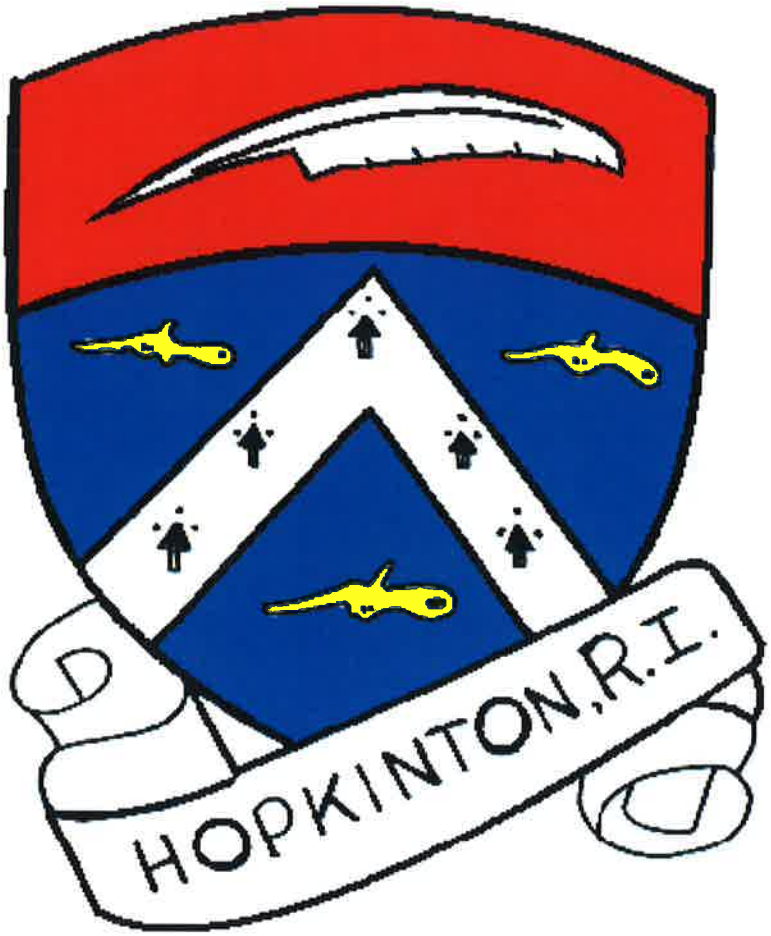
TOWN OF HOPKINTON

HOPE VALLEY INCOME SURVEY

(RE-BID)



2016

BID INFORMATION, REQUIREMENTS AND SPECIFICATIONS

BID INFORMATION

BIDS DUE BY: ***Monday, November 28th, 2016 at 2:00 p.m.***

BID OPENING DATE: ***Monday, November 28th, 2016 at 2:15 p.m.***

BID RECEIPT LOCATION:

Town Clerk's Office
Hopkinton Town Hall
1 Town House Road
Hopkinton, RI 02833

BID OPENING LOCATION:

Town Council Chambers
Hopkinton Town Hall
1 Town House Road
Hopkinton, RI 02833

Sealed Envelopes Must Be Marked As Follows:

"HOPE VALLEY INCOME SURVEY"

The effective date of AWARD shall be on or about December 5th, 2016.

Single Point of Contact: All requests for information related to this bid package shall be directed to:

Town Planner James Lamphere
One Town House Road
Hopkinton, Rhode Island 02833
(401) 377-7770

Email Address: planner@hopkintonri.org

BID REQUIREMENTS

1. Sealed bids will be accepted in the Town Clerk's Office until 2:00 p.m. on Monday, November 28th, 2016.

2. Sealed bids will be opened in the Town Council Chambers at 2:15 p.m. on Monday, November 28th, 2016.

3. Sealed envelopes must be marked "***HOPE VALLEY INCOME SURVEY***" and submitted to the Town Clerk's Office.

4. Proposals shall be submitted by qualified consultants to perform an income survey for the village of Hope Valley in the Town of Hopkinton, Rhode Island.

5. Proposals shall be submitted on the attached bid sheet.

6. **Bid security in the amount of five percent (5%) of the total bid amount must accompany each bid.**

7. A signed copy of the Bid Instructions shall be submitted to the Town Clerk's Office at the time the bid is submitted.

8. Bids are to be submitted on or before the date and time due and signed by a person authorized to represent the bidder.

9. Bidders are required to submit five (5) copies of their bids.

10. Bids that do not meet minimum requirements may or may not be considered. All exceptions must be listed.

11. Contracts may be competitively negotiated when it is determined, in writing, by the Town Manager that the bid prices received by competitive sealed bidding either are unreasonable as to all or part of the requirements or were not independently reached in open competition.

12. The Town of Hopkinton shall award the bid to the responsible bidder whose proposal is determined, in writing, to be the most advantageous to the Town. The award shall be made on the basis of the lowest evaluated or responsive bid price.

13. The Town specifically reserves the right to cancel the contract or any portion thereof providing, in its opinion, the services or materials supplied are not satisfactory or consistent with the terms of this Request for Proposals (RFP).

14. Bidders are required to complete an Experience Sheet, which is included in this bid packet. Any bid submitted without a fully-completed Experience Sheet will be rejected.

15. The successful bidder shall furnish a Certificate of Liability Insurance within fifteen (15) days after the Hopkinton Town Council awards the bid.

16. The successful bidder shall execute Notice of Award and Notice to Proceed forms within fifteen (15) days after the Hopkinton Town Council awards the bid.

17. The successful bidder shall execute a Contractual Agreement within fifteen (15) days after the Hopkinton Town Council awards the bid.

18. The Town of Hopkinton reserves the right to reject any or all bids and to accept the bid that is most acceptable.

19. All work must be completed in a timely, professional manner.

20. The income survey shall begin no later than fifteen (15) days after the Town Council awards the bid and be completed by the close of business on February 3rd, 2017.

21. Bidders may be asked to appear before a committee comprised of Town officials to present their proposals and qualifications.

22. The Town of Hopkinton is exempt from Federal excise taxes and State sales taxes.

23. Contact Town Planner James Lamphere at (401) 377-7770 with any questions regarding this bidding process.

BID SPECIFICATIONS

Bidders should carefully examine the specifications and fully inform themselves of all language that could in any way affect the cost. Should the bidders find discrepancies or omissions in the specifications, or question their interpretation, they should notify the Town Planner to obtain clarification, prior to submitting any proposal. Failure to obtain clarification of any issue does not relieve the bidder from any responsibility in the bidding of the Hope Valley Income Survey, which meets the needs of the Town of Hopkinton. The successful bidder is responsible for submitting a bid which meets the following specifications:

SUMMARY OF WORK

See Page 5

ATTACHMENT A

Map of Proposed Limits of Present Day
Historic Village of Hope Valley, RI

ATTACHMENT B

Notice CPD-14-013
U.S. Department of Housing and Urban Development's
Suggested Procedures for Conducting A Survey

SUMMARY OF WORK

This Request for Proposals has been issued by the Town of Hopkinton to solicit bids from qualified consultants to perform an income survey for the village of Hope Valley in the Town of Hopkinton, Rhode Island. The survey is intended to determine whether the neighborhood is primarily inhabited by low to moderate income persons. The survey must be conducted in accordance with the HUD guidelines "Suggested Procedures For Conducting A Sample Survey…" It has been estimated that the neighborhood consists of some 200 households. For each household contacted, the Consultant must establish: that they are speaking to a responsible adult member of that household, the number of persons residing in the household and whether that household is above or below 80% (moderate income) of median income level, as adjusted for family size. Additional clarification of those at or below 80% of the median income will include whether that household is at or below 50% (low income) of the median income level. A mechanism for surveying households with an unlisted or with no phone must be established. A report on the results of the survey shall include a description of the methodology addressing the above issues, plus the results of the survey to include, but not be limited to: the total number of household members in the surveyed sample, the total number of household below moderate income and the total numbers of persons below moderate income and the same for those of low income. The Consultant will be required to defend the results of the survey to satisfy the Rhode Island Commerce Secretary Office of Housing and Community Development. The survey results must be forwarded to the Town of Hopkinton by February 3rd, 2017.

