CALIFORNIA MEDIAN HOUSEHOLD INCOME SURVEY FAQ

Who is RCAC?

The Rural Community Assistance Corporation (RCAC) is a non-profit that provides training, technical and financial resources and advocacy so rural communities can achieve their goals and visions. RCAC is the third-party agency approved by the funding agency and community (Big Basin Water Company) to conduct the survey. For information about RCAC, please visit RCAC.org.

Why is State or Federal funding being sought?

Address immediate needs to stabilize and enhance the system's functionality post-fire, including urgently addressing critical issues like replacing burned infrastructure, making essential repairs, fixing leak, service restoration, hauling water, and ensuring emergency preparedness. Big Basin is also seeking funding opportunities to explore consolidation of the system.

Why is RCAC conducting a median household income survey?

Conducting a median household income survey will help determine the system's eligibility for funding opportunities. Typically, funders use the American Census Survey (ACS) to determine the median household income of an area. Often the ACS data encompasses a large area and will not provide community specific information. Because the ACS information is not accurate the survey is being conducted only on households within the system's boundaries to determine what is the median is for funding purposes.

How many people need to respond to the survey?

38% of the total number of households within the service boundary that need to respond to qualify the survey.

How will my personal information be kept private?

RCAC will never share your information. The system and funding agency will not have access to the surveys or raw data collected. Each household is assigned a random and confidential survey number. Income results are reported by that confidential survey number. RCAC never reports in a way that can match an income to a person's name or address.

How many of these surveys will I receive?

RCAC conducts a total of three mailings including one informational customer letter and two survey requests. We will not mail another survey if we have already received one. If the survey's required response rate isn't met in the mailings, it's possible you will receive either a phone call or door to door survey request.

I already filled this out, why am I receiving another survey?
The survey reply envelopes are sent back to RCAC via third class mail and it can take up to three weeks for the post office to deliver them. In addition, RCAC works with a print house that requires a one-week lead time. If you mailed back your response, it's possible that it crossed in the mail. You do not have to fill out another form if you have already sent in a completed survey.

I am the owner, and I don't live there but I have renters, what should I do?
The survey should be completed by whoever is living in the household. Either check the box on the survey, "I am the owner" and fill out the tenant information on the bottom of the survey form and mail it back to RCAC in the postage paid envelope provided. RCAC will then mail a copy of the survey to the tenant; OR please feel free to give the survey and reply envelope to your tenant to fill out and mail it back to RCAC

This house is a vacation or vacation rental property (I live there less than 6 months out of the year).
Check the "Secondary" box on the survey form, enter total household income, sign, and send the survey back to RCAC in the postage paid envelope.

Do I have to fill this out?
Although the survey is optional, a minimum response rate must be met to validate the survey. If that response rate isn't met, then the median household income cannot be defined, and it may limit the funding the community is eligible for.

Why do I have to sign the survey?
As part of the guidelines RCAC follows to conduct the survey, a signature is required to validate the survey response. RCAC will not be able to use a survey that is not signed. If you do not sign the survey, RCAC will send you another request to fill out the survey.

I make too much money, so my info won't help you.
You can help your community, every response helps! Your response will help achieve the required minimum response rate. If not enough responses are received, the results may not be validated.

Multiagency Income Survey Guidelines
California State Water Resources Control Board
United States Department of Agriculture Rural Development
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Contents

1 Introduction

This document outlines a set of guidelines on how to conduct household income surveys when Median Household Income (MHI) data from sources such as the American Community Survey (ACS) are unavailable or not representative of the service area. MHI values estimated in accordance with these guidelines can be used to determine funding eligibility for certain programs administered by the California State Water Resources Control Board (State Water Board) and the United States Department of Agriculture Rural Development (USDA). Any deviation from the guidelines or changes to the letter templates (included in the appendices) requires prior authorization from one of these funding agencies. Once an income survey report has been completed and approved, it may be used in all funding projects for the above funding agencies for up to five years. However, the Funding Agency may use ACS data or request that a new MHI Survey be conducted if the Funding Agency believes the previous income survey MHI determination is not representative.

