FMR calculation and also in HUD granting updates to the previously published FY 2013 FMRs for six areas.

## Thirty Years of Experience

Econometrica's knowledge of and involvement in calculating FMRs extends some 30 years: A key Econometrica staff member for the subject effort, Dr. Frederick Eggers, previously served HUD as Deputy Assistant Secretary for Economic Affairs and as the Department's Chief Economist.

During his tenure at HUD, Dr. Eggers produced the parameters used to operate HUD programs and programs of other agencies; this included estimating FMRs and income limits for 354 metropolitan areas and 2,382 counties annually. He has worked collaboratively with team members Dr. Fouad Moumen and Ms. Doray Sitko on all FMR-related endeavors since 2011, including the HUD-sponsored experiment and area rent calculations as well as the HACSB area survey effort; this unrivaled continuity in the core team is a valuable pillar of Econometrica's approach to successful efforts.

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Econometrica performs hundreds of analyses every year for our various clients. We are well-versed in preparing PC-compatible Excel and SAS files and in producing publications that are suitable for submission to Federal Government agencies. All of our calculation efforts for FMRs have been successfully accepted by HUD's EMAD, and our long-term experience is unmatched, given the longevity of Econometrica employee Dr. Frederick Eggers' career. ■

### **For more information, contact:**

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