

# CITY OF AVALON COMMUNITY WIDE INCOME SURVEY



## Background

The City of Avalon, on Catalina Island, faces several fairly unique infrastructure and housing condition challenges. The existing infrastructure, particularly water and sewer, is aging, and there is a severe lack of affordable workforce housing. Avalon has 2,108 housing units on record in the city (there are an estimated 2,189 total units according to the 2009–2014 American Community Survey [ACS], of which about 1,262 are identified as actual households – both ACS numbers have a margin of error greater than 100 units). These include permanent households, second homes, and short-term housing units. The total population is estimated at 3,768 (2010–2014 ACS). The US Census American Community Survey sample data used by state and federal grant agencies is not attuned to capturing accurate data from such a small population, particularly in regard to median data points, which can be easily influenced by erroneous or misattributed data. For example, the 2009–2014 ACS states that the median income for a household in Avalon is \$54,231, with a margin of error of plus or minus \$9,799 (a margin of error of 18 percent). This margin of error is significant, particularly when grant funds and infrastructure funding programs use ACS median household income data to determine eligibility.

Avalon is part of Los Angeles County, and the numbers used to establish jurisdictional eligibility for most housing and infrastructure grants are based on county estimates. The median household income for Los Angeles County is \$55,870, with a margin of error of plus or minus \$244. The margin of error for the county is much smaller because the county's large population allows for more sample data. More sample data provides more accurate results. In order to be eligible for funding to support housing and infrastructure improvements, Avalon's median income must come in significantly below that of Los Angeles County as a whole. According to the ACS data already discussed, the city's median income, despite a large margin of error, is relatively close to the county's median income. As a result, based on Census data, the City of Avalon does not qualify for most grants and other forms of infrastructure financing assistance.

The City administrators believed that the ACS data was not reflective of actual incomes on the island. The administrators suspected that the small sample size, combined with the prevalence of second homes and short-term rentals, had skewed the ACS income data. They know that a significant portion of the year-round residents work in the service industry, that there is a large Hispanic population on the island, and that many households are overcrowded, with multiple families living in cramped and dilapidated housing due to the shortage of affordable units. These employment and housing conditions were not in agreement with the median household incomes estimated by the ACS. The disconnect

between City administrators' on-the-ground experience and the US Census data inspired the City to conduct a household income survey that would collect a statistically significant data sample from island residents to challenge the Census data. The City of Avalon hired Michael Baker International to perform the survey.

## Survey Instrument

Michael Baker staff used the template income survey provided by the California Department of Housing and Community Development (HCD) as the foundation for the income survey in Avalon. HCD's template is compliant with the US Department of Housing and Urban Development (HUD) requirements for a legal and usable income analysis. Michael Baker staff modified the survey introduction, which is required by HCD, to meet Avalon's situation and to be more readable by the general public. All of the original survey questions were retained; however, questions about whether or not survey respondents were year-round residents and/or employees were included, as were questions about the number of families living in each household. A section about ferry ridership was also included in the survey. The island is predominantly accessed by the Catalina Express ferry service, which is privately owned and operated, but does receive some transit subsidies. Previous efforts to include the mileage that the ferry travels in subsidy calculations had failed because the majority of the riders on the ferry are not commuters. The questions were included in this survey to establish the Catalina Express as a lifeline service that is critical to the well-being of island residents.

The other information gathered on the survey included tenure, household type, estimated monthly household income, and race and ethnicity. The survey was made available in both English and Spanish, and was available both via the Internet and in print. Each survey packet included a cover letter in both English and Spanish explaining the purpose of the survey, an English version and a Spanish version of the two-page survey, and an addressed stamped return envelope.

Samples of the survey documents are included as attachments to this summary.

## Survey Methodology

Michael Baker staff used three collection methods to help ensure a statistically significant sample of Avalon's population. Surveys designed to meet state and federal income survey requirements were mailed to every household with a mailing address on the island. An online survey was set up to collect responses from households who preferred to respond to the survey via the Internet. The survey included control fields to validate responses as coming from Avalon residents. The mail and online survey was then followed up with a door-to-door survey that canvassed about 85 percent of the total city. Avalon has a significant number of second homes and short-term rental homes with temporary occupancy. These units were generally not included in the survey process, as the goal was to collect information about permanent residents. The City is actively working to track both second homes and short-term rentals, and provided information about which units housed permanent residents and which likely did not.

To prevent common issues that arise when sampling data from such a small population, Michael Baker staff and the City committed to surveying the total population. The goal of the survey methodology was to offer every occupied household at least one opportunity to respond to the survey. The entire survey process allowed for three points of contact with residential households—one by mail and two by door-

to-door canvassing. Michael Baker staff can confirm with confidence that every permanent residential household in Avalon had at a minimum of one opportunity to complete the survey in either English or Spanish.

