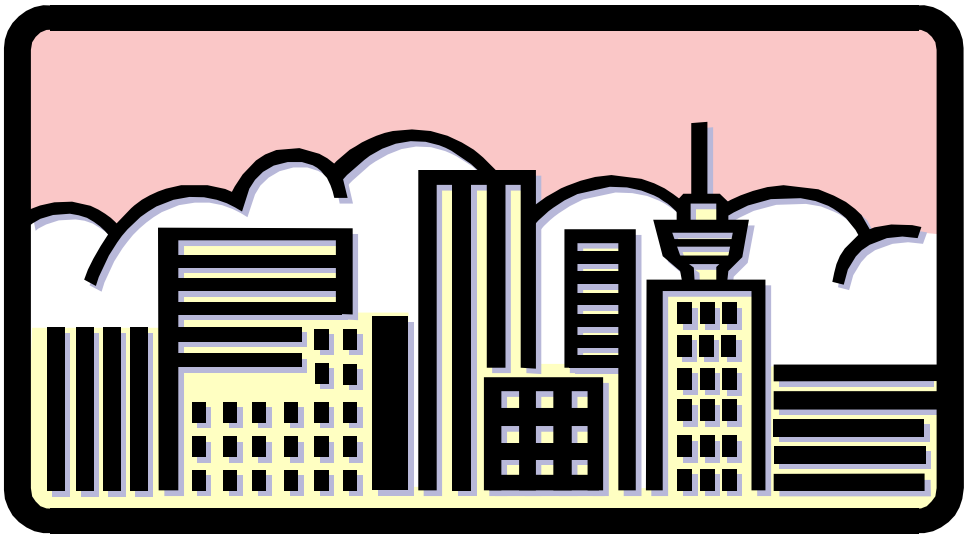

CONDUCTING AN INCOME SURVEY

FOR THE

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

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INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS
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Table of Contents

I. Introduction …… **4**
Confidentiality …… 4
Lifespan of a Survey …… 4
II. Definition of Terminologies …… **4**
CDBG Terminology …… 5
Terms Used in Survey Research …… 5
III. Service Area …… **6**
Performing LMI Qualification …… 7
IV. Designing and Implementing a Survey …… **7**
Step 1: Selecting the Type of Survey …… 7
Step 2: The Questionnaire …… 8
Step 3: Select the Sample …… 8
I. Defining the Population …… 9
II. How Big a Sample? …… 10
III. Unreachables and Non-Responses …… 11
IV. Drawing Samples …… 12
Step 4: Conduct the Survey …… 12
Making Contact …… 12
Publicity …… 13
Interviewers …… 13
Contact and Follow-up …… 14
The Interview …… 15
Editing …… 16
Step 5: Analyze the Results …… 16
Analysis …… 16
Consistency Checks …… 16
Step 6: Document and Save your Results …… 17
List of Table
Table 1 – Sample Sizes at 95% Confidence Interval Level …… 11
Table 2 – A Random Numbers Table …… 21
Table 3 – Comparison of Three Types of Surveys …… 25
Appendix A: Using a Random Numbers Table …… 19
Example 1 – Drawing a Sample of 5 of 10 …… 19
Example 2 – Drawing a Sample of 5 to 100 …… 20
Example 3 – Drawing a Sample of 5 of 30 …… 20
Example 4 – Drawing a Sample of 5 of 300 …… 20

Appendix B: Comparison of Three Types of Surveys ……... 22
(a) Mailing (or self-Administered) Questionnaires ……. 22
(b) Face-to-Face (Door-to-Door) Interviews ……... 23
(c) Telephone Interviews ……. 24
Appendix C: Grant Survey Form & Instructions …….. 26
Appendix D: Income Survey Certification …… 30
Appendix E: LMI Worksheet …… 31
Appendix F: Persons Eligible to Conduct Income Surveys …….. 32
Appendix G: Case Studies 33
Appendix H: Documents for Monitoring/Audit 36

I. Introduction

The purpose of this Guide is to assist CDBG-grantees in developing and implementing a survey to determine the percentage of Low-and-Moderate Income (LMI) residents in the service area of the CDBG-funded activity, in a methodologically sound fashion (as required by State CDBG regulations at 24 CFR 570.483(b)(1)(i)). Such a survey is to be used in the event that the grantee does not rely on HUD's census data to make the determination of the percentage of LMI residents in the service area of the CDBG-funded activity.

Confidentiality

If you choose to conduct a survey, you must emphasize to respondents that their answers will be kept confidential. People are more likely to provide honest answers if their answers are to remain anonymous. Further, the grantee should follow applicable State and local laws regarding privacy and obligations of confidentiality. Since the survey form that you are provided with (from OCRA) will not have an option for you to record information pertaining to the respondent's identity (such as, name, address and telephone number), it is important, however, that you maintain a record that matches the survey form # with the respondent's identifying information (See the topic: "Document and Save Your Results" in this Guide for more details on this issue).

Lifespan of a Survey

Income surveys are good for two years from the date of the certification letter (Appendix D). Income surveys may be re-certified for an additional two years if the grantee can certify that there have been no significant demographic, economic and non-economic changes in the area. Such changes may include factory openings or closings, layoffs by a major employer in the service area, or the occurrence of major disasters (such as tornados, hurricanes, earthquakes, etc.). Note that even if a survey is current, it cannot be used for a different activity in a different service area; however, it might be usable for another activity in the same service area.

Income Survey recertification letters that are signed <u>on or after July 1, 2009</u> **must** include a certification that no substantial economic changes have occurred in the project area. In addition, the certifying individual must include a statement that he/she feels the original survey is an accurate representation of the community's current low/mod percentage.

II. Definition of Terminologies

Some of the terms defined in this section are governed by CDBG regulatory requirements. CDBG regulatory definitions of *income*, *family* and *household* are located at 24 CFR 570.3.

CDBG Terminology

1. Family means all persons living in the same household who are related by birth, marriage or adoption.

2. Household means all persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

3. Income is adjusted gross income as defined for the purpose of reporting under Internal Revenue Service (IRS) Form 1040 for individual Federal annual income tax purposes.

4. LMI person means a member of a family that has a combined income equal to or less than the Section 8 low-income limit and greater than the Section 8 very low-income limit, established by HUD. (The Section 8 low income limit is income that does not exceed 80 percent of the median income for the area, as adjusted by HUD.) Unrelated individuals shall be considered as one-person families for this purpose. All surveys conducted for the purpose of meeting the Area Benefit national objective will use the LMI definition.

Terms Used in Survey Research

1. Unit of analysis refers to what is being measured, and as far as this Guide is concerned, the unit of analysis is family income. Whether one is counting households or families, what actually matters is the total family income, not the income of any one individual.

2. Respondent refers to the person who is responding to the questionnaire or interview.

3. Rate of response is expressed as a percent; it refers to the number of families participating in a survey divided by the number of families in the sample.

4. Population refers to the group whose characteristics you seek to estimate.

5. Parameter is the summary description of a given variable in a population.

6. Sample refers to a portion of the population under study. Samples are used to draw inferences about the population.

7. Sampling is the process of selecting a sample from the population.

8. Simple random sampling is a type of sample-selection process where one unit (say, family) of a population has the same chance of being selected into a sample as any other unit of the population. For a more detailed discussion, see Appendix A.

9. Representativeness refers to the quality of a sample having the same distribution of characteristics as the population from which it is selected.

III. Service Area

This is the area to be served by the CDBG-funded activity. One of the crucial aspects of qualifying an activity as principally benefiting LMI persons on an area basis is the proper identification of the service area. The service area must be defined first before deciding which data to use to determine the percentage of LMI persons and not vice versa. The principal responsibility for determining the area served by the activity rests with each CDBG grantee.

