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CONDUCTING A LOW-AND-MODERATE INCOME (LMI) SURVEY
FOR A CDBG APPLICATION

To be eligible for funding, projects must meet the national objective of primarily benefiting low-and-moderate income (LMI) persons. This means that at a minimum, 51% of those benefiting from the activity must be considered LMI, and applicants must be able to document this benefit.

Certain projects that serve only a specific group of individuals may meet the definition of a limited clientele group under the CDBG regulations. These groups are presumed to be 51% LMI by definition, and the applicant can document LMI benefit without an income survey. The following groups are specifically listed in the CDBG regulations as limited clientele groups:

> abused children, elderly persons, battered spouses, homeless persons, adults meeting the definition of "severely disabled adults", illiterate adults, persons living with AIDS, and migrant farm workers.

If the proposed project provides a community-wide benefit, one of two different methods of documenting the LMI benefit can be used. First, the 2011-2015 American Community Survey Data can be used to determine the benefit. These LMI percentages can be found at "City LMI % and Margin of Error % based on 2011-2015 American Survey data" under the heading **"Recipient Income Requirements and Census Information"** at the following link:

https://www.iowaeconomicdevelopment.com/Community/downloads

The LMI information for counties is now provided by township. For projects in the rural area, including unincorporated areas, it will be necessary to determine the boundary of the project area and use the LMI information from the township data. For project areas covering multiple townships, it will be necessary to determine the aggregate LMI benefit using the data for each township included in the project area. Please contact the IEDA office to ensure that the LMI benefit is calculated correctly to meet the LMI national objective and ensure project eligibility.

The second method, and the most common for most applications, is to conduct an income survey of the area to determine LMI benefit. These survey requirements would also apply to projects that are targeted to a specific area or neighborhood of a community.

Certain guidelines must be followed to ensure that a valid survey is completed that will provide accurate information to document the LMI benefit. The following information outlines these income survey guidelines.

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

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

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

The numbers in the column titled “Total Number of Households in the Service Area” in Table 1 on the following page, are hypothetical numbers.

Table 1 – Sample Sizes at 95% Confidence Level

Total Number of Households in the Service Area	Sample Size: Number of Households	
	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
3000	496 – 504	336 – 346

If the total number of households in your service area does not match any of the numbers in Table B, use the Sample Size Calculator (SSC) found at the following link: (http://www.surveysystem.com/sscalc.htm) **to calculate the number of households in your sample. You must select a confidence level of 95% and a confidence interval = 4.** As seen in Table 1, 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.

The largest sample base required will be 500 households. Using the Sample Size Calculator, the 500 household sample size is reached when the total number of households in the defined project area reaches 3000 households. Therefore, if your project area has 3000 households or more, you will be required to have a survey sample of at least 500 households.

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.

Survey Methods
Prior to conducting the LMI survey, you may contact the IEDA verify the methodology meets the required guidelines. Please keep in mind that group quarters (e.g., dormitories, jails and care facilities) are not households.

> ***House-to-house Survey*:** A house-to-house survey is the preferred survey method. The survey may be distributed by mail and retrieved at each household. A door-to-door survey may also be read to a responsible adult, with answers tabulated by the surveyor. Response rates for a house-to-house survey should be very high.
>
> ***Telephone Survey:*** A telephone survey is also acceptable. It may be necessary to make evening calls to reach people at home.
>
> ***Unacceptable Methods:*** These methods generally are unacceptable: mail-out/in survey with a low response rate; third party estimates of household income; and income assumptions about classes of people (e.g., elderly, mobile home residents or households with unemployed workers).

Note: A complete copy of the Notice CPD-14-013, 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, can be found at the following link:
Notice CPD-14-013: Guidelines for Conducting Income Surveys to Determine the Percentage of LMI Persons in the Service Area of a CDBG-Funded Activity

Survey Format
The applicant should use a simple survey form that includes the following:

- Explanation of why the survey is being conducted and purpose of the information;
- Assurance that responses will remain anonymous;
- Name of local official or responsible party who can answer questions about survey;
- Question on household size;
- Question on whether the household income is above or below the appropriate county low and moderate income figure for the particular family size; and
- Other appropriate questions, if desired (e.g., support for proposed project, has household had problems related to the proposed project).

If an application for a neighborhood project is funded, the applicant must determine number of beneficiaries by race/ethnicity. It is useful to collect such data on the survey. A sample survey instrument and LMI income list follows.