The following page contains a list of all addresses to be surveyed in the village of Hope Valley.

Addresses to be surveyed for Hope Valley Income Surveyed - 2016

Main Street
863
866
873A
873B
874
877
881
883
887
894
896
900A
900B
916
930
934
939
940A
940B
943
946
947
948
949
956
957A
957B
958
960
961
965A
965B
968
971
972
973
974
975
976
977
978
980
984
987A
987F
1006
1008
1010A
1010B
1017
1018
1020
1023
1024

Main Street Cont.
1026
1027
1030
1032
1034
1036
1039
1040
1041
1044A
1044B
1045
1048
1050
1053
1054
1060
1064
1066
1070
1074
1078
1081
1082
1088
1089
1090A
1090B
1093
1097
1100
1113
1114
1117
1119
1121
1123
1125
1127

Lakeside Drive
7
11
15
16
19
27
31
35
37
43

Lakeside Drive Extension
1
3
5

Locustville Road
9
10
14

Maple Street
3
4
5
6
8
9
10
11
14
15
21
23
25
28
29
31
33
35
37
40

Mechanic Street
8
15
17
18
19
21
22
23
25
28

Highview Avenue
1
8
9
12
16
18
29
31
32
33

Highview Ave Cont.
36
38
39
40
41
45
48
50A
50B
51
54A
54B
55
56
60

Hill Street
12
14

Nichols Lane
5
7A
7B
7C
7D
7E
7F
7G
10
18
20
22

Side Hill Street
1
3
5
7

Spring Street
9
10
13
14
18
19
22
25
28
30
33
34

BID SHEET

Hope Valley Income Survey

Bid Price for Hope Valley Income Survey: $ _____

Any Additional Fees: $ _____

TOTAL BID PRICE: $ _____

PROPOSAL BY: _____
(Company Name)

_____
(Street Address)

_____
(City/Town) (State) (Zip)

_____
Name

_____
Title

_____
Date

NOTICE OF AWARD

TO: _____ DATE: _____

_____

_____

Hope Valley Income Survey

The Town has considered the bid submitted by you, dated_____, for the above-referenced purchase in response to its Request for Proposals (RFP).

You are hereby notified that your bid has been accepted in the amount(s) shown on the Bid Sheet.

Dated this _____day of _____, 2017

TOWN OF HOPKINTON, RHODE ISLAND

BY: _____
William A. McGarry

TITLE: _____
Town Manager

ACCEPTANCE OF NOTICE

Receipt of the above NOTICE OF AWARD is hereby acknowledged on this _____ day of

_____, 2017.

BY: _____

TITLE: _____

COMPANY NAME: _____

NOTICE TO PROCEED

TO: _____ DATE: _____

_____

_____

Hope Valley Income Survey

You are hereby notified to commence work on or after _____.

Work shall begin no later than fifteen (15) calendar days after the Town Council awards the bid and be completed by the close of business on February 3rd, 2017.

TOWN OF HOPKINTON, RHODE ISLAND

BY: _____
William A. McGarry

TITLE: _____
Town Manager

ACCEPTANCE OF NOTICE

Receipt of the above NOTICE TO PROCEED is hereby acknowledged on this _____ day of _____, 2017.

BY: _____

TITLE: _____

COMPANY NAME: _____

CONTRACTUAL AGREEMENT

THIS CONTRACTUAL AGREEMENT, made and executed this _____ day of _____, 2017 by and between the Town of Hopkinton, a municipality located within the State of Rhode Island, by its Town Council duly constituted, and without personal liability for the individuals signatory hereto, herein termed the TOWN, and _____ doing business as a corporation, hereinafter termed the Consultant.

WITNESSETH: That the parties to this Contract have agreed, and by these presents do hereby agree, the TOWN, for itself, and the Consultant for himself/herself and his/her heirs, executors, administrators, successors, and assigns, as follows:

That the Consultant has informed himself/herself fully in regard to all conditions pertaining to the place where the work is to be done and other circumstances affecting the work;

That the Consultant has obtained all the information he/she needs to enable him/her to estimate fully and fairly the costs of the work herein contemplated.

That the Consultant shall furnish all plant, labor, materials, supplies, tools, equipment, and other facilities and things necessary to commence work within the time interval stated in the bid proposal, provided he/she shall have been notified by the Town to do so, and complete everything required of him/her under the Contract no later than the time stated in the bid proposal.

That the Consultant agrees to accept all of the terms and conditions incorporated into this Invitation to Bid, Bid Information and Requirements, Standard Instructions, Specifications, Summary of Work, and all other related information and requirements identified in the bidding documents.

That the TOWN shall pay and the Consultant shall receive, as full compensation for fulfilling everything required of the Consultant under the Contract, the total price submitted on the Bid Sheet.

That the Consultant shall give to the TOWN, as liquidated damages, for each day lost by the Consultant in the completion of the Work of the Contract after the time herein stipulated, the sum of five hundred dollars ($500.00), per day.

Signed, sealed and delivered in **duplicate** on _____ of _____, 2017.

TOWN:

Town of Hopkinton, Rhode Island

By:_____

Title: _____

Date: _____

CONSULTANT:

Name:_____

Address:_____

_____

By:_____

Title:_____

Date: _____

EXPERIENCE OF CONTRACTOR

The following experience sheet must be completed by each bidder. Any bid submitted without a fully-completed Experience Sheet will be rejected. Contractors may attach supplemental experience sheets at their option.

What four (4) similar projects has your company completed within the last five (5) years?

	Type of Work	Contract Amount	Year Completed	Name & Address of Owner
1.				
2.				
3.				
4.				

The Town of Hopkinton, RI is currently seeking sealed bids for:

HOPE VALLEY INCOME SURVEY

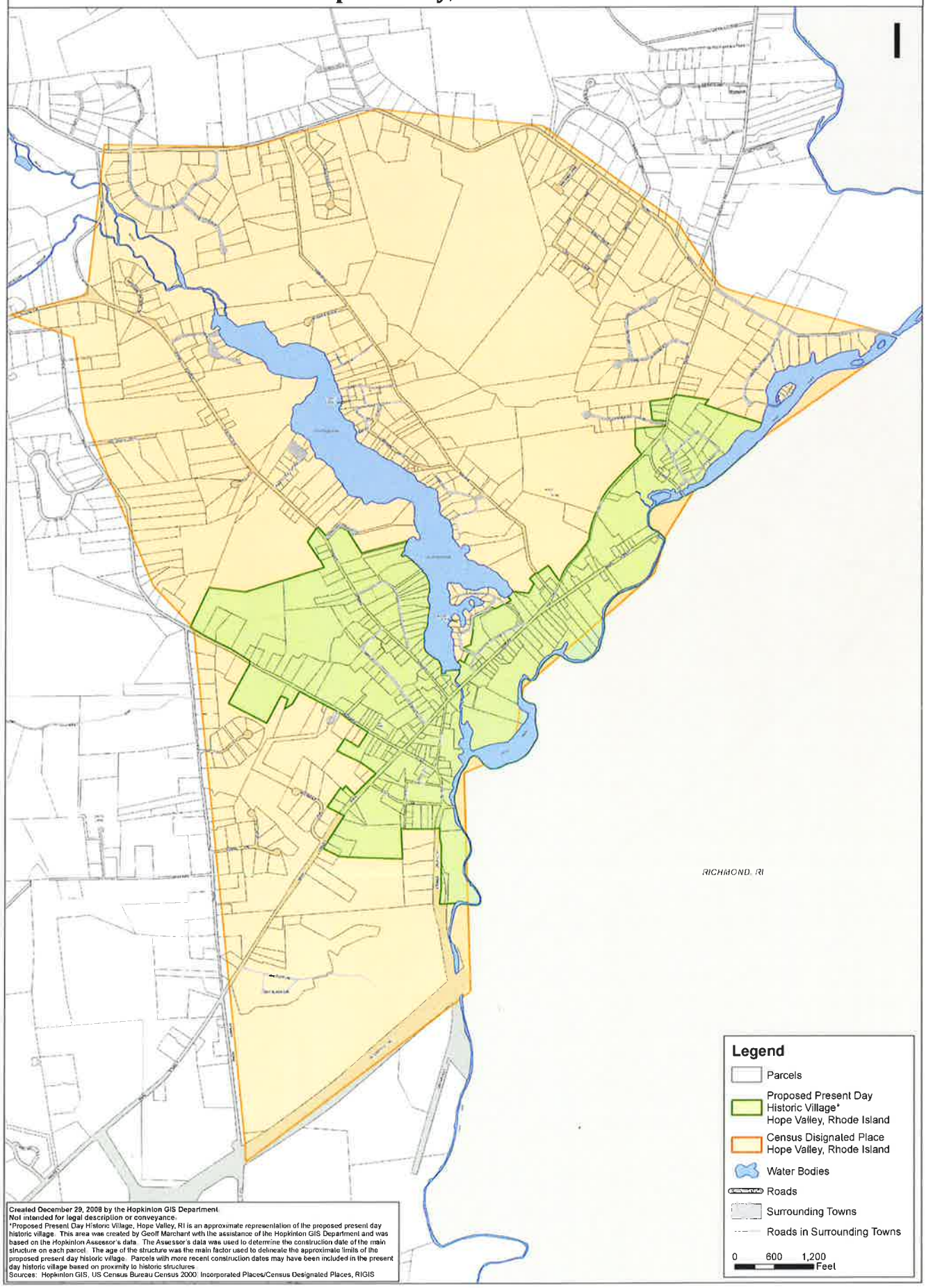
The Town of Hopkinton is soliciting proposals from qualified consultants to perform an income survey for the village of Hope Valley in the Town of Hopkinton, Rhode Island. The survey is intended to determine whether the neighborhood is primarily inhabited by low to moderate income persons. Copies of the Request for Proposals (RFP) may be obtained between the hours of 8:30 a.m. and 4:30 p.m., Monday through Friday, at the Clerk's Office, Hopkinton Town Hall, One Town House Road, Hopkinton, Rhode Island 02833 or at www.hopkintonri.org. Inquiries relating to this bid should be made to James Lamphere, Town Planner at (401) 377-7770. Consultant shall submit five (5) sealed copies of their proposal no later than **2:00 p.m. on November 28, 2016** to the office of the Town Clerk. Bids will be opened in full view of the public at **2:15 p.m. on November 28, 2016** in the Hopkinton Town Council Chambers. Proposals shall be clearly marked **"HOPE VALLEY INCOME SURVEY"** in the lower left hand corner. Responses received after said time will not be opened. Electronic delivery of said information in any form is prohibited. An award for contract for such services will be made in accordance with the process for Competitive Sealed Bidding outlined in Section 5.2 of the Town of Hopkinton Procurement Policy (Adopted 8-17-15). The Town reserves the right to reject any and all proposals and to accept that proposal which it deems, in its sole judgment, to be in the best interest of the Town.

William A. McGarry
Town Manager
One Town House Road
Hopkinton, Rhode Island 02833

ATTACHMENT A

Map of Proposed Limits of Present Day Historic Village of Hope Valley, RI

PROPOSED LIMITS OF PRESENT DAY HISTORIC VILLAGE
Hope Valley, Rhode Island



Created December 29, 2008 by the Hopkinton GIS Department.
Not intended for legal description or conveyance.
*Proposed Present Day Historic Village, Hope Valley, RI is an approximate representation of the proposed present day historic village. This area was created by Geoff Marchant with the assistance of the Hopkinton GIS Department and was based on the Hopkinton Assessor's data. The Assessor's data was used to determine the construction date of the main structure on each parcel. The age of the structure was the main factor used to delineate the approximate limits of the proposed present day historic village. Parcels with more recent construction dates may have been included in the present day historic village based on proximity to historic structures.
Sources: Hopkinton GIS, US Census Bureau Census 2000: Incorporated Places/Census Designated Places, RIGIS

ATTACHMENT B

Notice CPD-14-013

U.S. Department of Housing and Urban Development's Suggested Procedures for Conducting A Survey

U.S. Department of Housing and Urban Development
Office Community Planning and Development

Special Attention of:

- ☐ CPD Field Office Directors
- ☐ Entitlement CDBG Grantees
- ☐ State CDBG Grantees

Notice CPD-14-013

Issued: September 23, 2014

This Notice is effective until amended, superseded, or rescinded.

Subject: Guidelines for Conducting Income Surveys to Determine the Percentage of Low- and Moderate-Income (LMI) Persons in the Service Area of a Community Development Block Grant (CDBG)-Funded Activity.

I: Purpose

This Notice describes guidelines (methodologies) for conducting income surveys to ascertain whether or not a Community Development Block Grant (CDBG)-funded activity designed to benefit an area generally qualifies as primarily benefiting LMI persons. Section 105(c)(2)(A)(i) of the Housing and Community Development Act (HCDA) of 1974 (as amended) stipulates that an activity designed to address the needs of LMI persons of an area shall be considered to principally benefit LMI persons if "...not less than 51 percent of the residents of such area are persons of low and moderate income." HUD's regulatory requirements for conducting a survey to determine the percentage of LMI persons in the service area of a CDBG-funded activity are located at 24 CFR 570.208(a)(1)(vi) for the Entitlement program and 24 CFR 570.483(b)(1)(i) for the State program.

HUD provides the LMI Summary Data (LMISD) for grantees to use in determining compliance with the CDBG National Objective of providing benefit to LMI persons on an area basis.[1] The LMISD must be used "to the fullest extent feasible" unless a grantee believes that the data are not current or do not provide enough information regarding income levels in the entire service area.[2]

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[1]Policy guidance regarding the 2014 LMISD for Entitlement Grantees and nonentitlement Hawaiian Grantees is located at: http://portal.hud.gov/hudportal/documents/huddoc?id=14-11cpdn.pdf; Policy guidance for the State CDBG program is located at: http://portal.hud.gov/hudportal/documents/huddoc?id=14-10cpdn.pdf

[2]Information on how the LMISD is calculated is located at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/systems/census

The procedures described in this Notice are basic survey methodologies that will yield acceptable levels of accuracy. It is recommended that CDBG grantees use these methodologies or other comparable methods to ascertain that at least 51 percent of the residents of the service area of a CDBG-funded activity are LMI persons. If an Entitlement grantee chooses another survey method, the grantee is required to demonstrate that the method meets standards of statistical reliability that are comparable to the *American Community Survey* (ACS) [which has replaced the decennial census (24 CFR 570.208(a)(1)(vi)]. Prior to conducting a survey, Entitlement grantees are required to have their survey instruments and methodology reviewed and approved by their local HUD Community Planning and Development (CPD) Office. State CDBG regulations at 24 CFR 570.483(b)(1)(a) require that the survey be methodologically sound.

Confidentiality

If a grantee chooses to conduct a survey, the answers provided by respondents must be kept confidential. People are more likely to provide honest answers if the answers are to remain anonymous. It is recommended that the respondent's name, address, and telephone number appear only on the cover sheet of the questionnaire. After the survey is completed, the cover sheet may be numbered and separated from the actual interview sheet. If the cover sheets and the questionnaires are both numbered, they can be matched if necessary. It is suggested that the grantee make reasonable efforts to protect the privacy of the respondents and follow applicable State and local laws regarding privacy and obligations of confidentiality.