HUD will generally accept the determination of the service area by the state and its grant recipients unless the nature of the activity or its location raises serious doubt about the area claimed by the state and its grant recipients. The area to be served by a CDBG-funded activity 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 24CFR 570.483(b)(1)(i)). The service area boundaries of State CDBG-funded activities may or may not coincide with census or other geographic boundaries, especially in smaller communities and rural areas where block groups or census tracts with low population densities cover large areas. One census tract may cover an entire city or there may be only two or three census tracts in an entire county. Scenarios which state grant recipients commonly face include the following:

1. The service area comprises only a small portion of the unit of general local government, or of a census tract. In such situations, information on the unit of government or the census tract is not useful because the residents of the service area make up only a small fraction of the total, and their characteristics may not mirror those of the larger area. A survey of the residents of the service area may be the most appropriate way to determine whether the service area qualifies under the LMI criterion. Examples of activities in which this may be encountered include: extending water lines to serve rural areas within a county; construction of a storm drainage project that only benefits a portion of a city or town.

2. The service area includes all or part of several units of general local government and may contain both incorporated and unincorporated areas. It may be necessary to survey a large area to determine the percentage of service area residents who are LMI. Examples of activities include: (1) construction of a rural water system which serves more than one incorporated city plus portions of the surrounding unincorporated area of two counties in which the cities are located; (2) construction of a new fire station in a city where the

municipal fire department provides, through contract, fire protection service for two adjoining townships (one of which is in a different county).

For the State CDBG program, the service area may be a sparsely populated rural area. For such an area, a census of the entire population may be undertaken; however, the following condition is applicable:

- Since it is a census, 100% response rate is required. It is possible that some families in the service area may vehemently refuse to participate in the census, or cannot be reached (after several attempts) for several reasons (for example, families on lengthy vacations). It will be assumed for each of these non-responses that the family income is above the LMI-level. Further, for the results of the census to be valid, the number of non-responses should be 'small' (say, two or three families out of 50 families).

Performing LMI Qualification

Once the boundaries of the service area of the CDBG-funded activity have been defined, the next step is to determine the required percentage of residents that are LMI persons. To determine the percentage of LMI persons in the service area, grant recipients may utilize HUD's Low to Moderate Income Summary Data (LMISD). HUD's LMISD is based on the most recent US decennial census data, which may not reflect current income levels in the service area and/or the census tract/block boundaries may not coincide sufficiently with the service area. This leads to the option of conducting a survey to determine the percentage of LMI persons in the service area.

Temporary residents (for example, residents of seasonal cabins) may not participate in an income survey if their benefit of a service or an activity is incidental. For example, the use of a library or senior center by temporary residents would be considered an incidental benefit. Temporary residents may participate in income surveys for CDBG-funded activities such as installation of sewer lines and sewage treatment plants, etc.

IV. Designing and Implementing a Survey

An experienced researcher designs and implements a survey in such a fashion so that it is easy to complete, minimizes the generation of inaccurate data, and produces results that are replicable and answer specific questions. Following the steps below can contribute towards achieving these design and implementation objectives.

Step 1: Select the Type of Survey

Decide which survey method to use and base your decision on available staff, size of the sample you need, and the means you have available for identifying samples for the survey.

The most commonly used surveys for this application are:

a. Mail survey (or self-administered questionnaire);
b. Face-to-face (or door-to-door) interviews;
c. Telephone interviews.

For telephone and door-to-door surveys, it might be useful for the survey team to notify people by mail in advance, to let them know that they will be contacted for a survey. This can overcome resistance due to 'telemarketing fatigue.'

Appendix B contains a comparative analysis of the above three types of surveys.

Step 2: The Questionnaire

Constructing an effective questionnaire is a skill, which requires decisions concerning the content, wording, format, and placement of questions—all of which have important consequences on the results of what you intend to measure.

For your convenience ORCA has provided you with a questionnaire. This is attached in Appendix C. It is important that all respondents be asked the same questions, in the same order, and their responses recorded exactly, without additions or deletions. To ensure this, the questions must be well written and the exact response of each respondent recorded as it is presented. The questions in the questionnaire are designed to be short, simple and efficient. Care was taken to keep the language as simple as possible. The person performing the survey should be sure to avoid bias and not encourage particular answers. Note that CDBG regulations at 24 CFR 570.491 for the State program require submission of data on the racial, ethnic and gender characteristics of persons who are applicants for, participants in or beneficiaries of their CDBG programs. This information must be reported for each activity and should indicate the number of persons benefiting by race, ethnicity, and gender. This information is to be collected as part of the survey and is included on the survey questionnaire in Appendix C.

Step 3: Select the Sample

The selection of a sample of families to interview involves a series of steps:

I. DETERMINE THE POPULATION- You must begin by defining the population. The population will consist of all families that will benefit from the CDBG-funded activity and who will have a residence in the service area. You must obtain a ***complete*** list of residents, addresses, and telephone numbers in the service area. This is your population.

II. DETERMINE THE SAMPLE SIZE - You must determine how many families in that population must be sampled in so that sound estimates of population-characteristics are obtained. Minimum sample sizes for given population sizes are provided for you in Table 1.

III. DETERMINE HOW TO HANDLE FAMILIES WHICH MAY BE DIFFICULT TO SAMPLE - You must make some allowances for families who, for various reasons, you will not be able to interview. These families generally fall into the two categories below.

a. NON-RESPONSES – families that you have attempted to reach but because of timing or refusal, you are not able to obtain data from them. In these cases, you may choose to replace these families with other families from the population. See detailed discussion of IV for the replacement-protocol.
b. UNREACHABLES – families that have been excluded from the population because of your sampling methodology. For example, in a telephone survey, you may not exclude families without telephones or with unlisted numbers. You must devise a plan to reach these families so that they are included in the population and have a chance to be part of the sample.

IV. SELECT THE SAMPLE – Starting with your population you must select the families from which you will try to obtain interviews. This selection should be done randomly and documentation on how you obtain your sample from your population must be clear.

Each of the above steps is discussed in detail below.

I. Defining the Population

If you are trying to determine the proportion of families in a neighborhood with low-and-moderate-incomes, that neighborhood is the population. However, instead of a neighborhood, the population may be a town, it may be as large as a county, or it may be defined by some other boundary. But before you can obtain a sample, you must clearly define what area you want the sample to represent. Let us assume here that the population is a neighborhood that contains about 400 families. You will sample from the 400 families and make estimates about the income levels of all of the persons in the sample.

Once you have defined your population, you next need a method of identifying the families in that area so that you can interview them. Ideally, for a given neighborhood, you would have a list of every family living in the neighborhood and perhaps his or her telephone number. Then you would devise a procedure to randomly select the families you want to interview. In reality, you probably will not have a list of all of the families in the neighborhood, so you will have to improvise. One way would be to go to the neighborhood and randomly select which homes to go to for an interview—the advantage of this method is that the houses are there, so you can go right to them instead of using a list. After collecting information on the various families, you can then make some estimates about the number of people in the neighborhood and their incomes.

City indexes (if available and up-to-date) usually provide the best source of household information suitable for sampling. Telephone books may be adequate, but keep in mind that you will miss people without telephones or with unlisted numbers. Also, telephone directories usually will have far more people listed than those who are in the service area, so you will need to eliminate those outside of your service area. Tax rolls are a source of identifying addresses in an area; however, they identify only property owners whereas you are interested in residents. Also, tax rolls generally identify building addresses, whereas in the case of apartment buildings you are interested in the individual apartments. You can use tax rolls to identify addresses to go to, in order to get an interview, but you cannot use them as the basis of a mail or telephone

survey (unless you have access to a telephone directory that identifies telephone numbers by property address).

II. How Big a Sample?

After you have defined your population and selected a method for identifying individual families in the service area, you must next determine how many families to survey—that is, the sample size. A sample is representative of the population from which it is selected if its aggregate characteristics closely approximate those same aggregate characteristics in the population. *The larger the sample, the more likely it is that its aggregate characteristics truly reflect those of the population.* However, sample size is not dependent on the size of the population, for large populations. This means that a random sample of 500 people is equally useful in examining the characteristics of a state of 6,000,000 as it would a city of 100,000 or 50,000. For this reason, the size of the population is irrelevant when it is large or unknown; however, it becomes relevant when dealing with sparsely populated areas. Nonetheless, keep in mind that small sample sizes (relative to the size of the population) are also prone to be unrepresentative of the population and may bias your results and require more work in the analysis section of the survey.