In order to meet the requirements for anonymity and confidentiality set forth by HCD and HUD, Michael Baker used randomized 6- and 9-digit codes to link the surveys to specific parcel information. The post office in Avalon does not deliver mail to street addresses. All residents who conduct transactions through the mail are required to obtain a post office box.

The first round of surveys was mailed to every residential post office box in the city. Each survey included both Spanish and English translations and a stamped return envelope. The cover letter also identified a link to an online version of the survey for households who preferred to respond via the Internet. The online version of the survey was available in both English and Spanish and included all of the questions on the paper survey plus two additional required questions. The first question required that the survey respondent enter the 6- or 9-digit code on the paper survey. The second question required the survey respondent to verify that they were the head of the household. Through these two questions, surveys taken online could be validated and included with the paper surveys in the final tabulations. The return period for the mailed survey was about four weeks.

The second round of surveying began just after the period for return of mailed surveys closed. Four Michael Baker staff members were sent to the island to conduct door-to-door surveys. They had complete lists of all physical addresses on the island, including whether or not a survey had already been received for the address, and whether the address was a second home, short-term rental, or permanent household. The door-to-door surveys began on Sunday, July 10, 2016, and extended through Thursday, July 14, 2016. Canvassing was conducted at all times of the day, including both typical working and non-working hours, mealtimes, and well into the evening. As staff worked through the neighborhoods, they left blank surveys, including the letter of explanation and a stamped return envelope, at the door of households they were unable to reach. The surveys left at the door included one additional question not included the original paper surveys. The question asked the respondent to provide either a post office box number or a street address to ensure the survey could be validated. Mail-in surveys from the door-to-door canvassing effort were accepted until August 5, 2016, at which point the survey was closed and the results were prepared for evaluation.

In total, 772 surveys were collected.

## Data Analysis

All of the surveys were entered into the online survey instrument so they could be accurately exported and validated against the codes used in the initial mailing. Once all of the surveys were entered, staff reviewed each entry for validity. Surveys needed to include three points of information in order to be considered valid:

1. They had to be from the head of the household. This requirement applied mainly to the online surveys, as the door-to-door surveys and mailed surveys were directed to the head of household.
2. The surveys had to have a valid number in the income field. Surveys where the householder declined to provide income data were eliminated.

- The surveys had to link either to a code or directly to a valid site address. This last requirement eliminated the most surveys, as housing units in Avalon are not all listed, nor is site addressing consistent. Many units have been split and divided, with additions and subunits that may or may not have a recognized address. Surveys that did not directly link to a site address as provided by the City’s GIS specialists were invalidated.

At the end of the validation process, there were 562 valid surveys remaining.

Once the valid surveys were isolated, the income calculations could begin. First, the estimated monthly income as requested in the survey was adjusted by multiplying it by 12 for an estimated annual income. Then the annual incomes were evaluated to identify the median. All of the fields in the survey were made sortable, and median incomes could be calculated for any of the subgroup or demographic data collected during the survey.

A brief analysis of the income data shows that three household types have median incomes much higher than other types of households: owner-occupied households, seasonal or part-time households, and households that were not employed on the island.

The following tables show the survey’s initial results.

**Table 1. General Overview**

<b>Category</b>	<b>Results</b>
Median Household Income (all households)	\$42,000
Mean Family Size	2.73
Total Households	562
Multi-Family Households (multiple families in one housing unit)	18.9%
Percentage of Population Hispanic or Latino	39.0%
Percentage of Population Not Hispanic or Latino	59.3%
<b>Race</b>	
Percentage of Population that Identifies as White	85.1%
Percentage of the Population that Declines to Answer	6.6%
Percentage of the Population that Identifies as a Racial Minority	8.2%

Table 2. Household Types

Household Types	Percentage of Total Population	Median Income
1-Person Households	23.8%	\$30,576
2-Person Households	32.9%	\$60,000
3-Person Households	13.0%	\$48,000
4-Person Households	15.5%	\$42,000
5-Person Households	8.2%	\$36,000
6-Person Households	4.3%	\$33,600
7 or More Person Households	2.3%	\$42,000
Female-Headed Households	33.6%	\$36,000
Senior Households	36.8%	\$60,000
Disabled Households	15.8%	\$42,000
One-Family Households	81.1%	\$42,000
Two-Family Households	10.1%	\$48,000
Three or More Family Households	8.7%	\$39,600
Hispanic Households	39.1%	\$30,000
Not Hispanic Households	56.9%	\$62,400
White Households	85.1%	\$42,000
Racial Minority Households	8.2%	\$37,200
Owner Occupied	33.6%	\$96,000
Renter Occupied	65.7%	\$32,040
Year-Round Households	92.0%	\$42,000
Part-Time/Seasonal Households	8.0%	\$79,200
Year-Round Employed Households (employed on the island)	77.6%	\$39,600
Not Employed on the Island/Partial-Year Employment on the Island	16.4%	\$81,600
Retired Households	6.0%	\$42,600
Part-Time Households/Not Employed on the Island	5.0%	\$97,800