II: Definition of Terminologies

CDBG Regulatory Definitions of *Family, Household,* and *Income*

States are subject to the definitions of income (low, moderate, etc.) at 24 CFR Part 5 however, they may establish their own definitions of income pursuant to 24 CFR 570.481(c), provided that such definitions are explicit, reasonable, and not plainly inconsistent with the HCDA of 1974 (as amended). Definitions of income established by the State for the purpose of complying with the area benefit National Objective must be included in the State's CDBG Implementation Manual. Entitlement grantees must follow the definitions at 24 CFR Part 5 and 24 CFR 570.3

1. Pursuant to 24 CFR 5.403, family includes but not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:

    - ☐ A single person, who may be an elderly person, displaced person, nearly-elderly person, or any other single person; or

    - ☐ A group of persons residing together, and such group includes, but not limited to:

        i. A family with or without children (the temporary absence of a child from the home due to placement in foster care shall not be considered in determining family composition and family size).

ii. An elderly family—a family whose head (co-head), spouse, or sole member is a person who is at least 62 years of age. It may include two or more persons who are at least 62 years of age living with one or more live-in aides. (A live-in aide is a person who resides with one or more elderly persons or near-elderly persons, or persons with disabilities).
iii. A near-elderly family—a family whose head (co-head), spouse, or sole member is a person who is at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.
iv. Disabled family—a family whose head (including co-head), spouse, or sole member is a person with disabilities. It may include two or more persons with disabilities living together, or one or more persons with disabilities living with one or more live-in aides.
v. A displaced family—a family in which each member, or whose sole member, is a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.
vi. The remaining member of a tenant family.
vii. A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.

2. Pursuant to 24 CFR 570.3, household means all persons who occupy a housing unit. A household may consist of persons living together or any other group of related or unrelated persons who share living arrangements, regardless of actual or perceived sexual orientation, gender identity, or marital status.

3. Entitlement grantees may select any one of the two definitions of income:
   (i) Annual income as defined at 24 CFR 5.609 (except that if the CDBG assistance being provided is homeowner rehabilitation under 24 CFR 570.202, the value of the homeowner's primary residence may be excluded from any calculation of net family assets); or
   (ii) 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. Pursuant to 24 CFR Part 5 and 24 CFR 570.3, low-income person refers to member of a family that has an income equal to or less than the Section 8 very low-income limit established by HUD. Unrelated individuals shall be considered as one-person families for this purpose. (The Section 8 very low-income limit is income that does not exceed 50 percent of the median income for the area, as adjusted by HUD.) Unrelated individuals shall be considered as one-person families for this purpose.

5. Moderate-income person means a member of a family that has an 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. Unrelated individuals shall be considered as one-person families for this purpose.

Terms Used in Survey Research

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

2. Rate of response is expressed as a percent; it is the number of households participating in a survey (number of responses) divided by the number of households in the sample.

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

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

5. Sampling is the process of selecting a group of respondents from the population.

6. Simple random sampling is a type of probability selection process in which the units composing a population are assigned numbers and a set of random numbers is then generated, and the units having those numbers are selected to make up the sample.

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

III: Determining the Service Area of a CDBG-Funded Activity

The service area is the entire 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 (boundaries of the) service area. The boundaries of the service area must be defined 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 service area determined by CDBG grantees unless there is substantial evidence to the contrary. In assessing such evidence, the full range of direct effects of the assisted activity will be considered. (The activities when taken as a whole must not benefit moderate income persons to the exclusion of low income persons.) Also, the area to be served by a CDBG-funded activity does not need to be coterminous with census tracts or other officially recognized boundaries, but it is critical that the service area be the entire area served by the activity [see 24 CFR 570.208(a)(1)(i) for the Entitlement program and 24CFR 570.483(b)(1)(i) for the State program].

Entitlement Program

Once it has been determined that the benefits of the activity will be available to all residents of a particular service area, the activity may meet the LMI Area Benefit national objective if the boundaries of the service area are clearly defined and at least 51 percent of the residents are LMI persons. Factors to be considered in defining the service area include:

1. Nature of the activity: In determining the boundaries of the area served by a facility, one must consider whether the facility is adequately equipped to meet the needs of the residents. For example, a park that is expected to serve an entire neighborhood cannot be too small or have so little equipment (number of swings, slides, etc.) that it would only be able to serve a handful of persons at a time. Conversely, a park that contains three ball fields or a ball field with grandstands that can accommodate hundreds of spectators cannot reasonably be said to be designed to serve a single neighborhood. The same comparison would apply to the case of assisting a small two-lane street in a residential neighborhood versus that of assisting an arterial four-lane street that may pass through the neighborhood but is clearly used primarily by persons commuting.

2. Location of the activity: Where an activity is located may affect its capacity to serve particular areas, especially when the location of a comparable activity is considered. For example, a library cannot reasonably benefit an area that does not include the area in which it is located. When a facility is located near the boundary of a particular neighborhood, its service area would be expected to include portions of the adjacent neighborhoods as well as the one in which it is located. The grantee may even carry out activities that are outside its jurisdiction if this is done in accordance with 24 CFR 570.309.

3. Accessibility issues: If a geographic barrier such as a river or an interstate highway separates persons residing in an area in a way that precludes them from taking advantage of a facility that is otherwise nearby, that area should not be included in the service area. Language barriers might also constitute an accessibility issue in some circumstances.

For certain entitlement grantees, the percentage of LMI persons in the service area can be lower than 51 percent and the area can still qualify under the *exception criteria* provision (or *upper quartile criterion*).[3] The general rule requires that area benefit activities serve areas where the concentration of LMI persons is at least 51 percent. Section 105(c)(2)(A)(ii) of the HCDA provides an *exception* to the general rule for determining whether CDBG-assisted area benefit activities principally benefit LMI persons. The *exception criteria* allows certain grantees to undertake the same types of activities in areas where the proportion of LMI persons in the area is within the highest quartile of all areas in the grantee's jurisdiction in terms of the degree of concentration of LMI persons. Grantees qualify for this exception when less than one-quarter of the populated census tracts in its jurisdiction contain at least 51 percent LMI persons. Data at the block group level are to be used to determine qualification under the exception criteria. The *exception criteria* do not apply to the State CDBG program.

[3]The exception criteria—24 CFR 570.208(a)(1)(ii)--is located at:http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&sid=d60d662bd91f849ee36d0e524aac0781&rgn=div5&view=text&node=24:3.1.1.3.4&idno=24%20-%2024:3.1.1.3.4.3.1.9#se24.3.570_1208

State Program

One aspect of service areas in non-entitlement areas is that a census tract may cover an entire city or there may be only two or three census tracts in an entire county. Therefore, scenarios which states and 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 settlements in a county; construction of a neighborhood tot lot serving one subdivision in a city where the entire city is one census tract.

2. The service area includes all or part of several units of general local government and may contain both incorporated and unincorporated areas. HUD's LMISD may be usable for only a portion of the service area; therefore, the State and its grant recipients may need supplementary survey data for the other portions of the service area. 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).The service area may be a sparsely populated rural area.

3. For such an area, a census of the entire population may be undertaken and the percentage of LMI persons calculated from the entire population of the service area, and not from the proportion of participants who responded to the survey. For example, if a small rural town with a population of 640 conducts a census of the entire population to determine the percentage of LMI persons and gets an 80 percent response rate. Fifty-one percent of 640 is 326, and 80 percent of 640 is 512. Of the 512 respondents, 326 of them should be LMI persons. It is inaccurate to use 51 percent of 512 which is 261.

IV: 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, grantees may use HUD's LMISD.

For the Entitlement program, CDBG Regulations at 24 CFR 570.208(a)(1)(vi) require that the results of the survey meet standards of statistical reliability comparable to that of the ACS for

areas of similar size to determine the percentage of LMI persons in the service area of a CDBG-funded activity. A statistically reliable survey entails the following:

1. The grantee must clearly document the survey method used: mail questionnaire, face-to-face or telephone interviews, etc. (Each method has advantages and disadvantages.)

2. Participants for the survey must be selected through a random sampling process, and replacements for non-respondents must also be selected through the same random sampling process.

For the State program, CDBG regulations at 24 CFR 570.483(b)(1)(i) require that grantees conduct surveys that are methodologically sound to determine the percentage of LMI persons in the service area of a CDBG-funded activity.

Seasonal (or part-time) residents (e.g., migrant farmers who reside in manufactured homes) 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 seasonal residents would be considered an incidental benefit. Seasonal residents may participate in income surveys for CDBG-funded activities such as installation of sewer lines and sewage treatment plants, etc.

The ACS defines residency in terms of "current residence" – a unit is defined as the current residence of a household if the household is living in the unit for at least two months upon receipt of the survey, even if the household lives somewhere else for most of the year. In contrast, the long form uses a "usual residence" rule, i.e., the place where a person lives and sleeps most of the time. The differences in the definition of residence have consequences for vacancy and homeownership estimates.