Sample Size Calculator (SSC) is a website (http://surveysystem.com/sscalc.htm) developed by Creative Research Systems to enable survey researchers to calculate sample sizes from various population sizes. To use the SSC you need both the confidence interval and the confidence level. The confidence interval is the range of values within which a population parameter is estimated to lie. Confidence interval is sometimes referred to as margin of error (+ or –).

For example, if a survey shows that 55 percent of a randomly selected sample has the parameter under investigation and the confidence interval is 5, what that means is that the actual percentage of the population which has that parameter may lie within the interval 50 to 60. Confidence intervals are applicable only in surveys where the sample is randomly selected from the relevant population.

The confidence level is the estimated probability that a population parameter lies within a given confidence interval. The confidence level tells you how sure you can be. It is expressed as a percentage and represents how often the true percentage of the population with the parameter being examined lies within the confidence interval. The 95% confidence level means you can be 95% certain; the 99% confidence level means you can be 99% certain. Most researchers use the 95% confidence level because the 99% level leaves very little margin for error.

Table 1 – Sample Sizes at 95% Confidence Level

Total Number of Families in the Service Area	Sample Size: Minimum Number of Families to be sampled at the 95% Confidence Level	
	Confidence Interval = 4	**Confidence Interval = 5**
50	46 (may conduct a census)	44 (may conduct a census)
60	55	52
80	71	66
110	93	86
150	120	108
210	156	136
290	196	165
400	240	196
700	323	248
1200	400	291
1800	450	317
2500	484	333

The numbers in the column titled "Total Number of Families in the Service Area" in Table 1, are hypothetical numbers. If the total number of families in your service area does not match any of the numbers in Table 1, select a confidence level and a confidence interval, and use the SSC to calculate the number of families in your sample.

As seen in Table 1, within the 95% confidence level, sample size decreases as the confidence interval increases. For example, when the total number of families in the service area is 80, the required sample size to obtain an estimate that has a plus or minus margin for error of 4% is 71. Compared to a required sample size of 66 where the margin of error is plus or minus 5%. *The point is that a small sample size may decrease the extent to which the sample is representative of the population.* For any given population, the sample size will be larger at a confidence interval of 4 than at a confidence interval of 5.

III. Unreachables and Non-responses

Non-responses: No matter what you do, some families will not be home during the time you are interviewing, some probably will refuse to be interviewed, some will terminate the interview before you finish, and some will complete the interview but fail to provide an answer to the key question on income level. The decision to get responses from replacements may become inevitable if the proportion of non-responses is high enough to affect the validity of the results of

the survey. Non-response rates greater than 20 percent may affect the validity of the survey; for example, a non-response rate can become a serious problem when a census is conducted instead of a survey (as may be the case in sparsely populated areas). If the non-response rate is too high, there is the risk of not having enough LMI respondents to make the required percent of the total population of the service area.

Unreachables: You must document how you account for any unreachable families in your population. A family cannot be excluded from the sample because it does not fit easily into your sampling methodology. For example, in a telephone survey, you must devise a method for contacting those families without telephones or those with unlisted numbers. These families must be included in your population listing.

IV. Drawing Samples

In sampling, you are looking at a portion of everyone in a group and making inferences about the whole group from the portion you are observing. For those inferences to be most accurate, everyone who is in the group should have an equal chance of being included in the sample. This is called a simple random sample. Once a list of your population has been made, the next step is to randomly select the requisite size of the sample from the list. One way of doing this is using a random number table. This procedure is outlined in Appendix A.

You will achieve more accuracy if you are not too quick to write off a family as non-responsive. You are more likely to achieve randomness if you obtain interviews from the families you selected first. Thus, if you are doing a door-to-door survey, you probably should make two or more passes through the area (preferably at different times) to try to catch a family at home. If a family says that it is busy, then try to make an appointment to conduct the interview later. <u>Only after at least two tries or an outright refusal should a sampled family be replaced. With a telephone survey, at least three calls should be made before replacing a family.</u>

Step 4: Conduct the Survey

Once you have your potential sample you are ready to carry out the survey. To do this you must produce a sufficient number of questionnaires, recruit and train interviewers, schedule the interviewing, and develop procedures for editing, tabulating, and analyzing the results. These issues are discussed below.

Making Contact

Initially, the interviewer should make contact with the head of the family or someone who is qualified to speak for the family and has knowledge about the family's income. After making contact, the interviewer should introduce him/herself, state the purpose of the survey and solicit the participation of the respondent. During the interview, the interviewer should ask the questions from the survey questionnaire (Appendix C) and record the answers. The interviewer should make reference to the income level that is the threshold for a family of the size of the

respondent. For example, if there are three persons in the respondent's family you might ask, "is the current combined income for your family during the past twelve months, less than or more than $25,450?"

While the necessary questions are brief and simple, there are some additional factors to take into account when designing the questionnaire. First, the questions used in the survey cannot be "loaded" or biased. For example, the interviewer may not imply that the neighborhood will benefit or receive Federal funding if respondents say that they have low incomes. The questions must be designed to determine truthfully and accurately whether respondents are LMI persons. It is permissible to state that the reason for the survey is to gather information essential to support an application for funding under the CDBG program or to undertake a CDBG-funded activity in the area.

Second, bear in mind that questions about income are rather personal. Some people may be suspicious or reluctant to answer questions about their incomes—especially if they do not see the reason for the question. A good way to handle this problem is usually to put questions about income at the end of a somewhat longer questionnaire on other community development matters. In this instance, a local agency can use this questionnaire to gather some information on what the neighborhood sees as important needs or to gather feedback on a proposed policy or project. At the end of such a questionnaire, it is usually possible to ask questions on income more discreetly. If this option is chosen, however, the interviewer should be cautioned that a lengthy questionnaire might cause respondents to lose interest before completing the survey. The ideal length would probably be less than ten minutes.

Publicity

To promote citizen participation it may be worthwhile to arrange advance notice. A notice in a local newspaper or announcements at churches or civic organizations can let people know that you will be conducting a survey to determine the income levels of the area. Moreover, if you let people know in advance how, why, and when you will be contacting them, they may be more likely to cooperate.

As with all aspects of the survey and questionnaire, <u>any publicity must be worded so that it does not bias the results</u>. For example, it is better to say that the community is applying for a CDBG grant and that, as part of the application, the community must provide current estimates of the incomes of the residents of the service area. It is not appropriate to say that, in order for the community to receive the desired funding, a survey must be conducted to show that most of the residents of the service area have low and moderate incomes.

Interviewers

It may not be necessary to hire professional interviewers. Volunteers from local community groups and civic organizations serve well. Also, schools or colleges doing courses on civics,

public policy, or survey research may be persuaded to assist in the effort as a means of providing students with practical experience.

It is best if interviewers are chosen that make the respondents feel comfortable. For this reason, survey research companies often employ mature women as their interviewers. When interviewers are of the same race and social class as the respondent, the survey usually generates a better response rate and more accurate results. It is important that the interviewer commands the attention of the respondent, reads the questions as they are written, and writes down the responses as given.

It is important that interviewers have all of the materials they need to complete the interview. It may be worthwhile to assemble an interviewer-kit that can be easily carried and includes all of the important materials such as:

- A 'professional-looking' 3-ring notebook (this may even have the logo of the organization conducting the survey).
- Map of the service area.
- Sufficient copies of the survey instrument.
- Official identification (preferably a picture ID).
- A cover letter from the sponsor of the survey.
- A phone number the respondent can call to verify the interviewer's authenticity.

Contact and follow-up

Interviewers should plan to contact respondents at a time when they are most likely to get a high rate of response. Telephone interviews are usually conducted early in the evening when most people are home. Door-to-door interviews may also be conducted early in the evening (especially before dark) or on weekends. You should try again, at a different time, to reach anyone in the initial sample who is missed by the initial effort.