The survey instrument should indicate the income figures used. If the income levels are not included on the survey instrument (i.e., if respondents were asked to write in their actual income rather than indicate if they were in an income range), submit a copy of the LMI figures used to tabulate the surveys.

IEDA may request verification of actual LMI benefit of projects selected for funding. Therefore, maintain a separate list of all persons completing a survey. Keep all individual survey responses completely confidential. The applicant must also keep all surveys on file for verification of LMI benefit for funded projects.

Please contact the IEDA if you have any questions regarding the LMI survey process or the methodology you plan to use. Surveys that do not meet the guidelines listed above may be considered invalid which could cause your application to be ineligible for funding consideration.

Survey Tabulation

Applicants must complete a survey tabulation results sheet. Be sure to indicate the month and year the survey was conducted. The survey method used must also be described:

Example: A random sample of households was obtained using the city's utility billing list and selecting every third household to get the sample of 300 households determined by the Sample Size Calculator. These households were then contacted by phone.

Please note that responses to items A and B relate to household information. Responses to the remaining items, E through K, relate to actual number of persons served.

Complete the survey tabulation results sheet as indicated. All numbers should be shown to two decimal places. Be sure to maintain copies of the survey instrument used and the tabulation sheet for your files.

Applicants can use income surveys conducted in the current calendar year or either of the two prior years to document LMI benefit. However, for Water/Sewer fund applications submitted in the first or second quarterly cycles, there is a slight modification to this.

Example: An application is submitted January 1, 2021 or April 1, 2021. LMI surveys from 2020, 2019, or 2018 may be used to document the LMI benefit. Beginning with the 3rd quarter submittals on July 1, 2021, only surveys from 2019, 2020, or 2021 will be allowed to document the LMI benefit.

**Please contact the IEDA if you have any questions regarding an LMI survey's validity.

IOWA economic development

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SAMPLE SURVEY

The City of Yourtown is conducting this survey to obtain information necessary to apply for an Iowa Community Development Block Grant. It is extremely important to the success of this application that you complete the following survey. There is no need for you to put your name on the survey. All information collected will be kept strictly confidential. If you have questions concerning this survey, please contact the City Clerk's Office at (phone #).

The City intends to apply for funds for water system improvements to replace old, deteriorating mains to improve water quality. Please indicate whether you support this project. ___ Yes___ No

Check below the number of persons in this household, and ***on the same line***, check whether the ***household*** income is above or below the dollar figure shown on that line:

Example: A household in Marion County has 4 persons and a household income of $53,500

_____ 1 person household income __ above __ below $39,850
_____ 2 persons household income __ above __ below $45,550
_____ 3 persons household income __ above __ below $51,250
__X__ 4 persons household income __ above X_ below $56,900
_____ 5 persons household income __ above __ below $61,500
_____ 6 persons household income __ above __ below $66,050
_____ 7 persons household income __ above __ below $70,600
_____ 8 or more household income __ above __ below $75,150

_____ 1 person household income __ above __ below $(county 1 person LMI)

_____ 2 persons household income __ above __ below $(county 2 person LMI)

_____ 3 persons household income __ above __ below $(county 3 person LMI)

_____ 4 persons household income __ above __ below $(county 4 person LMI)

_____ 5 persons household income __ above __ below $(county 5 person LMI)

_____ 6 persons household income __ above __ below $(county 6 person LMI)

_____ 7 persons household income __ above __ below $(county 7 person LMI)

_____ 8 or more household income __ above __ below $(county 8 person LMI)

Household Racial and Ethnic Information		
Racial/Ethnic Group	**Number of Persons**	
	Each Group	**Hispanic Origin**
White		
Black/African American		
Asian		
American Indian/Alaskan Native		
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		
TOTAL PERSONS SERVED		

Month and year the survey was conducted: _____Thank you for completing this survey. The information will assist in applying for a Community Development Block Grant

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Please provide the City and Township **LMI % based on 2011-2015 American Community Survey data: _____

***This LMI percentage can be found at "City LMI % and Margin of Error % based on 2011-2015 American Survey data:" under the heading **"Recipient Income Requirements and Census Information"** at the following link:*
https://www.iowaeconomicdevelopment.com/Community/downloads

