**NOTICE OF INTENT**

**INCOME SURVEY APPLICATION**

This Application is for CDBG-grantees that need to conduct an income survey to determine the percentage of Low-and-Moderate Income (LMI) residents in the service area of a CDBG-funded activity. CDBG regulations at 24 CFR 570.483(b)(1)(i)), require that the survey be conducted in a methodologically sound fashion. An income survey is to be used in the event that data from the US Census Bureau does not meet the 51% LMI threshold, but the local community has reason to believe that the service area is actually at or above 51% LMI. With approval form the Michigan Economic Development Corporation (MEDC), a survey may be undertaken if the grantee has reason to believe, and can demonstrate, that an event in the community, such as factory openings or closing, layoffs by a major employer in the service area, or the occurrence of major disasters (tornados, fire, etc.) has changed the percentage of LMI residents originally given by HUD’s census data.

HUD defines the term ‘low- and moderate-income persons’ as families and individuals whose incomes are no more than 80 percent of the median income of the area involved. It should be reminded that the median income is calculated by HUD using local data (i.e., County) and not statewide data. Therefore, the low-income threshold for one county is not the same as it is for another county.

To determine the percentage of LMI persons in a service area, grant recipients may utilize HUD’s Low to Moderate Income Summary Data (LMISD). HUD’s LMISD is based on the most recent US decennial census data, which may not reflect current income levels in the service area and/or the census tract/block boundaries may not coincide sufficiently with the service area <https://www.hudexchange.info/programs/acs-low-mod-summary-data/acs-low-mod-summary-data-local-government/> (Rev. August2014). This leads to the option of conducting a survey to determine the percentage of LMI persons in the service area. The service area of the activity must be primarily residential, which is defined as having over 51% of the structures in the area classified as residential.

**The CDBG Income Survey Application must be submitted and approved by the MEDC prior to conducting the survey.**

Additionally, the MEDC requires all income surveys that are conducted to determine CDBG eligibility to be certified by a third-party certifier. These certifiers are professionals that are associated with a state university and have a background in statistical analysis. Communities must have the scope and methodologies of the survey approved by the third-party certifier prior to conducting the survey. It should be noted that the certifier can also conduct the survey, if the community desires.

A grantee should be confident in their LMI status before approaching the MEDC, due to the costs associated with the survey and the survey validation conducted by third party certifiers. Surveys could range in price from $3,000 to $25,000 dollars depending on the size of the survey area, sample size, and type of survey conducted (i.e., mail, phone, in person).

**NOTICE OF INTENT**

**INCOME SURVEY APPLICATION**

*This form must be submitted to MEDC prior to conducting an income survey. No surveys will be accepted for communities that have not been approved by the MEDC through this application process.*

Date:

Community:

Proposed Service Area (Attach a detailed map showing all residential structures and households in Service Area):

CDBG Activities Proposed for Service Area:

% Low to Moderate Income of Survey Area as Established by US Census and HUD: %

Census Tract Numbers(s):

Detailed justification for request to conduct an income survey. Please include all local economic and non- economic changes that would reasonably be expected to change the LMI percentage. Such changes may include factory openings or closings, layoffs by a major employer in the service area, or the occurrence of a major disaster (e.g., hurricanes, tornadoes, or earthquakes, etc.):

**Attach additional documentation as necessary.**

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| --- | --- |
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Signature of Chief Executive Officer Date

Typed/Printed Name and Title:

**Please Return To:**

Michigan Economic Development Corporation

Community Development Incentives/CDBG

300 North Washington Square

Lansing, MI 48913