Of course, in making contact with a member of the family, the interviewer first has to determine that the person being interviewed is of sufficient knowledge and competence to answer the questions being asked. The interviewer thus should ask to speak to the head of the family. If the head of the family is not available, the interviewer may conduct an interview with other resident adults or children of at least high school age only after determining that they are mature and competent enough to provide accurate information.

As part of your questionnaire, you should develop an introduction to the actual interview. This should be a standard introduction in which the interviewers introduce themselves, identify the purpose of the survey, and request the participation of the respondents. Usually, it is also a good idea to note the expected duration of the interview—in this case, to let respondents know that the burden on them will be minimal.

Interviewers also should follow the set procedures for replacing "unreachables" (discussed in step 3). If they must write off an interview, they should not say, "well, I was refused an interview here, so I'll go over there where I think I can get an interview." This replacement procedure is not random and thus will affect the validity of the survey-results.

The Interview

Every interview includes some common components. There is the introduction where the interviewer is invited into the home and establishes a rapport that facilitates the process of asking questions. Several factors can play a role in obtaining an invitation into the home. Probably the most important factor is your initial appearance. The interviewer needs to dress professionally and in a manner that will be comfortable to the respondent. The way the interviewer appears initially to the respondent sends simple messages—that he/she is trustworthy, honest, and non-threatening.

If you are standing at the doorstep and someone has opened the door, even if only halfway, then you should smile right away and introduce yourself. State why you are there and suggest what you would like the respondent to do. Don't ask—suggest what you want. For example, instead of saying "May I come in to do an interview?" you might try a more imperative approach like "I'd like to take a few minutes of your time to interview you for a very important study."

You should have this part of the interview-process memorized so you can deliver the essential information in 20-30 seconds at most. State your name and the name of the organization you represent. Show your identification badge and the letter that introduces you. If you have a three-ring binder or clipboard with the logo of your organization or sponsor, you should have it out and visible. You should assume that the respondent will be interested in participating in your study—assume that you will be doing an interview here.

If the respondent indicates that the interview should go ahead immediately, you need an opening sentence that describes the study. Keep it short and simple, no big words, and no details. Use the questionnaire carefully but informally. Interviewers should read the questions exactly as they are written. If the respondent does not understand the question or gives an unresponsive answer, it usually is best for the interviewer to just repeat the question. Do not attempt to guide the respondent to give particular responses. Questions should be read in the order in which they are written. The respondents' answers should be recorded neatly, accurately, and immediately as they are provided. At the end of the interview, and before proceeding to the next interview, the interviewer should always do a quick review of the questionnaire to be sure that responses to each question have been accurately recorded.

If you elect to include other questions and if you place the questions on income at the end, it is possible that a willing respondent will end the interview before you get to the critical question. If it appears to the interviewer that the respondent is about to terminate the interview, it is recommended that you immediately try to get an answer to the critical income question(s).

Editing

Interviewers should turn their completed surveys over to the authorized professional consultant who will tabulate and analyze the data. That person should review each survey to ensure that it is complete and that each question is answered only once and in a way that is clear and unambiguous. Questions or errors that are found should be referred to the interviewer for clarification. It also may be desirable to call the respondent, if necessary, to clarify incomplete or ambiguous responses. If a question or an error cannot be resolved, a replacement should be added and the new respondent contacted. Note that editing is an ongoing process because even after you have started to tabulate or analyze the data, you may come across errors that need to be addressed.

Step 5: Analyze the Results

The Indiana Office of Community and Rural Affairs requires all income surveys that are conducted to determine CDBG eligibility, be certified by an uninterested third party with the appropriate educational background and technical expertise. A list of approved consultants is contained in Appendix F.

Analysis

The income survey consultant will complete the LMI Worksheet (Appendix E) and record your calculated percentage of LMI persons.

If survey-procedures have been carefully followed, including random selection of the required number of families, and your sample-estimate indicates that less than 51 percent of the residents of the service area have low- and moderate-incomes, you cannot undertake LMI area benefit activities in that area. If your sample estimate indicates that 51 percent or more of the residents of the service area have low and moderate incomes, then you must perform some simple consistency checks to ensure that your estimate is reliable. These consistency checks are outlined below and will help you (and the auditors of your survey) be confident that the results are representative of the project area.

Consistency Checks

1. Margin of error measurement. The simplest way to demonstrate the reliability of your sample estimate is to calculate the margin of error.

$$Margin\ of\ Error(MOE) = 1.96 * \sqrt{\frac{\hat{p}(1-\hat{p})}{n}}$$

   Where $\hat{p}$ is your estimate of the proportion of LMI persons in the target area (line 16 on the LMI worksheet – Appendix E) and n is your sample size.

The result of this calculation will give you a range for your estimate which is $\hat{p} \pm MOE$. If this range *does not* include 50% or less you can be confident that your estimate of the number of LMI persons is actually above 50%. Document the results of this calculation in your analysis of the results.

2. Compare your survey results to the most recent LMISD (available on HUD's website at http://www.hud.gov/offices/cpd/systems/census/in/index.cfm) for the census geography that most closely matches the service area. If there is a big difference (e.g., LMISD = 29%, survey = 55%), then there may be other known factors to explain the difference. For example, there may have been a major economic downturn in the service area since the last census or the service area may be only a small part of a large census tract. Also, compare the block-group level data to ascertain that there were no anomalies in one part of town versus another; review the map of respondents versus block groups to make sure the responses were not skewed toward one side of town. Carefully analyze each scenario and document the basis for any discrepancy.

3. After completing data collection, non-respondents should be analyzed to determine that they were reasonably random. For example, you may want to tabulate the rate of response by street or block in the service area to see whether there are notable gaps in the coverage of your survey. You may want to examine the racial or ethnic background of your respondents and compare them with what you supposed the distribution to be. If you do not detect any major gaps in the coverage of your sample or any anomalies in the characteristics of your non-respondents, you can be more certain of the accuracy of your estimates.

Step 6: Document and Save Your Results

It is important that the results of the survey be documented, since those who audit or evaluate your program may want to review the procedures and data used to determine that the service area qualifies under the CDBG program regulations. You should therefore maintain careful documentation of survey-procedures. At the very minimum, the following documentation is required:

1. A description of the service area and how it was determined.
2. The population list used to select the sample. How was the population list determined? For example, if performing a telephone survey, how was the list of telephone numbers generated so that it corresponds to the service area?
3. Description of the process that was used to draw your sample from the population list. Do you use a random number generator or random number tables? Provide a summary of how these random numbers were used to select families from the population.
4. If members of the selected sample have to be replaced, make sure to document why they were replaced and the replacement-procedure adopted.

5. Keep the completed surveys. This will show that you actually did the survey and that you asked the proper questions. It is best if each survey has a cover sheet containing information that identifies the respondent, such as name, address, and telephone number. Then, when the survey is complete, the cover sheets can be separated from the questionnaires. You can save the questionnaires as documentation of your work, but you maintain the privacy of your respondents.
6. Saving the cover sheets separately provides a record of who was contacted. If someone (such as an auditor) wanted to verify whether the surveys were indeed completed by families in the sample, then he/she could contact some of the respondents noted on the cover sheet and ask them whether, in fact, they have been contacted on such-and-such a date by such-and-such a person to discuss matters related to community development. The privacy of their original responses still is protected by this procedure.

7. Keep a list of the actual families sampled. This might be one list with the sampled families with one check mark if they were sampled, and two check marks if they were also interviewed. Replacement families should be noted too. There should be written documentation about the method used to select families from the list for interviewing. Note that this is different from keeping just the cover sheets, since it documents not just who was interviewed, but also who was not interviewed and how interviewees were selected.

8. Survey data should be retained in accordance with record-keeping requirements of the State program at 24 CFR 570.490. Keep a backup disk of your data. If you do your tabulations on spreadsheets, retain the spreadsheets. If you just read through the questionnaires and count up responses and enter them into a table as you go, keep the tables with the raw data counts.