2 Definitions

Applicant/Recipient: The legal entity that has entered, or plans to enter, a financial agreement with the Funding Agency.

Commercial Property: Real estate property that is primarily used for business activities including retail, office and industrial.

Funding Agency: State Water Board or United States Department of Agriculture Rural Development.

Household: Consists of all the persons who occupy a housing unit, regardless of relationship to each other.

Household Income: The household income is the total amount of income received by all household members 15 years old and over. Income includes any sources of gross income received regularly from employment, net business or farm income, veteran's payments, unemployment compensation, child support, Social Security or supplemental security income, public assistance, retirement, survivor or disability pensions, interest payments, or alimony.

Housing unit: A housing unit can be a house, a unit in a multi-unit building, an apartment, a mobile home, or individual units of a labor camp. If multiple housing units are in one parcel, each housing unit needs to be surveyed.

Primary Home: Primary residence of occupant.

Sample Size: The count of individual samples (household responses) received from the conducted survey.

Secondary Home: Vacation or seasonal home.

State Water Board: California State Water Resource Control Board.

Survey Implementer: The organization or consultant that will implement the survey. The Survey Implementer must be a reliable, impartial source that is not associated with the project or Applicant/Recipient.

Universe: Total number of households from which a representative sample is drawn. The universe includes primary homes and secondary homes.

Vacant Home: Unoccupied housing unit with an inactive water and/or sewer connection.

Vacant Lot: Parcel with no housing units.

3 Authorization

The Applicant/Recipient may request an income survey if there is a reason to believe that the available MHI is not an accurate representation of the MHI of the service area. An income survey may or may not be paid for by the Funding Agency. The Funding Agency may also require an income survey if there is insufficient data available to accurately determine the service area MHI. Authorization requests must be approved by the Funding Agency prior to implementing an income survey. Failure to obtain survey pre-approval could result in invalidation of survey data which could cause increased costs and delays due to the possibility of restarting survey implementation.

Prior to conducting an income survey, the Applicant/Recipient and Survey Implementer should discuss any possible co-funding opportunities to identify if the income survey will need to meet the requirements of other funding agencies.

The Applicant/Recipient must submit a written request for authorization from their Funding Agency Contact to conduct an income survey. A template is included below in Appendix A. Such requests must include the following:

1) The specific reasons why the Applicant/Recipient believes the available household income data for the service area is not accurate. If data is not available, this must be specified.

2) The funding source(s) they are pursuing and if they anticipate applying for co-funding with any other state or federal agencies.

3) An estimate of the MHI and rationale for the estimate.

4) The organization or consultant that will implement the survey. The Survey Implementer must be a reliable, impartial source that is not associated with the project or Applicant/Recipient.

5) Survey procedures including methods for selecting and contacting survey participants and the format for reporting survey results. A map to identify the service area boundaries.

6) Estimated number of households in the service area and associated number of responses required.

7) Estimated number of permanent households.

8) Estimated cost and schedule for completing the survey. Schedule must account for delays due to issues with meeting the minimum sample size requirements (described in detail in the following section).

9) Method for accommodating persons with limited English proficiency.

4 Household Selection and Sample Size

Every household within the MHI survey boundary must have an equal opportunity to be included in the sample. The Income Survey Results Template automatically calculates the required sample size based on the universe size and provides the required sample size based on the highest value resulting from the State Water Board and USDA Funding methods described below:

<u>State Water Board Funding:</u>

The minimum required number of responses is based on the number of households in the service area and is calculated using Cochran's formula for small population sizes (12,000 households or fewer), which will allow for the calculation of a median household income with a 90% confidence interval and a 5% margin of error.

$$n = \frac{270.6}{1 + \frac{270.6 - 1}{N}}$$

Where,
N = Number of households in universe
n = Minimum number of responses from households

USDA Funding:

The minimum response rate percentage is determined by the table below.