V: A Summary of Steps in Conducting LMI Surveys

When HUD's LMISD data are not used in documenting LMI benefit on an area basis, CDBG grantees must comply with the standards for conducting surveys located at 24 CFR 570.208(a)(1)(vi) for the Entitlement program and 24 CFR 570.483(b)(1)(i) for the State CDBG program. Anybody who has not conducted a survey can still do so by following a systematic approach. This guide describes procedures that may be used to determine whether the requisite percentage of the residents of a service area (51% or the exception percentage, as applicable) of a CDBG-funded activity are LMI persons. This guide does not restrict the CDBG grantee to any one type of survey methodology.

The choice of the type of survey method depends on the demographic composition of the service area. If the grantee chooses an electronic (i.e., web-based) survey, the assumption is that residents of the service area all have access to the Internet. If people do not have internet service at home, an additional burden is placed on them on how to respond to the survey. The rate of response is likely to decrease when respondent burden increases. Regardless of the type of survey method, consideration must be given to the needs of residents with limited English

proficiency as well as residents with visual/hearing/speech impairments. The steps in conducting surveys are as follows:

Step 1: Select the Type of Survey

Decide which survey method to use (i.e. telephone, door-to-door, mail, or web-based questionnaire,) 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.

Step 2: Develop the Questionnaire

If you choose to conduct a mail questionnaire, use standard 12-point print and do not include too many questions on one sheet of paper. Generally, follow these guidelines:

- ☐ The questions in the questionnaire should be short, simple and efficient. Keep the language as simple as possible. Avoid bias. Do not induce particular answers. Include other questions, if you like, but make sure that the survey does not take too long.
- ☐ Use the correct income limits (correct amount, correct year, and correct service area) for the survey instrument. (Contact your local HUD CPD Office when in doubt.).
- ☐ Avoid burdensome questions—i.e., questions with no correct answers. Such questions increase respondent burden.

Step 3: Select the Sample

The grantee should:

- ☐ Define the service area: The definition must include the boundaries of the service area and the size of the population for which the percentage of LMI persons is to be determined
- ☐ Identify the sample: Select a procedure for identifying the sample in the service area and identify a procedure for randomly selecting the sample. Obtain a *complete* list of residents, addresses, and telephone numbers in the service area.
- ☐ Determine the sample size: Determine the sample size needed in order to achieve an acceptable level of accuracy.
- ☐ Randomly select the sample: Make sure you add families to replace refusals and that the entire service area is covered—that is, be certain that you have not excluded certain areas or groups of people. Commercial (retail and industrial) sites, vacant lots and abandoned and vacant homes should be excluded from the sample because they do not have any effect on the outcome of the survey. Use an acceptable random selection method and decide the number of attempts to obtain responses before selecting replacements,
- ☐ Ascertain that the selection of subjects to be included in the sample and replacement procedures are structured to avoid bias; for example, daytime or weekday attempts may skew response rates in favor of unemployed, retired, or single income families.

Step 4: Conduct the Survey

If you choose to conduct an interview survey, it is strongly recommended that you select and train your interviewers. The quality of the survey results depends on how well the survey is conducted. Even in small studies involving a single researcher-interviewer, it is important to organize the interviewing process before beginning the formal process. Make sure the interviewers are comfortable with the questions. The training process includes the following major topics:

- ☐ Describing the entire survey
- ☐ Identifying the sponsor of the survey
- ☐ Providing the interviewer with a working knowledge of survey research
- ☐ Explaining the survey sampling logic and process
- ☐ Explaining interview bias
- ☐ 'Walking through' the interview process
- ☐ Explaining respondent selection process
- ☐ Explaining scheduling and supervision
- ☐ Explaining follow-up for non-response

Make contact with the residents of the service area; consider writing or telephoning to let people know in advance that you are coming. Make multiple attempts to establish contact and reschedule another interview if the initial contact has not resulted in an interview. Replace the families you have written off as "unreachable."

Step 5: Analyze the Results

Complete the LMI Worksheet and record the calculated percentage of LMI persons.

Step 6: Document and Save Your Results

- ☐ Save the completed questionnaires—preferably in a confidential manner. Use code numbers to conceal the identity of respondents
- ☐ Save the list of respondents—preferably in a form that does not identify their responses
- ☐ Save the description of the service area, the list of your sampling procedures (original sample, interview sheets or completed questionnaires, tabulations and a list or memo describing how other survey elements were handled, including replacements and replacement methods). Save your data.

VI: Procedures for Conducting a Methodologically-Sound Survey

Step 1: Selecting the Survey Type

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) web-based surveys, and (d) telephone interviews (see Table A). 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.'

(a) Mail (or Self-Administered) Questionnaires

A questionnaire is a set of questions sent by mail accompanied by a letter of explanation and a self-addressed stamped envelope for returning the questionnaire. The respondent is expected to complete the questionnaire, put it in the envelope and return it. To overcome people thinking a questionnaire is too burdensome, researchers often send a self-mailing questionnaire that can be folded in a certain way so that the return address appears on the outside. That way, 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. Also, provisions must be made for collecting responses from visually-impaired residents
- ☐ Easiest for people to disregard, postpone, misplace or forget about it
- ☐ Needs to allow longer time to collect responses
- ☐ Costly—must pay for return postage to get a decent response rate; also you have paid for postage even for those that aren't returned
- ☐ It's 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)
- ☐ People are more likely to give an inaccurate answer or provide the answer they think you want

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.

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

Face-to-face (door-to-door) interviews are where 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

- ☐ Is 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 induce bias responses
- ☐ Interviewer is required to go to the respondent's location
- ☐ Residents who prefer anonymity may be reluctant to respond
- ☐ 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 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) Web-based Survey

A web-based survey is a data collection method whereby the questionnaire is administered online (i.e., through the internet). The questionnaire in a web-based survey may be the same as the questionnaire in mail surveys; the only difference is that rather than send it to the respondent by mail, the questionnaire is administered online.

Advantages

- Respondent identity can be readily protected (unlike in paper questionnaires)
- Can be used to collect a large amount of data in major urban areas in a relatively short amount of time
- The privacy afforded by the computer makes it easier for respondents to provide honest answers to very personal questions
- No travel is required if respondent has internet at home
- Respondents are able to complete the questionnaire at their convenience within the time limit
- Responses can be automatically validated
- Automatic validation of responses enables the researcher to proceed directly to data analysis
- Surveys can be designed to accommodate those with visual, speech or hearing impairments, and can be translated into other languages to accommodate those with Limited English Proficiency

Disadvantages

- Low-income families may not have internet at home and may be unwilling to go to a public library in order to respond to the survey therefore, it may be difficult getting a representative sample of the target population
- Also, the lack of internet at home and unwillingness to go to a public library to use the internet to participate in the survey may lead to a low response rate
- Easiest for people to disregard due to telemarketing fatigue
- It is costly to incorporate features that allow participants to respond only once
- Not easy to do follow-ups so as to improve response rate
- Equipment malfunction such as browser freeze or server crash may cause participant not to finish the process resulting in missing data
- A web survey is practically impossible in areas devastated by natural disasters
- Lack of control over who is completing the web survey

(d) 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 interviewers 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
- Some people do not like the intrusion of a telephone call to their homes
- 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
- Provisions must also be made for collecting responses from hearing or speaking-impaired residents.
- May not be able to reach residents who, due to cultural norms, do not use telephones

Since there are advantages and disadvantages to each approach, a grantee may use multiple methods to ensure equal access to and hence maximize response rates

Step 2: Developing a Questionnaire

Constructing a questionnaire 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. There are basically four areas involved in constructing a questionnaire:

- Determine the question content, scope, and purpose
- Choose the response format to be used in collecting information from the respondent
- Word the questions so as to get at the issue of interest
- Determine how best (i.e., the order) to place the question(s) of interest among other questions in the questionnaire

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 written properly and the exact response of each respondent recorded as it is presented. It is recommended that interviewers carry two cards for each family. One card will contain figures for each low- and moderate-income level and its corresponding family size (see Table A). If racial data are to be collected, the other card will contain the following racial categories: White,

Black/African American, Asian, American Indian/Alaskan Native, and Native Hawaiian/Other Pacific Islander, American Indian/Alaskan Native & White, Asian & White, Black/African American & White, American Indian/ Alaskan Native & Black/African American, Other Multi-racial; and the following ethnic categories: Hispanic, Latino, or not Hispanic or Latino.