Appendix A: Using a Random Numbers Table

In sampling, you are looking at a portion of everyone in a group and making inferences about the whole group from the portion you are observing. For those inferences to be most accurate, everyone who is in the group should have an equal chance of being included in the sample. This is called a simple random sample. You can use publically available websites such as http://randomizer.org/form.htm to generate a random numbers table for any sample size from any population size.

If you are sampling from a listing of your population, using a random numbers table will provide you with a random sample. In using a random-numbers table, you take a list of your population and draw from it according to the table. If, for example, the first three random numbers were 087, 384, and 102, then you would go through your population list and target the 87th, 384th, and 102nd families for an interview. Continue until you have achieved the desired sample size. If you encounter non-responsive families, you should replace them with the next family in the list, in the order it was selected. For example, if you draw a list of 300 families in an effort to obtain 250 interviews, the first family you write off as *non-responsive* should be replaced with the 251st family.

If you do not have a list of all the families in the service area, but you know the geographic boundaries of the area, you might randomly select a point at which to start and proceed systematically from there. In a hypothetical 400-family neighborhood, in trying for 250 interviews, you would need to interview every 1.6th family (400 divided by 250) in order to cover the entire neighborhood. In whole numbers, this works out to about 2 of every 3 families. Therefore, you could start at one end of the neighborhood and proceed systematically through the entire neighborhood trying two doors and then skipping one. A family that is skipped may be used as replacement for any family selected but for which an interview is not possible. If the sample size allows for systematic selection of one out of every six families for interview, begin by randomly selecting any number from one to six; use that family as the starting point for the interview and from there select the every sixth family for interviewing. If the sixth family is non-responsive, you could use the third family within the count as replacement.

Four examples of how numbers can be randomly drawn from a table are presented below. Numbers can be drawn vertically, horizontally or diagonally using any column or combination of columns. Examples 1 – 4 show how random numbers can be drawn from Table 2. The numbers, 1 to 19, in the first column of Table 2 denote row-numbers and only serve as labels. (*The numbers used in Examples 1 to 4 are solely for illustrative purposes*).

Example 1 – Drawing a Sample of 5 of 10

Assume that you have a listing of 10 families and you want to draw a random sample of 5 families. Find the number "53" in the upper left-hand corner—column 2, row 1. Start with the first digit of the first five numbers in column 2 and you will have the following numbers: "5," "6," "9," "1," and "3." So from the list of 10 families, the sample of five would include the fifth, sixth, ninth, first, and third family.

Example 2 – Drawing a Sample of 5 of 100

Start at "31" in the lower left-hand corner of the table (column 2, row 19) and work across the bottom row; the numbers are "31," "6," "46," "39," and "27." From the list of 100 families, our sample would include the 31st, 6th, 46th, 39th, and 27th families on the list.

Example 3 – Drawing a Sample of 5 of 30

Start at the upper left-hand corner and begin with the "53" (column 2, row 1) and work across. The numbers in order are "53," "95," "67," "80," "79," "93," "28," "69," and "25." The problem here is that you are sampling from a population of 30 so any number above 30 must be skipped. Except for 28 and 25, the rest of the numbers are greater than 30. Keep skipping until you find a number in your range. Here you would sample the 28th and 25th family on your list and continue until you find three more (which would be the 13th, 24th, and the 21st).

Example 4 – Drawing a Sample of 5 of 300

Start again with "53" (column 2, row 1) in the upper left-hand corner. Disregard the first digit (i.e.,'5') and take the second digit ('3'); combine this with the number in column 3, row 1 ('95'); this will make it "3 95." Since we need a three-digit number to cover the size of our service area, we can use these three (or any three columns—each number is random). Reading from the "3 95," we see "3 95," "2 12," "0 16," and "0 59." From the list of 300 families, then, you would take the 212th, 16th, and the 59th families (as well as how many more you need—the next two would be the 217th and the 60th).

Table 2: A Random Numbers Table

1	53	95	67	80	79	93	28	69	25	78	13	24	100	62	62	21	11	4	54
2	62	12	27	41	5	4	19	34	84	78	71	45	73	79	33	57	29	58	75
3	90	16	47	72	20	60	70	71	2	67	21	65	7	39	58	81	61	11	70
4	10	59	4	76	80	6	82	20	60	92	33	61	76	83	73	12	84	43	90
5	32	17	36	64	3	30	80	95	61	33	65	5	39	88	36	44	42	43	5
6	54	71	27	89	41	53	60	10	2	91	76	95	98	91	64	65	23	57	16
7	10	60	18	77	34	59	28	99	15	11	70	34	27	78	67	19	97	30	33
8	42	20	24	36	78	58	82	81	49	91	35	53	30	92	57	19	97	40	58
9	73	55	87	48	49	97	60	92	27	78	2	55	29	76	99	21	45	72	56
10	21	56	41	23	58	57	49	49	70	33	6	79	95	3	70	38	26	26	5
11	9	60	37	99	6	41	69	97	18	44	100	18	46	3	90	57	22	82	15
12	63	26	41	8	21	38	15	63	38	100	68	69	24	39	19	29	93	97	40
13	98	72	9	45	69	50	7	86	5	80	0	8	25	96	45	0	0	13	95
14	87	89	65	22	98	55	86	9	66	43	64	55	80	30	15	99	26	25	71
15	5	91	68	44	67	2	71	96	15	73	78	3	12	87	53	9	11	12	21
16	75	93	62	49	95	82	30	81	24	4	11	30	71	96	49	47	65	48	28
17	76	15	55	38	29	0	8	20	71	42	81	51	44	76	93	42	87	89	38
18	26	76	93	84	8	40	96	69	84	52	89	5	16	43	34	37	64	39	14
19	31	6	46	39	27	8	67	81	13	33	14	86	38	23	33	22	56	47	60

Note: Other methods of creating random numbers include using a random number generator computer program or the phone book method.

Appendix B: Comparison of Three Types of Surveys

(a) Mail (or Self-Administered) Questionnaires

This is a basic method for collecting data through the mail: a questionnaire is a set of questions sent by mail accompanied by a letter of explanation and self-addressed stamped envelope for returning the questionnaire. The respondent is expected to complete the questionnaire, put it in the envelope and return it. A common reason for not returning a questionnaire is that some people may feel that it is too burdensome. To overcome this problem, researchers often send a self-mailing questionnaire that can be folded in a certain way so that the return address appears on the outside. In this manner, the respondent does not risk losing the envelope.

Advantages of Mail Questionnaires

- Covers large geographic area.
- Provides an opportunity for honest answers to very personal questions.
- No travel required.
- Enables researcher to target a particular segment of the population.
- Allows respondents to complete the questionnaire at their convenience.

Disadvantages of Mail Questionnaires

- May have possible coverage errors; for example, address lists might be inaccurate or out of date (duplicate address, incomplete or wrong addresses).
- Not appropriate for requesting detailed written responses.
- May have a low return rate if too lengthy, poorly worded, or seems too personal.
- May not have anyone available to assist the respondent with questions, especially if the questions are in English but the respondent's primary language is not English. Provisions must be made to provide non-English-speaking residents with a questionnaire in their own language.
- Easiest for people to disregard, postpone, misplace or forget about it.
- Longer time to collect responses.
- Costly—must pay for return postage to get an 'acceptable' response rate; also postage has been paid for questionnaires that are not returned.
- It is all or nothing—people will either do it all or not at all; with phone or in-person surveys, one might at least get some answers.
- Lack of control over who fills out the questionnaire (for example, a child).

HUD does not recommend mail surveys unless at least one follow-up letter or telephone call is made to obtain an adequate response rate. Combining a mail survey with a follow-up letter or telephone call may improve the rate of response. For example, if in a door-to-door survey you find that someone is not at home, you can leave a note for the head of the family (or responsible adult) to telephone the interviewer. You can also use the phone to schedule a time when to

conduct an interview or mail a letter to residents of the service area and let them know in advance when an interviewer will call or visit.