Households in Universe	Sample Size as Percentage
1 – 55	90
56 – 63	87
64 – 70	85
71 – 77	84
78 – 99	80
100 – 115	78
116 – 153	72
154 – 180	69
181 – 238	67
239 – 308	57
309 – 398	50
399 – 650	38
651 – 1,200	25
1,201 – 2,700	13
2,701 or more	10

The calculated minimum number of responses must be rounded up to the closest whole number. The calculated sample size is a minimum; all households in the sample universe must be given a sufficient opportunity to respond. All responses from households must be used in calculations. Completed surveys that identify addresses as vacant lots, vacant homes, or commercial properties must be excluded from the universe.

When it is not viable to survey all households in the universe, a randomized subset of the total may be used with approval from the Funding Agency. The subset of addresses must be randomly selected from a randomized list of all household addresses. All households in this subset must be surveyed even if the minimum responses rate has been achieved. Over-sampling to account for non-responsive households may be required. The amount of over-sampling will be determined by the Survey Implementer; oversampling by at least 20 percent of the required sample size is a good rule of thumb, but it will vary greatly based on service area's engagement.
In cases where it is not practical to obtain enough responses to meet the minimum sample sizes, defaulted values (equal to the largest household income in the sample) can be used to meet the sample size requirement. A request must be submitted to the Funding Agency for written approval to use defaulted values. See Appendix D for a Sample Request to Use Additional Values. A copy of the approval must be included in the final report.

5 Method Selection

The Survey Implementer must decide the most cost-effective survey method that is best for an area, the size of the sample needed, and the means available for identifying households to survey.

The selected survey method(s) must provide a means for households with limited English proficiency to respond to the survey. Please refer to "Enforcement of Title VI of the Civil Rights Act of 1964 National Origin Discrimination Against Persons with Limited English Proficiency", 65 FR 50123, for the specifics of this requirement.

Prior to conducting a survey, a notification letter must be sent by the Applicant/Recipient to all the addresses of households identified to be surveyed and inform users that an income survey will be conducted (see Appendix B). Addresses are to be obtained from the Applicant/Recipient contact.

To maintain impartiality, only the Survey Implementer, and delegates, who are not associated with the Applicant/Recipient, are permitted to handle survey data or be present during surveys. Acceptable survey methods include:

1) **Electronic Surveys:** An electronic survey is a time efficient and affordable way to collect income data for communities where almost, if not all, residents have access to e-mails. This is the primary method if e-mail addresses from most residents are available in order to provide an equal opportunity to respond. Mailed surveys must be sent to residents whose emails are not available. Otherwise, electronic surveys must only be used in conjunction with other survey methods by providing a link in survey materials. Electronic survey methods must be approved by the Funding Agency prior to conducting an electronic survey.

2) **Door-to-door survey:** A door-to-door survey takes more time to conduct because of the effort needed to obtain surveys. Door-to-door surveys without mailings must make a fair attempt to contact all households. First, the Survey Implementer must introduce themselves, and then contact someone who is qualified to speak for the household (i.e., heads of household, spouse of the head of household, or someone in the household who is knowledgeable about household income.) Next, the Survey Implementer identifies the purpose of the survey, solicits participation from the respondent, and accurately records the survey responses. Survey Implementers for small communities often use a door-to-door survey due to the geographical size. Two or more visits at different times must be attempted if previous visits are not successful.

   All door-to-door surveys must be conducted at a time and day to maximize likelihood that a qualified household member is available. The Survey Implementer must avoid selecting a time or method that will yield biased results. For example, conducting surveys only during the day from Monday to

Friday might exclude families where all heads of household work. Since these households could have higher incomes than families with only one employed member, timing may lead to the biased result of finding an excessively high proportion of low-income households. The Survey Implementer must ensure that each survey is complete and that each question is answered clearly. Incomplete or ambiguous responses must be clarified by re-contacting the respondent.

