

## APPENDIX H

### CONDUCTING AN INCOME SURVEY

This document provides guidance for jurisdictions who anticipate conducting income surveys to determine benefit to a Low/Moderate Income Group for HUD programs, according to 24 CFR 570.483 (b) (l) (i). For additional information on income surveys, please access HUD's Office of Community Planning and Development at: [HUD CPD Notice 05-06](#).

Jurisdictions may consider hiring a professional surveyor to conduct surveys of large areas. Surveys should be as statistically reliable as the U.S. Census.

***Note: THE DEPARTMENT WILL NOT ACCEPT INCOME SURVEYS THAT DO NOT DESCRIBE IN DETAIL THE METHODOLOGY USED TO CONDUCT THE SURVEY AND HOW RANDOM SAMPLING WAS ACHIEVED.***

***AND***

***THE DEPARTMENT WILL NOT ACCEPT INCOME SURVEYS THAT WERE COMPLETED OVER 60 MONTHS PRIOR TO THE DATE THE APPLICATION IS RECEIVED.***

#### SERVICE AREA

The service area for the activity must be determined prior to commencing the survey. The service area need not be coterminous with Census Tracts or other officially recognized boundaries; it is critical that the service area be the entire area served by the activity (see 24 CFR 570.483 (b)(l)(i)). The responsibility for outlining the area served by the activity rests with each jurisdiction or grantee. The service area includes all or part of several units of general local government and may contain both incorporated and unincorporated areas. Income data from HUD may be usable for a portion of the service area while an income survey may be used for the remaining portion of the service area, provided that each source independently meets the 51% Low-Mod Income requirement.

#### PLANNING THE SURVEY

The planning stage should include:

1. Determine the area to be surveyed, including the size of the universe and the minimum number of responses required.
2. Determine the income limits for your County for each household size. Updated information is available at: [CDBG Current NOFA](#) then click on [Income Limits](#).

3. Determine the appropriate survey method (mail, door-to-door or telephone) and identify how this method will achieve random sampling.
4. Create a survey form, including the appropriate low-income limits for each household size (sample form attached).

## **INFORMATION ABOUT RANDOM SAMPLING**

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The Department will accept sampling statistics that represent the population as a whole if the applicant uses a methodologically sound survey. Conversely, the Department may, after reviewing the submitted data, determine that the methodology was statistically unsound. In such cases, the Department may assign a score of zero for Benefit, or may use other generally recognized data such as HUD's Low-Mod Income data.

1. **Coded Questionnaires**: A simple method of coding is to place a number on the questionnaires or return envelopes. When the questionnaire is received, a list of returned numbers is kept. If the response rate is not high enough so that follow-up contacts are needed, the addresses of numbers for which no response has been received can be looked up and additional questionnaires sent out. Information on drawing random numbers is available at [www.randomizer.org](http://www.randomizer.org) or [www.random.org](http://www.random.org).
2. **Random Sampling**: The guiding rule for sampling households or beneficiaries from the larger population is the avoidance of sampling bias. That is, sampling should not systematically exclude certain types of respondents. For example, surveys conducted mid-week during the day may exclude working households and provide inaccurate statistics about the larger population. If the survey methodology contains a sampling bias, larger sampling sizes will not solve the problem because certain portions of the population will continue to be systematically excluded from the sampling.

As a general rule, each individual within the population should have an equal chance of being surveyed. Beware of using data sources that contain only certain portions of your beneficiary population. For example, some utility billing lists may contain only property owners, while the beneficiaries will be both owners and renters. Tax rolls can be used for door-to-door surveys to provide a list of addresses in the universe, but should be adjusted for apartment buildings. City indexes and 911 maps are often helpful sources of data. After identifying the universe, the surveyor must conduct a random drawing of a number of addresses that exceeds the minimum required for that universe. **Within your application to the Department, describe the sampling methodology and how it achieves a randomly-selected sampling.**

## ADEQUATE SAMPLE SIZE

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The required sampling size is determined by the size of the universe or the service area. The following table should be used to determine how many households a surveyor needs to interview to develop a survey of acceptable accuracy. For example, if you had a small water district of only 50 households, you would have to get responses from all 50 households. If the district had 500 households, you would have to get responses from 250. If the district had 5,000 households, you would have to get responses from 400.