(b) Face-to-Face (Door-to-Door) Interviews

This is a data collection technique in which one person (an interviewer) asks questions of another (the respondent) in a face-to-face encounter. It involves more work since the interviewer must go and knock on doors in order to obtain interviews. However, in small areas this type of survey may be the easiest because one can define the service area by its geographic boundaries and develop procedures for sampling within those boundaries so that a list of families living in the area is not required. Interviewers have to be well trained to ensure that procedures are consistently followed and that responses are not influenced by facial expressions.

Advantages of Face-to-Face Interviews

- A very reliable method of data-collection.
- Researcher has full range and depth of information.
- Interview may be scheduled to suit respondent's daily agenda.
- Respondent has the option to ask for clarifications.
- Target population may be easily located and defined.
- People may be willing to talk longer, face-to-face, particularly with in-home interviews that have been arranged in advance.

Disadvantages of Face-to-Face Interviews

- Responses may be less candid and less thoughtful.
- Interviewer's presence and characteristics may bias responses.
- Interviewer is required to go to the respondent's location.
- Respondents who prefer anonymity may be influenced negatively.
- May reach a smaller sample.
- Lengthy responses must be sorted and coded.
- Can take too much time.
- Costs more per interview than other survey methods; particularly true of in-home interviews in rural areas where travel time is a major factor.
- May not be able to gain access to the house (e.g., locked gates, guard dogs, "no trespassing signs," etc.).
- Translators may be needed when dealing with non-English speakers.

(c) Telephone Interviews

A telephone interview is a data collection technique in which one person (an interviewer) asks questions of another (the respondent) via telephone. Telephone numbers of potential participants must be selected randomly. The interviewer must ensure that the respondent is someone competent and knowledgeable enough to answer questions about the family income status. In a telephone survey, you must devise a method for contacting those families without telephones or those with unlisted numbers. Hence it may be preferable to conduct door-to-door interviews in small service areas, especially in rural areas.

Advantages of Telephone Interviews

- Relatively easy to conduct.
- Saves money and time.
- Appearance and demeanor of interviewer do not influence the respondent.
- Respondents may be more honest in giving socially disapproved or sensitive answers due to greater anonymity for respondent.
- Interviewer may use an alias rather than his/her real name for privacy or to conceal ethnicity if relevant to the study.
- Allows interviewer to ask follow up questions.
- No fear for personal safety.

Disadvantages of Telephone Interviews

- Respondents may be hostile to interviews because of experience with previous telemarketing sales calls disguised as surveys.
- Respondents may terminate the interview abruptly.
- The interviewer may have problems reaching potential respondents by telephone because of the prevalence of answering machines that screen telephone calls.
- May not be able to reach households with unlisted numbers, no telephone at all, or families that use only cell phones.
- Difficulty of reaching people due to reasons such as conflicting schedules.
- It may be easier to be less candid to someone on the phone than in person.
- Difficult to get accurate answers from non-English speakers.

Table 3: Comparison of Three Types of Surveys

Dimension of Comparison	**Mailed Questionnaire**	**Face-to-Face Interviews**	**Telephone Interviews**
Cost	Moderate	High	Low
Data Quality: Response rate Respondent motivation Interviewer's bias Accuracy of responses	 Low Low None Low	 High High Moderate High	 Moderate to High High Low Moderate
Interview length	Short	Very Long (but depends on size of service area)	Long
Ability to probe and clarify	None	High	High
Speed	Low	Low	High
Interviewer supervision	None	Low	High
Anonymity	High	Low	Low
Ability to use computer assistance during process	May be possible but too expensive	Possible	High
Dependence on respondent's reading and writing abilities	High	None	None
Control of context and question order	High	High	High

Appendix C: Grant Survey Form & Instructions

INSTRUCTIONS FOR COMPLETING GRANT SURVEY FORM

For the purposes of confidentiality, survey forms should be numbered to correspond with the Random Sample Spreadsheet.

1. "Number of Persons in the Family."
   This number will include all residents temporarily away from the surveyed family (e.g. college students, persons on extended vacation, etc.) **Note: If there is more than one family residing in the house/apartment, a separate form should be completed by each family.**

2. "Family Income"
   This includes the total amount of income for every person living in the surveyed residency including persons temporarily away from the family/house. **Note: Income is <u>not</u> limited to salaries, wages, and tips. All other forms of income as specified by the Internal Revenue Service should be included (e.g. payments received from social security, pensions, annuities, dividends, taxable interest income, tax exempt interest income, IRA distributions, etc.)**

3. "Above or Below"
   This is the test for determining whether or not a residency may be considered a low- and moderate-income family. Simply identify the box which appropriately determines the number of persons in the family. If the dollar amount in this box is above the total family income amount, check the "Above ( )" category. If the dollar amount in the box is below the total family income amount, check the "Below ( )" category. **Note: To determine the appropriate dollar amounts to be identified in each block, reference the current "Income Limits" document on the OCRA website.**

4. "Data Reporting Information"
   Ethnic Information is needed for data reporting purposes (e.g. If two Hispanic persons live in the family, then place the number "2" in the blank.)

5. "Signature of Person Completing the Form"
   This is the signature of the surveyor.

6. "To Be Completed by Resident Providing Information"
   The surveyor should ask the resident to complete this section of the survey form. This information is needed to allow for the validation of the survey information. The resident must either sign or initial the form.

7. Check the box in the bottom left corner of the survey form if the answer to Question 3 is determined to be "Below." If so, this residency is to be considered a "low- to moderate-income family."

8. "House ID Number"
   Indicate in this box the number of the house as identified on the corresponding random sample spreadsheet. This information is needed to validate the survey. **Note: Survey information will not be accepted unless it is tied to a corresponding random sample spreadsheet.**

Survey Form Number:_____

The Following Information is Needed to Submit an Application for a Grant:

1. Determine the correct number of person(s) in the family and circle that number in the appropriate box below.

2. Look at the amount of money listed in the block that is circled. Is the total family income above or below that amount of money?

3. Place a check after either "Above" or "Below" to match the appropriate answer in Question 2.

1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
$	$	$	$	$	$	$	$
Above ( )	Above ( )	Above ( )	Above ( )	Above ( )	Above ( )	Above ( )	Above ( )
Below ( )	Below ( )	Below ( )	Below ( )	Below ( )	Below ( )	Below ( )	Below ( )

The income limits listed in the boxes above are from the county of:_____

DATA REPORTING INFORMATION:					
Complete the following table regarding the number of persons who will **benefit** from this project:					
IDIS Numbers	**Total**	**Hispanic**	**IDIS Numbers**	**Total**	**Hispanic**
11. White			18. Black/African American and White		
12. Black/African American			19. American Indian/Alaskan Native and Black/African American		
13. Asian			20. Other Multi-Racial		
14. American Indian/ Alaskan Native			21. Female Heads of Household		
15. Native Hawaiian/Other Pacific Islander			22. Number of Elderly (+62)		
16. American Indian/ Alaskan Native and White			23. Number of Handicapped		
17. Asian and White					

Signature of Interviewer:_____

Date this Form Completed:_____

_____ Check box if answer to Question 3 is "Below"

FORMULARIO DE ENCUESTA DE LA SUBVENCIÓN

(Leer las Instrucciones en el reverso antes de completar)

AVISO: Este formulario deberá usarse para la recopilación de la encuesta propiamente dicha.

NÚMERO DEL FORMULARIO DE LA ENCUESTA:_____

La siguiente información es necesaria para entregar una Solicitud para una subvención:

1. Determine la cantidad correcta de persona(s) del grupo familiar y circule ese número en la casilla correspondiente de abajo.

2. Mire la cantidad de dinero listada en la casilla circulada. ¿El total del ingreso del grupo familiar se encuentra por encima o debajo de esa cantidad de dinero?