3) **Mail survey:** A mail survey may be easy to conduct, but often yields a low rate of response, which would require additional survey mailings and possibly a door-to-door survey. To conduct a mail survey, the Survey Implementer needs a list of all the addresses in the service area, a survey, a stamped self-addressed return envelope and postage. Consideration must be given to multiple-unit residences, such as apartment buildings, which may have only one billing address but represent several households that should be included in the universe. A follow up letter must be mailed if the first mailing does not generate the required number of responses. The number of surveys mailed will depend on the number of households in the service area:

   For mail surveys when the service area has 3,300 or fewer households: Every household will be contacted. If additional responses are required after mailings, households to be surveyed by door-to-door surveys will be selected from the pool of non-responsive households using a random numbers generator.

   For mail surveys when the service area has more than 3,300 households: The households to be surveyed will be selected using a random numbers generator.

4) **Combination survey:** Using a combination of the above methods is advisable in some situations to effectively survey a service area. For example, when no one is home to answer a door-to-door survey, a note may be left requesting that the occupant telephones the Survey Implementer. Similarly, the Survey Implementer may telephone a household to schedule a time to perform the survey. A letter may be mailed to residents informing them of the date a survey will occur and a time the Survey Implementer will visit.

6 Results

The service area MHI must be determined based on the median value of the total annual income of all households surveyed, including secondary homes. The results must specify that the service area MHI is based on a random sample if not all households are surveyed. The number of responses must meet the minimum response rate, unless a written waiver of such requirement is obtained from the Funding Agency. The waiver must be included in the final report.

Any non-standard survey method(s), response(s), or results that introduce uncertainty (e.g., a significant number of extremely low incomes.) must be discussed with the Funding Agency representative and may be audited before approval.

The Income Survey Results Template calculates the MHI based on the income of all households in the sample.

7 Final Report

A final report summarizing the income survey process and results is required and must be concurred by the Funding Agency prior to distributing to other parties involved. Along with the report, an electronic copy of the Income Survey Results must be provided using the spreadsheet template. The report must include the following items:

1) MHI and related calculations (number of households sampled, number of households contacted, number of households in the service area)

2) Validity period of MHI determination (up to five years from the final survey report date)

3) Survey methodology

4) Explanation of any accommodations made for persons with limited English proficiency; or explanation of why no accommodations were necessary

5) List of households in the service area (specifies households that responded, households that did not respond, vacant lots, secondary homes, additional households discovered and commercial properties). A clear distinction between secondary homes and permanent households must be made

6) Sample of mailed letters and/or electronic communication and survey questions

7) Service area boundary map

8) MHI data table containing survey number, number of people in household, annual gross income reported, survey date, and secondary home status (Reference the table in Appendix F)

9) Copy of income survey request/methods approval request letter from the Applicant/Recipient (not required for income surveys covered under Technical Assistance)

10) Copy of income survey approval letter from the Funding Agency

11) Any waivers or special instructions provided by the Funding Agency

A Report Concurrence Letter from the Funding Agency must be included with all copies of the Final Report.

8 Report Concurrence

The final draft of the income survey report must be submitted to the Funding Agency. The Funding Agency will make recommendations or formally concur with the report and MHI determination with an approval letter. The approval letter must then be included with all copies of the final version of the report.

With documented Funding Agency concurrence, MHI determinations from income surveys are valid for up to five years from the final MHI report date. The Funding Agency holds the right to audit the data five years from the date of the final report. The key to match the household list to the survey returns will be available to the Funding Agency for review. The Funding Agency is not obligated to use the income survey MHI to determine funding eligibility if there is reason to believe the data is no longer accurate.

9 Sample Documents

The following sample documents are attached in the appendices below. Any changes to the letter templates require prior authorization from the funding agency.

Appendix A. Sample Letter Requesting Authorization for Performing an Income Survey (For use by Applicant/Recipient who does not have a Technical Assistance)
Appendix B. Sample Letter to Notify Users of Income Survey (For use by Applicant/Recipient)
Appendix C. Sample Letter (For use by Survey Implementer)
Appendix D. Sample Request to Use Additional Values (For use by Survey Implementer)
Appendix E. Mailed Survey Template (For use by Survey Implementer)
Appendix F. Sample Table from Income Survey Results Spreadsheet (For use by Survey Implementer)

Appendix A. Sample Letter to Request Authorization to Perform an Income Survey

(For use by Applicant/Recipient performing Independent Income Survey)

Date

Dear (Contact at Funding Agency),

This letter serves as our formal request for authorization to perform an independent income survey to determine the Median Household Income (MHI) of the (system/service area name).