### 1. Required Sample Sizes for Universes:

<u>Number of Households in the Universe</u>	<u>Minimum # of Responses</u>
1 - 50	All
51 - 55	50
56 - 63	55
64 - 70	60
71 - 77	65
78 - 87	70
88 - 99	80
100 - 115	90
116 - 138	100
139 - 153	110
154 - 180	125
181 - 238	150
239 - 308	175
309 - 398	200
399 - 650	250
651 - 1,200	300
1,201 - 2,700	350
2,701 or more	400

Commercial sites, vacant lots and abandoned/vacant homes should be excluded from the survey.

2. **Non-Respondents:** Even the best prepared surveyor will typically encounter non-respondents – the resident may not be home, refuse to be interviewed, or will provide an incomplete form. Non-response rates greater than 20% may affect the validity of the survey. **If the surveyor decides to use replacements, they must be selected through the same random process as the original group.**

Over sampling is a good way to avoid the issue of non-respondents. As a general rule, when dealing with a universe of over 100 households, over sampling should be 10% of the required responses; for a universe of over 400 households over sampling should be 20% of the required responses, etc.

**Note:** *When applying for CDBG PTA grants, there is one exception to this table when dealing with a universe of 50 or less. The reason for this is that the CDBG eligibility threshold is that at least 51% of the beneficiaries must be Low/Mod. In such a case, as soon as the jurisdiction has answers from a sufficient number of respondent households*

*to indicate that the required Low/Mod percentage of 51% is present, it could consider the information sufficient for area benefit documentation purposes. Using the example of the water district with 50 households, if a jurisdiction wanted to demonstrate CDBG eligibility for a planning grant, as soon as the jurisdiction had 26 Low/Mod respondents, it could stop the survey, as the area benefit has reached the threshold of at least 51% Low/Mod ( $26/50 = 52\%$ ).*

## **CONDUCTING THE SURVEY**

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The survey process should include a way to identify specific households who responded to the questionnaire while ensuring the respondents' confidentiality. For example, respondents may be particularly sensitive to the question of household income, or if a respondent's address is requested on the questionnaire, many persons may not answer the income questions or may not complete the questionnaire at all. Consequently, in order to promote a high response rate, the questionnaire should not include identifying information, such as the person's name or address. Confidentiality must be always emphasized to the respondents.

Several acceptable survey methods that preserve the anonymity of the respondent are:

1. **Door-to-Door Interviews:** The surveyor may hand deliver the questionnaire to the respondent and conduct the survey orally. It is crucial that the interviewer works during different times of the day and on weekends to avoid excluding certain groups. Door-to-door interviews are a reliable method of data collection and tend to receive a high response rate. However, they are most expensive and the responses may be influenced by the interviewer's presence and characteristics.
2. **Mail Questionnaires:** The survey form must be accompanied by a letter of explanation and a self-addressed stamped envelope. Upon receipt of the completed questionnaire, the address can be checked off the address list and the envelope and questionnaire can be separated. Mail surveys are generally less expensive to conduct and can avoid the issue of sampling bias by surveying the entire universe. The main disadvantage of mail surveys is they can have a low return rate. If the applicant uses this method, a statement ensuring respondent confidentiality should be included.
3. **Telephone Interviews:** The surveyor must ensure that the respondent is someone competent and knowledgeable about the household's size and income. There are many disadvantages to this method, including that it will exclude households that do not have a telephone or have unlisted numbers; less candid answers; distrustful of surveyor's identity, non-English speakers, etc.
4. **Publicity:** To promote citizen participation, it may be worthwhile to arrange advance notice regarding the survey, including date, reason and method of survey. As with all aspects of the survey, any publication must be worded so that it does not bias the results.