3. Coloque una marca después de "Por encima" o "Por debajo" para igualar la respuesta correcta en la Pregunta 2.

1 Persona	2 Personas	3 Personas	4 Personas	5 Personas	6 Personas	7 Personas	8 Personas
$	$	$	$	$	$	$	$
Por encima ( )	Por encima ( )	Por encima ( )	Por encima ( )	Por encima ( )	Por encima ( )	Por encima ( )	Por encima ( )
Por debajo ( )	Por debajo ( )	Por debajo ( )	Por debajo ( )	Por debajo ( )	Por debajo ( )	Por debajo ( )	Por debajo ( )

El ingreso limitado listado en las casillas de arriba es del condado de: _____

INFORMACIÓN SOBRE EL REPORTE DE DATOS:					
Complete la siguiente tabla relacionada con la cantidad de personas que se **beneficiarán** con este proyecto:					
Números IDIS	**Total**	**Hispanos**	**Números IDIS**	**Total**	**Hispanos**
11. Blancos			18. Negros/Afroamericanos y Blancos		
12. Negros/Afroamericanos			19. Indios americanos/ Naturales de Alaska y Negros/Afroamericanos		
13. Asiáticos			20. Otros grupos multiraciales		
14. Indios americanos/ Naturales de Alaska			21. Mujeres cabeza del grupo familiar		
15. Naturales de Hawai/Otras Islas del Pacífico			22. Cantidad de gente de la tercera edad (+62)		
16. Indios americanos/ Naturales de Alaska y Blancos			23. Cantidad de discapacitados		
17. Asiáticos y Blancos					

FIRMA DEL ENTREVISTADOR(A):_____

___ Marcar la casilla si la Pregunta 3 es "Por debajo"

INSTRUCCIONES PARA COMPLETAR EL FORMULARIO DE ENCUESTA

1. "Cantidad de personas del grupo familiar."
   Esta cantidad incluirá todos los residentes que, transitoriamente, se encuentren lejos del grupo familiar encuestado (e.g. estudiantes universitarios, personas de vacaciones prolongadas, etc.) **Nota: Si hay más de una familia residiendo en la casa/apartamento, un formulario por separado deberá ser completado por cada familia.**

2. "Ingreso del grupo familiar"
   Esto incluye la cantidad total de ingresos por cada persona que vive en la residencia encuestada incluyendo las personas que se encuentran transitoriamente alejadas del grupo familiar. **Nota: El ingreso <u>no</u> está limitado a los salarios, sueldos y propinas. Todas las otras formas de ingreso, de acuerdo con lo especificado por la Dirección General Impositiva (Internal Revenue Service) deberán incluirse (e.g. pagos recibidos del seguro social, pensiones, anualidades, dividendos, ingreso gravable del interés, ingreso del interés exento de impuestos, distribuciones del IRA, etc.)**

3. "Por encima o Por debajo"
   Esta es la prueba para determinar si una residencia puede ser considerada o no como grupo familiar de ingresos bajos a moderados. Simplemente identifique la casilla que determina adecuadamente la cantidad de personas en el grupo familiar. Si la cantidad de dólares en esta casilla se encuentra por encima de la cantidad total de ingresos del grupo familiar marque la categoría "Por encima ( )". Si la cantidad de dólares en la casilla se encuentra por debajo de la cantidad total de ingresos del grupo familiar marque la categoría "Por debajo ( )". **Nota: Para determinar las cantidades correctas de dólares a ser identificados en cada casilla use como referencia el documento "Límites de ingresos" actual en el sitio web de OCRA.**

4. "Información sobre el reporte de datos"
   La información étnica es necesaria con el propósito de obtener el reporte de datos. (e.g. Si dos personas hispanas viven en el grupo familiar entonces coloque el número "2" en el espacio vacío).

5. "Firma de la persona que completó el Formulario"
   Esta es la firma del entrevistador.

6. "A ser completado por el residente que suministra la información"
   El entrevistador deberá solicitarle al residente que complete esta sección del formulario de encuesta. Esta información es necesaria para permitir la validación de la información de la entrevista. El residente debe firmar o bien colocar sus iniciales en el formulario.

7. Marque la casilla en la esquina inferior derecha del formulario de la encuesta si la respuesta a la Pregunta 3 es "Por debajo." En ese caso, esta residencia será considerada como "grupo familiar de ingresos bajos a moderados."

8. "Número de ID de la casa "
   Indique en esta casilla el número de la casa identificada en la correspondiente hoja de cálculo de muestra escogida al azar (random sample spreadsheet).

Esta información es necesaria para validar la encuesta. **Nota: La información de la encuesta no será aceptada si no está acompañada por la correspondiente hoja de cálculo de muestra escogida al azar.**

Appendix D: INCOME SURVEY CERTIFICATION

I hereby certify that, to the best of my knowledge, all information found in all grant survey forms pertaining thereto, are correct and has been gathered in an appropriate and ethical manner. I also understand that the intentional falsification of any survey information associated with this grant application shall immediately result in the disqualification of the applicant's immediate eligibility and possible future eligibility as determined appropriate by the Indiana Office of Community and Rural Affairs. Additionally, I understand that any person intentionally falsifying survey information in connection with this or any other grant application shall be subject to the denial of participation in the CDBG Program and/or fined and/or imprisoned in accordance with state and federal statutes and regulations.

I hereby acknowledge that I have read and understand the above paragraph:

Surveyor 1: _____ Signature: _____
(Please Print) (Date)

Surveyor 2: _____ Signature: _____
(Please Print) (Date)

Surveyor 3: _____ Signature: _____
(Please Print) (Date)

Note: If there are more than three (3) surveyors, this form should be copied and the remaining surveyors should sign accordingly.

Chief Elected Official:

_____ Signature:_____
(PLEASE PRINT)

Appendix E: LMI WORKSHEET

LOW-MODERATE INCOME WORKSHEET

PART A. INFORMATION OBTAINED FROM SURVEY

1. Number of families in the target area	
2. Total number of families interviewed	
3. Total number of low- and moderate income families	
4. Total number of persons living in the low- and moderate income families interviewed	
5. Total number of families interviewed in which the income was above the low- and moderate income level	
6. Total number of persons living in the families in which the income was above the low- and moderate-income level.	

PART B. CALCULATIONS BASED ON DATA CONTAINED IN SURVEY

7. Average size of low- and moderate households *(line 4 divided by line 3)*	
8. Average size of non-low- and moderate households *(line 6 divided by line 5)*	
9. Proportion of families interviewed with low- and moderate income *(line 3 divided by line 2)*	
10.Proportion of families interviewed with non-low- and moderate income *(line 5 divided by line 2)*	
11.Estimate of total number of low- and moderate income families in the target area *(line 1 multiplied by line 9)*	
12.Estimate of total number of non-low- and moderate income families in the target area *(line 1 multiplied by line 10)*	
13.Estimate of total number of low- and moderate income persons in the target area *(line 7 multiplied by line 11)*	
14.Estimate of total number of non-low- and moderate income persons in the target area *(line 8 multiplied by line 12)*	
15.Estimate of total number of persons in the target area *(line 13 added to line 14)*	
16.Estimated percentage of persons in target area who have low- and moderate income. *(line 13 divided by line 15)*	

Appendix C.

Persons Eligible to Conduct Income Surveys
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Jennifer P. Bott, PhD University Research Consultants 2600 W. Purdue Ave. Muncie, IN, 47304 Phone: 765.215.5580 jpbott@bsu.edu	Bernie Engel, Professor and Head Agricultural and Biological Engineering Purdue University 225 S. University St. W. Lafayette, IN 47907-2093 Phone: 765.494.1162 engelb@purdue.edu
Dr. Thomas Guthrie 55 Lane 385 Lake James, #2 Angola, IN 46703 Phone: 260.833.4949 Cell: 260.705.4949 guthrie@ipfw.edu	Jeffrey S. Hornsby, PhD Hornsby Consulting Box 111 4319 West Clara Lane Muncie, IN 47304 Phone: 765.744.9047 hornsbyconsulting@yahoo.com
Ray Montagno, PhD University Research Consultants 2600 W. Purdue Ave. Muncie, IN, 47304 Phone: 765.215.5580 rvmontagno@bsu.edu	L. Joe Moore, PhD Ivy Tech Community College, SE 590 Ivy Tech Drive Madison, IN 47250 Phone: 812.265.2580 x 4123 ljmoore@ivytech.edu (Works only with SE IN Regional Planning Commission.)
Rick Morton Key Research and Analysis, Inc. 610 Maple Lane New Albany, IN 47150 Phone 812.590.1337 Cell 502.229.2470 Morton.r@insightbb.com	Bob Smiley, PhD 1737 Spruce Drive Linton, IN 47441-9450 Phone: 812.847.9070 mksmile@juno.com
Brien N. Smith, Ph.D. University Research Consultants 2600 W. Purdue Ave. Muncie, IN, 47304 Phone: 765.215.5580 bsmith2@bsu.edu	Frank H. Wadsworth, Ph.D., CFE Dean and Professor of Marketing School of Business Indiana University Kokomo 2300 S. Washington Street, PO Box 9003 Kokomo, IN 46904-9003 Phone: 765-455-9446 fwadswo@iuk.edu

APPENDIX G: CASE STUDIES

Can a prison population be counted when conducting income surveys to determine the percent of low- and moderate-income (LMI) persons in the service area of a Community Development Block Grant (CDBG)-funded activity?