TABLE A - Illustration of Income Cards

Card Number	Number of Persons in Family	Low/Mod Income Level
1	1	$19,800
2	2	$22, 650
3	3	$25,450
4	4	$28,300
5	5	$30,050
6	6	$31,850
7	7	$33,600
8	8	$35,400
9+	9+	$37,200+

Information about the racial and ethnic composition of the service area may be obtained directly from ACS data. However, HUD does not object to collecting information about racial and ethnic composition of the service area from the survey. CDBG regulations at 24 CFR 570.506(g)(2) for the Entitlement program and 24 CFR 570.490(a)(1) 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 persons benefiting by race, ethnicity, and gender.

Sample Questions

Question 1

How many families currently reside at this address? _____ (If more than one family, each family must complete a separate questionnaire since more than one family can be living in one household).

Question 2

How many persons are there in your family including yourself? _____ (If you are single with no dependents, write 1).

If more than one family resides at the address, complete the following:
Family #1: family size (i.e., number of persons in family) _____
Family #2: family size (i.e., number of persons in family) _____
Family #3: family size (i.e., number of persons in family) _____

Question 3

Is the current, combined income of all family members residing at this address (including any related, dependent persons over 65 or working dependent children over 18) above or below the figure quoted on this card? ___ Yes, ___ No (Present the card showing family sizes and income levels from Table A).

Question 4

Please, check the ethnic group to which you belong:
Hispanic or Latino_____, Not Hispanic or Latino_____

Please, check the racial group to which you belong:
White _____, Black/African American _____, Asian _____, American Indian/Alaskan Native _____, and Native Hawaiian/Other Pacific Islander _____, American Indian/Alaskan Native & White _____, Asian & White _____, Black/African American & White _____, American Indian/ Alaskan Native & Black/African American _____, Other Multi-racial_____.
(Present the card showing various categories).

Step 3: Selecting the sample

The selection of a sample of families to interview involves a series of steps. Begin by defining the population whose characteristics are to be estimated. Then, determine how many families in that group must be sampled in order to accurately estimate the overall characteristics. Next, make some allowances for families that may not be readily available for the interview. Finally, select the families to be interviewed. This section discusses each of these steps.

Defining the Population

If you (i.e., staff of the grant recipient) 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, a county, or defined by some other boundary. But before you can obtain a sample, you must clearly define what area you want the sample to represent. For example, assume that the population is a neighborhood with 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 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 their telephone number. Then, you would devise a procedure to randomly select the families you want to interview. 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 (no longer available in all communities) may be adequate, but keep in mind that you will miss people without landlines 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 instead of 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).

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 a city of 100,000 or 50,000. For this reason, the size of the population becomes relevant when dealing with sparsely populated areas.

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 –).

Table B – Sample Sizes at 95% Confidence Level

Total Number of Families in the Service Area	Sample Size: Number of Families	
	95% Confidence Level	
	Confidence Interval = 4	Confidence Interval = 5
50	46 – 50 (may conduct a census)	43 – 50 (may conduct a census)
60	51 – 59	47 – 57
80	67 – 75	61 – 71
110	89 – 97	81 – 91
150	116 – 124	103 – 113
210	152 – 160	131 – 141
290	192 – 200	160 – 170
400	236 – 244	191 – 201
700	319 – 327	243 – 253
1200	396 – 404	286 – 296
1800	446 – 454	312 – 322
2500	480 – 488	328 - 338

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.

The numbers in the column titled "Total Number of Families in the Service Area" in Table B, are hypothetical numbers. If the total number of families in your service area does not match any of

the numbers in Table B, 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 B, at the same confidence level, sample size decreases as confidence interval increases. A confidence interval provides a range of values which contain the population parameter of interest. The confidence interval estimate gives an indication of how much uncertainty there is in the estimate. The narrower the confidence interval, the more precise is the estimate. For example, when the total number of families in the service area is 80, the range for the number of families is 67 – 75, at a confidence interval of 4 compared to a range of 61 – 71, for a confidence interval of 5. This has serious implications on the representativeness of the sample. For any given population, the sample size will be larger at a confidence interval of 4 than at a confidence interval of 5. A small sample size may decrease the extent to which the sample is representative of the population.

Unavailable Persons and Other Non-responses

The standard requirements for conducting surveys include not only the notion that systematic, representative sampling methods be used, but also that high response rates be obtained and statistical weighting procedures be imposed to maximize representativeness. No matter what you do, some families will not be home during the time you are interviewing, some 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. If you choose to get responses from replacements, they must be selected through a random sampling process. As a matter of policy (with the intent to preserve the credibility of the results of the survey), non-respondents are classified as non-LMI persons. 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 100% survey (referred herein as census) is conducted instead of a survey (as may 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.

Drawing Samples

In random sampling, you are looking at a portion of everyone in a group and making inference 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. If you encounter 'unreachables' you should replace them with the next family in the list, in the order they were selected.

If you do not have a list of all the families in a service area you are trying to measure, but you know the geographic boundaries of the area, you might randomly select a point at which to start and proceed systematically from there. You will achieve more accuracy if you are not too quick to write off a family as unreachable. 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. Frequently they will be busy, but may say that they can do the interview later—you should make an appointment and return. Only after at least two tries or outright refusal should a sampled family be replaced. With a telephone survey, at least three or four calls should be made before replacing a family.

Step 4: Conducting the survey

To carry out the survey, you have to reproduce a sufficient number of questionnaires, recruit and train interviewers, schedule the interviewing, and develop procedures for editing, tabulating, and analyzing the results.

Publicity

To promote citizen participation, advance notice may be needed. A notice in a local newspaper or announcements at churches or civic organizations let people know that you will be conducting a survey to determine the income levels of the area. Citizens can also be informed through local government websites and/or email listserve used for sending announcements to residents. Also, neighborhood associations and civic organizations may have websites or email listserve that can be used for publicity If people are notified in advance how, why, and when they will be contacted, they may be more likely to cooperate.

As with all aspects of the survey and questionnaire, any publicity must be worded so that it does not bias the results. 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 has to 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 question as written, and writes down the responses as given.

It is important that interviewers have all of the materials they need to complete the interview. Usually, you will want 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

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 income. After making contact, the interviewer should introduce him/herself, state the purpose of the survey and solicit the participation of the respondent. If the interview is being conducted face-to-face, the interviewer should find the card for the family size of the respondent, hand it to the respondent, and then ask the questions and record the answers. If the interview is being conducted by telephone, a card cannot be used; therefore, the interviewer should make reference to the income level that is the threshold for a family of the size of that 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 respondents 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 discretely. If this option is chosen, the interviewer should be cautioned that a lengthy questionnaire might cause respondents to lose interest before completing the survey. The ideal length here would probably be less than ten minutes, although certainly you could develop an even longer or shorter questionnaire as necessary.

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 also may be conducted early in the evening

(especially before dark) or on weekends. Interviewers should try again, at a different time to reach anyone in the initial sample who is missed by the initial effort.

Generally, avoid selecting interview times that risk yielding biased results. For example, interviewing only during the day, from Monday to Friday, will probably miss families where both the husband and wife work. Since these families may have higher incomes than families with only one employed member, your timing may lead to the biased result of finding a high proportion of low-and moderate-income households.

In making contact with a member of the family, the interviewer first has to determine that the person being interviewed has sufficient knowledge and competence to answer the questions being asked. The interviewer should ask to speak to the head of the family. If it is absolutely necessary to obtain an interview at the sample residence, 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 to let respondents know that the burden to 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 follow this procedure. This replacement procedure is not random and thus will ensure the validity of your 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. The first thing the interviewer must do is gain entry and several factors can enhance this. Probably the most important factor is the interviewer's initial appearance. The interviewer needs to dress professionally and in a manner that will be comfortable to the respondent. The initial appearance of the interviewer to the respondent sends simple messages—the interviewer is trustworthy, honest, and non-threatening.