## SAMPLE SURVEY FORM

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Below is a sample questionnaire to assist the applicant in using a method of surveying that allows for validation and, at the same time, preserves the confidentiality of the respondent. Applicants may include other questions designed to elicit information that they determine is important. However, experience has shown that overly detailed surveys may adversely affect the response rate.

The questions are designed to provide data regarding household size, income, and housing tenure. Household size and income are of particular significance in determining if a household is in the targeted income group.

The reason for collecting income data is for the applicant to make a determination of how many persons surveyed fall into the categories of Low/Mod and above Low/Mod or Non-Low/Mod. The numbers provided in the chart under question #2 should be the current income limits based on household size. **Surveyors should consult the HCD web site and use the current income limits for their County in their questionnaire** (see [Income Limits](#)).

## LOW/MOD INCOME GROUPS

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The survey should provide a breakdown of the respondents' Low/Mod Income Groups, which are defined as follows:

- ✓ Low/Mod – 50% to 80% of Adjusted Median Household Income
- ✓ Low Low/Mod – 0% to 50% of Adjusted Median Household Income
- ✓ Non- Low/Mod - 81 % and above of Adjusted Median Household Income.

## SAMPLE INCOME SURVEY FORM

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Dear Resident,

The City/County of \_\_\_\_\_ is conducting a survey to gather essential information to support an application for grant funding from the California Department of Housing & Community Development. The grant funds can provide vital services that could benefit the entire community, including public infrastructure, community facilities, decent housing, etc. We would appreciate if you fill out the form as accurately as possible. **Please note that a high response rate is needed for this survey to be valid.**

**All information included on this questionnaire is confidential.** Confidentiality is protected by not including names on any of the forms. No identifying information will be kept and the questionnaires will be tallied as a group.

1. How many persons live in your household? \_\_\_\_\_

*(HOUSEHOLD is defined as all persons who occupy a housing unit. This could be any group of related or unrelated persons who share living arrangements)*

- On a separate sheet of paper, make a determination of your household income. Use the total household income in the last 12 months or the income claimed in the most recent federal income tax filing. Include gross wages before deductions, public assistance, unemployment benefits, social security, pensions, alimony, child support, net income from owning or operating a farm or business, or any other source of income received regularly.

Please check the income range that applies to your household:

**(Sample Numbers Only – The surveyor should insert the applicable numbers based on the County income limits for each household size)**

___ \$15,000 - \$16,999	___ \$23,000 - \$24,999	___ \$31,000 - \$32,999
___ \$17,000 - \$18,999	___ \$25,000 - \$26,999	___ \$33,000 - \$34,999
___ \$19,000 - \$20,999	___ \$27,000 - \$28,999	___ \$35,000 - \$36,999
___ \$21,000 - \$22,999	___ \$29,000 - \$30,999	___ \$37,000 - \$38,999

- Are you an Owner-occupant \_\_\_\_\_ or a Renter \_\_\_\_\_?

Thank you on behalf of the entire community! Please return this form to the surveyor or place it in the return envelope and mail it back.

### **CALCULATING THE SURVEY RESULTS**

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After all the data for each household has been collected, edited and tabulated, it is time to calculate the total number of **Low/Mod persons** and divide it by the total number of persons in the households interviewed. It is recommended that the following worksheet be used for this calculation:

#### **TIG Calculation Worksheet**

a) Total number of Low/Mod persons: \_\_\_\_\_

b) Total number of persons in the households interviewed: \_\_\_\_\_

Divide **a)** by **b)** and multiply by 100: \_\_\_\_\_

*This is the percentage of Low/Mod persons in the service area.*

## **DOCUMENTING THE SURVEY RESULTS**

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It is important that the results of the survey be documented for future reference or for auditing purposes. Documentation should consist of:

1. **Separate All Identifying Information from the Questionnaires.** When the survey is complete, the respondents' identifying information (name, address, telephone #) must be separated from the questionnaires and retained.
2. **Keep the Completed Surveys.** This provides evidence that the survey was actually conducted.