Whether or not a prison population (prisoners) should be counted when conducting income surveys to determine the percent of LMI persons in the service area of a CDBG-funded activity depends on the nature of the activity. Prisoners should be counted as LMI persons if they benefit from an activity to be assisted with CDBG funds and/or if the lack of such activity adversely affects the functioning of the prison facility. For example, prisoners should be counted as LMI persons if the prison facility is hooked up to a water and/or sewer line whose installation or replacement is to be undertaken using CDBG funds. This also applies to the construction and/or maintenance of water and/or sewage treatment plants. On the contrary, prisoners should not be counted if they do not benefit from an activity and/ or if the lack of such activity has no impact on the functioning of the prison facility. For example, prisoners should not be counted when seeking CDBG assistance for the construction and/or maintenance of public facilities such as community centers, libraries, playgrounds, neighborhood swimming pools, etc. These facilities are not used by prisoners and have nothing to do with the functioning of a prison facility.

Can a convent population be counted when conducting income surveys to determine the percent of low- and moderate-income (LMI) persons in the service area of a Community Development Block Grant (CDBG)-funded activity?

Whether or not the convent population should be counted when conducting income surveys to determine the percent of LMI persons in the service area of a CDBG-funded activity depends on the nature of the activity. The convent population should be included in the survey if they benefit from an activity to be assisted with CDBG funds and/or if the lack of such activity adversely affects the functioning of the convent. For example, the convent should be included in the survey if it is or will be hooked up to a water and/or sewer system whose installation or replacement is to be undertaken using CDBG funds. If the convent makes up a considerable portion of the town population, when the random survey is done, the convent should be included as an “outlier” with a footnote if the address is not randomly selected.

A neighborhood within the service area of an activity, for which CDBG assistance has been requested, consists of manufactured homes inhabited by seasonal (migrant) workers. Can the workers be counted when conducting income surveys to determine the percent of LMI persons in the service area? (Assume that the migrant workers reside in the services area for less than 182 days per year.)

This also depends on whether the benefit accrued from the activity by the workers is inevitable or incidental. The workers should be counted if the benefit they accrue from the activity is inevitable; for example, the workers should be counted if the manufactured homes are connected to the water and/or sewer lines that are to be replaced or installed. Conversely, they should not be counted if they do not benefit from the activity at all or do so only incidentally. For

example, the workers should not be counted when seeking CDBG assistance to construct a library, community center, or senior center.

A sparsely populated service area in rural Midwest America covers an entire census track where census data are available and a small fragment which is part of another census track where census data are not available. How should the percent of LMI persons in the entire service area be determined?

When the service area overlaps two census tracks, three issues may arise when determining the percent of LMI persons: (a) the service area is not coterminous with census geographic boundaries, (b) income data are not available for the small fragment that extends into another census tract, and (c) the entire service area is sparsely populated so the total number of persons in the entire service area must be used when calculating the percent of LMI persons.

Assume that there are 156 persons in the census tract where HUD's low- and moderate-income summary data (LMISD) is available and that 90 of them are LMI persons.

Step 1 – Conduct Census (i.e., 100% Survey)
Conduct a census in the small fragment where data are not available to determine the number of LMI persons. (A census is being performed because the fragment contains less than 60 families. More than 60 families are needed to do a random survey per Table 3 on Page 23 of CPD Notice 05-06.)

Step II – Perform Calculations
Suppose there are 44 persons in the small fragment and that 50% of them are LMI persons, the calculations are done as follows:

Total number of persons in the entire service area: 156 + 44 = 200
Total number of LMI persons in the entire service area: 90 + 22 = 112
Percent of LMI persons in the entire service area: $\frac{112}{200} \times 100 = 56\%$

For this example, the 51% requirement is met. It is important to note that just because the percent of LMI persons in one of the fragments is below 51% does not necessarily mean that the percent of LMI persons in the entire service area will be below 51%. The following tips may help and save time when doing the calculations.

(a) If the percent of LMI persons in each of the fragments is 51% or more, the percent of LMI persons in the entire service area will be 51% or more.

(b) If the percent of LMI persons in one fragment is 51% or more and the percent of LMI persons in the other fragment is less than 51%, proceed with the calculations as shown in Step II.

(c) If the percent of LMI persons in each of the fragments is less than 51%, the percent of LMI persons in the entire service area will be less than 51%.
In this instance, it is also okay to proceed with a survey of the entire service area.

Because HUD does not allow the combining of income survey's, at least one of the areas in the method explained above must be utilizing census data.

If this method is utilized, you must include an explanation in the income survey methodology and you must include the above calculation along with the LMI Worksheet (Appendix E) in your application for funding.

Should the students at a college or university be included in an income survey for a project that it utilizing CDBG funds?

HUD has a longstanding policy that a dependent student (although temporarily residing in another place) is part of a family when determining income. Therefore, students should not be included in an income survey. If you are doing an infrastructure project, when determining the project budget, the percentage of the project that would benefit the college or university should be considered ineligible for CDBG funds. For example, if the total project cost is $1,000,000 and the college makes up 50% of the flow, then $500,000 of the project would be considered ineligible.

Should a nursing home or assisted living facility be included in an income survey for a water/wastewater project that is utilizing CDBG funds?

It is important to note that a nursing home and an assisted living facility are not always the same thing. There are 2 important questions to ask, 1) does the project benefit the residents of the home/facility; and 2) are the residents of the home/facility permanent?

Typically, HUD views a nursing home as a business. The residents are not permanent and do not have a separate legal address within the building. These residents would not be included in a water/wastewater project as the “business” is the utility customer.

Residents of an assisted living facility are typically permanent residents who have a legal apartment address. These residents would be treated the same as residents in any other apartment building.

How do we handle an application for a project with 2 distinct service areas?

Occasionally a community will apply for 2 separate projects within 1 CDBG application. For example, you might be doing both a water and sewer project, but the utilities do not encompass the same service area. In this case, you will need census data that correlates exactly with each service area, showing that each area meets the 51% requirement. If census data is not available for either of the service areas, you will need to conduct an income survey(s) for the project area(s).

APPENDIX H: RECORDS FOR MONITORING AND/OR AUDIT

- Description of the service area and how it was determined.
- Population list and a description of how it was determined? For example, if performing a telephone survey, provide the list of telephone numbers in the service area and how the list was generated so that it corresponds to the service area?
- Copy of completed sample size calculator screen print.
- Description of the process that was used to draw the sample from the population. For example, if a random- number- generator or a random numbers' table was used, then provide a summary of how these random numbers were used to select families from the population.
- Copy of the list of families that form the initial sample.
- Copy of the list of families actually sampled. This may be different from the initial sample, if a family had to replaced.
- Description of why families were replaced and the replacement-procedure adopted.
- Worksheet showing the computation of the Margin of Error of the estimate of the proportion of LMI individuals in the service area under consideration.
- Comparison of survey results with the most recent LMISD. See the section on Consistency.
- Checks for further details.
- Income Survey Certification
- LMI Worksheet