The interviewer is standing at the doorstep and someone has opened the door, even if only halfway. The interviewer needs to smile and be brief. State why (s)he is there for and suggest what (s)he would like the respondent to do. For example, instead of saying "May I come in to do an interview?" the interviewer 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."

Without waiting for the respondent to ask questions, introduce yourself. The interviewer should have this part of the process memorized so (s)he can deliver the essential information in 20-30 seconds at most. The interviewer should state his (or her) name and the name of the organization (s)he represents; and show his or her identification badge. If the interviewer has a three-ring

binder or clipboard with the logo of the organization or sponsor, (s)he should have it out and visible. The interviewer should assume that the respondent will be interested in participating in the study—assume that (s)he will be doing an interview here.

If the respondent indicates that the interview should go ahead immediately, the interviewer needs an opening sentence that describes the study. Keep it short and simple. 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 edit of the questionnaire to be sure that they have completed every answer correctly. This simple check helps to avoid the frustrating mistake of having taken the time and expense of conducting the interview, but without getting the information sought.

If other questions are included in the questionnaire and the questions on income are placed at the end, it is possible that a willing respondent may end the interview before getting to the critical questions on income. If it appears that the respondent is about to terminate the interview, it is recommended that the interviewer immediately tries to get an answer to the critical income question(s).

Editing

Interviewers should turn their completed surveys over to the staff person (henceforth expert) for analyzing the data. That expert 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 the expert may still discern errors that need correction during data tabulation and analysis.

Step 5: Determining the Results

After collection and editing, the data are analyzed in two steps: (1) tabulate the responses from the questionnaires and calculate an estimated proportion of low-and moderate-income persons; and (2) determine how accurate that estimate is. The first part can be taken care of by completing the sample LMI Worksheet.

Tabulation

Computer programs such as Excel, Access, Minitab, SAS, SPSS, etc. are easy to use for tabulating data. The computer also makes it relatively easy to check for accuracy and consistency in the data. However, you can perform the calculations by hand or with a calculator.

Also, you can process the data by putting it on a code sheet, by entering it on a manual spreadsheet, or just by flipping through the completed surveys. Regardless of how you process and tabulate the data, when you are finished you should be able to complete the Low-and Moderate-Income Worksheet.

Table D - Low- and Moderate-Income Worksheet

1. Enter the Estimated total number of families in the service area	1. _____
2. Enter the total number of families interviewed	2. _____
3. Enter the total number of persons in the families interviewed	3. _____
4. Enter the total number of persons in the families interviewed who are low- and moderate-income persons	4. _____
5. Divide Line 4 by Line 3	5. _____
6. Multiply Line 5 by 100. This is the percentage of LMI persons in the service area	6. _____

Analysis

If you have done everything correctly, including random selection of the required number of families, and your estimate shows 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. However, this may not be the case if it is an "upper quartile exception community." Therefore, this section is not applicable to exception grantees. If the entry at Line 6 is at least 51 percent, you can perform additional analyses to determine the extent to which your estimate of the LMI residents is correct. First, compare the average size of LMI families with non-LMI families. The closer these figures are to each other, the more confident you can be in your estimate. Thus, if you estimate that 53 percent of the residents have low- and moderate-incomes and you find in your sample that both LMI families and above LMI have an average of 3.4 people, you can be pretty sure that your results are reliable.

Since the purpose of the CDBG program is to principally benefit LMI persons, as a matter of policy, rounding is NOT to be used in determining whether an area meets the 51 percent threshold for the national objective compliance for an area benefit activity. For example, 50.99 percent cannot be rounded to 51 percent.

Step 6: Documenting the 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. The grantee should therefore maintain documentation of the survey. The contents of that documentation are as follows:

1. Keep the completed surveys. This will show that the grantee actually conducted the survey (and 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. The questionnaires can be saved as documentation, but the privacy of the respondents must be maintained.

2. Saving the cover sheets separately provides a record of who was contacted. If there is a need to subsequently verify any data, one could contact the respondents noted on the cover sheet and ask them whether, in fact, they had spoken to a particular person on a particular date to discuss matters related to community development. The privacy of the respondents' original responses is still protected by this procedure.

3. Keep a list of the actual families sampled. This might be one list with the sampled families, checked once if they were sampled and checked twice if they were 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, as it documents not just who was interviewed, but also who was not interviewed and how they were selected. If the method used is a door-to-door sample without starting from a universe of families, the procedures used to select the sample, including instructions to interviewers for replacing sampled families who were not interviewed should be documented.

4. Survey data should be retained in accordance with record-keeping requirements of the State program at 24 CFR 570.490 and the Entitlement program at 24 CFR 570.506. Keep a backup copy of the data; and when tabulating, retain any spreadsheets or tables containing raw data.

If you have any questions regarding this Notice, please contact your CPD Field Office. Field Offices should contact Neba Funiba, State and Small Cities Division (SSCD), Office of Block Grant Assistance, 451 7th Street, SW, Room 7184, Washington, DC 20410. Mr. Funiba's phone number is (202) 402-4553.

Module 7

Survey Methodology

Suggested Methodology for Conducting LMI Surveys for Area Benefits

Goal: To provide an overview of survey methodologies that may be used to determine the percentage of LMI persons in the service area of a project assisted with State CDBG funds.

Objectives:

Upon completion of this session, participant will:

1. understand the importance of identifying the service area and how to do so
2. know when to use HUD's low– and moderate-income summary data (LMISD) or conduct surveys to determine the percent of LMI persons in the service area.
3. Know the three commonly used survey types, and the advantages and disadvantages of using each type
4. know the steps in conducting a methodologically sound survey and how to calculate the percent of LMI persons based on the nature of the survey (random sampling, or census—i.e., 100% survey)

Time:

45 Minutes

Participant Materials:

- CPD Notice-05-06
- Nelson Bregón Memorandum on rounding up of numbers to make the 51% LMI persons

Module 7— Outline

Topics Covered

- Introduction
- Identify the Service Area
- Why Conduct a Survey?
- Select Type of Survey
- Determine Sample Size
- Steps in Conducting Surveys
- Conclusion
- Case Studies

Introduction

Section 104(b)(3) of the HCDA of 1974 stipulates that all activities assisted with CDBG funds must meet one of the three national objectives one of which is the requirement that the activity benefit LMI persons. One way of meeting this requirement per 24 CFR 570.483(b)(1) is to ensure that at least 51 percent of the residents of the service area as LMI persons. The burden of meeting this statutory requirement rests with the grantee. Pursuant to CDBG regulations located at 24 CFR 570.483(b)(1)(i) state grantees and sub-grantees can fulfill this requirement by using HUD's LMISD or conduct a methodological sound survey to ascertain that at least 51 percent of the residents of the service area are low- and moderate-income persons. This Module summarizes the steps in conducting a methodologically sound survey.

Identify the Service Area

Section 105(c)(2) of the HCDA of 1974 stipulates that an Area Benefit activity must qualify on the basis of the income levels of persons who reside in the area served by the activity therefore, identifying the area served by an activity is a critical step in meeting this statutory requirement. The service area is the entire area served by the activity—24 CFR 570.483(b)(1)(i). 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 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. A census tract may cover an entire city or there may be only two or three census tracts in an entire county. Scenarios which states and their grantees may encounter when identifying the service area 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 residents of the service area make up only a small fraction of the total population, and their characteristics may not reflect those of the larger area. A survey of the service area residents may be the most appropriate way to determine whether the service area qualifies under the LMI criterion. Examples of such activities include: extending water lines to serve rural settlements in a county; construction of a neighborhood tot lot serving one subdivision in a city where the entire city is one census tract.

2. The service area may include all or part of several units of general local

government and may contain both incorporated and unincorporated areas. Data from HUD may be usable only for a portion of the service area; therefore, the State and its grant recipients may need supplementary survey data for the other portions of the service area.

Why Conduct a Survey?