SURVEY TABULATION RESULTS

Month and year the survey was conducted: ___ / ___

Description of the survey method used: _____

_____

_____

A. Total number of **households** in the project area _____

B. Number of **households** in the project area that were contacted (includes contacts with no answer) _____

The minimum number of households contacted MUST equal the number generated from the Sample Size Calculator. (**http://www.surveysystem.com/sscalc.htm**)

C. Number of **usable** responses _____

D. **Percent** of **households** responding (C/B) **This number MUST BE 100% to be valid** _____

E. How many **persons** were **below** the LMI income figure? _____

F. How many **persons** were **above** the LMI income figure? _____

G. Total number of **persons** responding (E + F) _____

H. What percent of **persons** were **below** the LMI income figure? (E/G) _____

I. What percent of **persons** were **above** the LMI income figure? (F/G) _____

J. Total number of **persons** in the project area _____
(For community-wide benefit projects, use 2010 population figure)

K. Total number of LMI persons benefiting (H x J) _____

If respondents were asked other questions in addition to income, provide a breakdown of responses by number and percent of the total responding.

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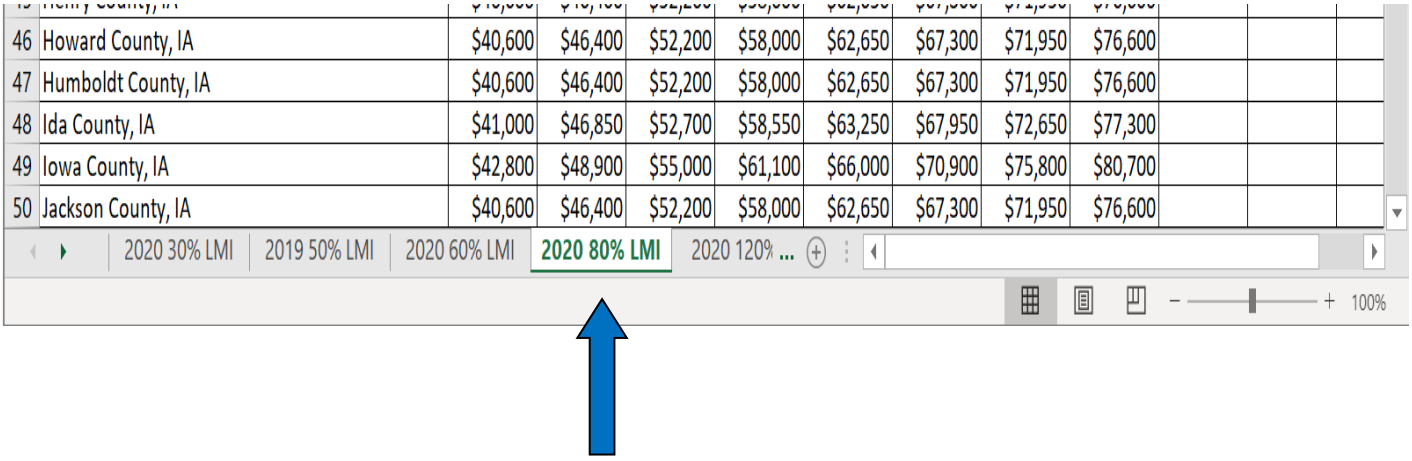
HUD SECTION 8 COUNTY INCOME LIMITS (80% OF MEDIAN FAMILY INCOME)

The income levels for use in the LMI survey can be found under the heading "Recipient Income Requirements and Census Information" at the following link on the IEDA website:

2020 CDBG Median Income Levels (MFI) Income Limits effective July 1, 2020 [MS Excel:40k]



46	Howard County, IA	$40,600	$46,400	$52,200	$58,000	$62,650	$67,300	$71,950	$76,600
47	Humboldt County, IA	$40,600	$46,400	$52,200	$58,000	$62,650	$67,300	$71,950	$76,600
48	Ida County, IA	$41,000	$46,850	$52,700	$58,550	$63,250	$67,950	$72,650	$77,300
49	Iowa County, IA	$42,800	$48,900	$55,000	$61,100	$66,000	$70,900	$75,800	$80,700
50	Jackson County, IA	$40,600	$46,400	$52,200	$58,000	$62,650	$67,300	$71,950	$76,600

Note: This link contains an Excel spreadsheet with all HUD income categories. Be sure to use the 80% MFI tab to access the correct income figures for your LMI survey.

Sample Size Calculator