(Pick one of the below options)

1) We have been informed by (project or grant manager) at the (Funding Agency) that there is insufficient data available through the American Communities Survey (ACS) to determine the service area's MHI and an income survey is required.

OR

2) We do not believe the MHI data provided by the American Communities Survey (ACS) data accurately represents the service area MHI because… *(Include specific reason why).*

We believe the service area's MHI to be approximately *(insert estimated value),* based on... *(include rationale such as surrounding areas, previous income surveys, etc.).*

We wish to contract *(name of Survey Implementer)* to perform the income survey. *(name of Survey Implementer)* has no connections to the project and will serve as an impartial third party.

Approximately *(# of households)* permanent households are located within the system's service area. Based on the most current Multiagency Guidelines provided by the State Water Resources Control Board, Division of Financial Assistance, and the number of households in our records, the minimum sample size is *(minimum sample size).* These numbers are preliminary estimates and are subject to change. A map of the service area is attached for reference.

(Survey Implementer) has proposed the following methodology:
(Pick one of the below options or develop an alternative)

1) Following a notification letter from *(name of Applicant/Recipient), (name of Survey Implementer)* will perform additional mailings of surveys. Surveys will be mailed in English and (add additional languages as needed). If mailings do not yield enough responses to meet the minimum sample size*, (name of Survey Implementer)* will perform door-to-door surveys.
2) Following a notification letter from *(name of Applicant/Recipient)*, *(name of Survey Implementer)* will perform door-to-door surveys.
3) Following a notification letter from *(name of Applicant/Recipient), (name of Survey Implementer)* will perform an electronic survey.

(Add project specific strategies for ensuring sampling is random and that households with Limited English Proficiency are provided an opportunity to respond.)

The preliminary cost estimate is *(insert estimated cost).* The anticipated start date is *(insert date),* with an estimated completion date of *(insert date).*

Sincerely,

Appendix B. Sample Letter to Notify Users of Income Survey

(For use by Applicant/Recipient)

(Use Applicant/Recipient letterhead)
(Current Date)

Dear Resident of *(system/service area name),*

*(Applicant/Recipient nam*e) has plans to apply to *(federal or state funding programs)* for *(water/sewer)* system improvements and upgrades that will include the following:

(insert description of project).

(Insert why project is needed)

As part of the application process, the funding agency needs to determine the median household income of the service area. (Applicant/Recipient name) will have an impartial third-party contractor perform a focused household income survey.

Income surveys require a high percentage of residents to respond for the survey to be considered valid. Submittal of incomplete or inaccurate income information could significantly delay or potentially jeopardize the service area's ability to receive state or federal funding support.

It is therefore critical that you provide the information requested accurately on the survey form. Your responses to this survey will be kept anonymous. No personal identifying information will be reported in the survey results.

(Choose option based on sampling strategy)

1) *(name of Survey Implementer)* will perform this survey. An income survey will be (mailed/emailed) to you in the next few days. Please complete the information and return it to (name and address to return survey).

   If unable to meet the response rate after repeated mailings/emailing, *(name of Survey Implementer)* will perform door-to-door surveying.

2) *(name of Survey Implementer)* will perform this survey. Beginning on *(insert date),* they will begin door-to-door surveys based on a random sampling of households in the service area.

(name of Survey Implementer) has been authorized to perform this survey on behalf of *(insert Applicant/Recipient name)*.