CDBG regulations located at 24 CFR 570.483(b)(1)(i) permit states to use either HUD's LMI Summary Data (LMISD) or methodologically sound surveys to determine the percentage of LMI persons in the service area. Reasons to use surveys include:

1. HUD's LMISD do not reflect current income levels in the service area due to:

   (a) Economic changes such as plant openings, or closings (that may cause massive layoffs)
   (b) Non-economic changes such as natural disasters or terrorist attacks
   (c) Demographic changes (due to population migration patterns)

2. Boundaries of the service area are not coterminous with geographic boundaries of the census tract or block group

3. Census data are not available for the entire service area or portions thereof

It may be necessary to survey a large area to determine the percentage of service area residents who are LMI. Examples of such 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).

Select Type of Survey

Three common types of surveys may be used to determine the percentage of LMI persons in a service area. Each type of survey has advantages and disadvantages (See CPD Notice-05-06). States and their grantees may use any one of the following methods:

- Mail survey (or self-administered questionnaire)
- Face-to-face (or door-to-door) interviews, and
- Telephone interviews.

One issue often raised by states and their grantees is the lifespan of a Survey. First and foremost, even if a survey is current, it cannot be used for a different activity in a different service area; however, a survey may be usable for another activity in the same service area. Second, there is no firm answer as to how long an income survey for the purpose of determining the percentage of LMI persons in the service area is good for. There might be instances in which an income survey could continue to be used until the next decennial census, but the grantee would have to be sure that there have been no significant demographic, economic and non-economic changes in the area during that time. 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.). Grantees may also want to conduct income surveys for defined service areas when they develop new Consolidated Plans.

Determine Sample Size

Determine the sample size needed to achieve an acceptable level of accuracy. 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. 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. (See CPD Notice-05-06) After the sample size is determined, use an acceptable random process to select the participants and their replacements. Ascertain that the selection of participants and the replacement procedures are structured to avoid bias; for example, daytime or weekday attempts may skew response rates in favor of unemployed, retired, or single income families.

Steps in Conducting Surveys

- Select survey type – decide which survey method to use (telephone, door-to-door, or mail questionnaire) 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. A methodologically sound survey entails the following: (i) the grantee must clearly state the survey method used: mail questionnaire, face-to-face interviews, or telephone interviews, etc. (Each method has advantages and disadvantages.); (ii) participants and their and replacements must be selected through a random sampling process; and (iii) where the universe is small (for example, sparsely populated rural areas), a census (i.e., 100% survey) of the entire population may be undertaken; however, the percentage of LMI persons

must be calculated based on the entire population and not on the number of respondents. (See 'Case Studies' at the end of this Module)

- Develop the questionnaire: (i) the questions should be short, simple, and efficient. Keep the language as simple as possible, avoid bias, and do not encourage particular answers; (ii) use the correct income limits (correct amount, correct year, and correct service area) for the survey instrument; and (iii) avoid loaded questions—i.e., questions with no correct answers. There are basically four areas involved in constructing a questionnaire: (a) determine the question content, scope, and purpose; (b) choose the response format to be used in collecting information from the respondent; (c) word the questions so as to get at the issue of interest; (d) determine how best (i.e., the order) to place the question(s) of interest among other questions in the questionnaire. 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 written properly and the exact response of each respondent recorded as presented.

- Conduct the survey: if you choose to conduct an interview survey, select and train your interviewers. One of the most important aspects of any interview survey is the training of the interviewers. The quality of the results of the survey depends on how well the survey is conducted. Even in small studies involving a single researcher-interviewer, it is important to organize in detail the interviewing process before beginning the formal process. Make sure the interviewers are very comfortable with the questions

- Analyze the results: for surveys where the respondents are selected through an acceptable random process, use the number of participants who responded to the survey is used to calculate the percentage of LMI persons. If a census is conducted (for example in sparsely populated areas), use the size of the entire population to determine the percentage of LMI persons.

- Document and save the results—records that must be kept to demonstrate compliance include the following:

    i. Boundaries of the service area and the basis for determining those boundaries;

    ii. Percentage of LMI persons in the service area and the data used for determining that percentage; and

    iii. Documentation of the survey results and methodology. If the percentage of LMI persons in the service area was determined by survey rather than by HUD's LMISD, document the rationale for doing

the survey.

Conclusion

- Define the service area
- Determine sample size
- Conduct a methodologically sound survey
- Analyze results from survey
- Document and save results from the survey

Case Studies

(i) A small town in Midwest America has a population of 720. The Mayor's Office has applied for State CDBG funds to finance the installation of a new water treatment plant. If a census of the population is conducted and there is an 80 percent response rate, show how the 51 percent LMI is calculated?

Even though the response rate is 80 percent, the 51 percent LMI is calculated from the entire population and not from 80 percent of the respondents.

- 51 percent of 720 = 367, this is the percentage of LMI persons in the service area.

- Contrarily, 80 percent of 720 is 576, and 51 percent of 576 is 293. The false assumption here is that the non-respondents have the same percentage of LMI persons as the respondents which may not be true. It is possible that (a majority of the) respondents may reside predominantly in one part of the town (due to residential segregation) therefore the income characteristics of the 293 respondents may not reflect the actual income level of the entire population. Furthermore, since the 293 respondents were not selected randomly and represent less than half of 720 (i.e., 360), their aggregate characteristics are most likely not to be representative of the aggregate characteristics of the entire population. Therefore, to meet the 51 percent LMI Area Benefit national objective criterion, 367 (and not 293) of the 576 respondents must be LMI persons.

It is possible that some families in the service area may vehemently refuse to participate in the census or survey, or cannot be reached (after several attempts) for several reasons (for example, families on lengthy vacations). In such cases, it is suggested that the total number of persons in the families that participated in the census be used in calculating the percentage of LMI persons. However, the number of refusals or absentees must be relatively small so as to have a negligible effect on the validity of the results of the census or survey. 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. Note that HUD does not allow rounding up to make the 51 percent LMI rate—see CPD Memorandum of August 25, 2003.

(ii) 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.

(iii) 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.

(iv) 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 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%.

If a random survey is used in one of the fragments to collect income information, the number of LMI persons is determined from those who responded to the survey and not from the entire population. In this case, it is okay to use a random survey in the larger fragment and a census (100% survey) in the small fragment to collect income information. It is also okay to do a survey of the entire service area. Guidance on this matter is found on Page 9 of CPD Notice-05-06.

Smalltown in a Midwestern state has a population of 720. The town's Director of the Office of Economic Development and Human Services wants to conduct a census of the entire population to determine the percentage of LMI persons in the town. If 80 percent of the population responded to the census how many respondents should be LMI persons in order for the town to meet the 51 percent LMI Area Benefit national objective requirement? What may be one reason for your answer?

Answer

80 percent of 720 = 576

51 percent of 576 = 293 (this is not the appropriate percentage of LMI persons)

51 percent of 720 = 367 (this is the correct percentage of LMI persons)

- It is possible that (a majority of the) respondents to the census may reside predominantly in one part of the town (due to residential segregation by class) therefore, the income status of 51 percent of the respondents (293) may not reflect the actual income level of the entire population. To meet the 51 percent LMI Area Benefit national objective criterion, 367 (and not 293) of the 576 respondents must be LMI persons. Also, since the 293 respondents were not selected randomly and represent less than half of 720, their aggregate characteristics are most likely not to be representative of the aggregate characteristics of the entire population

- It is possible that some families in the service area may vehemently refuse to participate in the census or survey, or cannot be reached (after several attempts) for several reasons (for example, families on lengthy vacations). In such cases, it is suggested that the total number of persons in the families that participated in the census be used in calculating the percentage of LMI persons.

such cases, it is suggested that the total number of persons in the families that participated in the census be used in calculating the percentage of LMI persons. However, the number of refusals or absentees must be relatively small (for example, two or three families out of, say, 50) so as to have a negligible effect on the validity of the results of the census or survey. Regardless of the type of method used, compare the percentage of LMI persons obtained from the census or survey with the percentage of LMI persons provided in the most recent LMISD and give an explanation if the two percentages differ widely.

N/B: HUD does not allow the rounding up of numbers to make the 51%. (See CPD Memorandum of August 25, 2003 from Nelson Bregón.