You can help your community and *(Applicant/Recipient name)* obtain funding from federal and state funding agencies, so that needed improvements can be made. Thank you for your assistance. For more information, please feel free to contact:

(Applicant/Recipient Contact information)

(Contact information for the Survey Implementer)

Thank you for your help,

(Name, and Title)

Appendix C. Sample Letter

(For use by Survey Implementer for Mailed/emailed Surveys)

(Applicant/Recipient Letterhead)

(Current Date)

ATTENTION: RESIDENTS OF (System/Service area Name)

The (Applicant/Recipient name) has authorized (name of Survey Implementer) to conduct an income survey in your neighborhood. Attached is the survey form that will be utilized to obtain the needed information. Please complete the survey to the best of your ability.

The information obtained through this survey is necessary to determine funding eligibility from various federal or state programs. The funding will be used to plan and/or construct (description of project). This will enable the (Applicant/Recipient Name) to (insert reason for project). This survey is being conducted to establish an accurate Median Household Income of the service area.

Any personally identifiable information will be kept confidential. Income data may be publicly released but will not contain any personally identifiable information. It is important that the information you provide is an accurate representation of the questions asked. Please complete the attached survey as soon as possible and return the completed survey form in the included pre-addressed, postage paid envelope. The survey can be completed online at [insert website address] (Note to implementer: remove sentence if there is no option to respond digitally). Assistance can be arranged to help you complete the survey if required. <u>If a response is not received within 15 days, you will receive an additional notice with a second copy of the form for your response.</u>

Once the completed surveys have been received, (name of Survey Implementer) will create two separate lists: one with anonymous data from the survey, and one with a list of households. The key used to associate the survey results with specific households' addresses will be kept confidential and will only be utilized to verify the accuracy of the income report by (name of the Survey Implementer).

If you would like more information about the survey and how the information will be utilized to assist the residents of (system/service area name), please feel free to contact:

(Applicant/Recipient contact person name, address, phone number, e-mail address)

(Survey Implementer organization name, contact person name, contact info)

Appendix D. Request to Use Additional Values

(For use by Survey Implementer if they are unable to meet sample size requirements)

Dear (Contact at Funding Agency),

This letter serves as our formal request for authorization to use additional values due to an inability to meet the sample size requirements.

[Explain efforts performed so far to solicit survey responses and why you believe additional efforts to obtain sample sizes will not be effective.]

[Include a screenshot of the Data Tables from the ‘Results’ tab from the Income Survey Results Template.]

Since we have been unable to achieve the required minimum sample size, we are requesting authorization to include default values in our calculations.

We recommend defaulting them to the maximum observed household income value of [insert the maximum value observed].

We have attached the current electronic version of the Income Survey Results Template to this request.

Sincerely,

Appendix E. Household Income Survey

Residential Address: (Added prior to mailing)	**Survey Number: (Added prior to mailing)**
1. Please check the appropriate box regarding the property listed above: ☐ Primary Home (Primary residence or occupied by a seasonal, migrant laborer) ☐ Secondary Home (Vacation or Seasonal Home) ☐ Rental Home and I am the owner *(Skip sections 2 and 3, answer 4)* ☐ Commercial Property including Short Term Rentals *(Skip sections 2-4)* ☐ Vacant Lot *(Skip sections 2-4)* ☐ Vacant Home *(Skip sections 2-4)*	
2. How many people, including children and adults, live in this household?	
3. Provide your household income information for the past 12 months below:	
Household earnings in wages, salary, commissions, and bonuses from all jobs of residents 15 and older	$ ____________________
Net non-farm business, professional practice or partnership income	$ ____________________
Net farm income	$ ____________________
Other earnings (interest, Social Security, public assistance, retirement plans, etc.)	$ ____________________
Total Income	$ ____________________
4. If this property is a rental and you are the owner, please provide the tenant's name and mailing address. *Tenant Name:* *Tenant Mailing Address:*	
I hereby certify that the above statements are true and correct to the best of my knowledge. Printed Name Signature Date	

Please return this survey in the enclosed postage-paid envelope

Appendix F. Example Table from Income Survey Results Template
(For use by Survey Implementer)

Survey Number	Survey Date	# of People in Household	Reported Income Value	Primary or Secondary Household