



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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**EXECUTIVE DIRECTOR**  
Mark Stivers

TO: TCAC Stakeholders

FROM: Mark Stivers, Executive Director

RE: Responses to opportunity mapping comments

DATE: November 30, 2018

Dear TCAC stakeholders:

TCAC appreciates the comments it received on the proposed changes to the opportunity maps for 2019. In consultation with the Fair Housing Task Force which has developed the maps for TCAC, I offer the following responses to the general concerns and suggestions relating to the mapping methodology. I note that some of the comments did not relate to the mapping methodology but rather to how TCAC uses the maps in its competitive process. Those comments are regulation change requests and are not addressed here.

Based on the comments, TCAC has made one revision to the proposed 2019 opportunity map methodology described below in the section relating to tracts near college campuses.

### **Rapidly changing neighborhoods**

The Task Force is currently exploring methodologies to identify tracts that have experienced rapid changes in resources over time. This methodology will not be ready for the 2019 maps, but the Task Force will continue to explore this issue and may propose changes to incorporate such methodologies into the maps in 2020.

### **Tracts near college campuses categorized as high-poverty by the filter**

A few commenters argued that many census tracts near college campuses are incorrectly identified as High Segregation and Poverty tracts due to the high concentration of partially employed or totally unemployed university students who reside in these communities. The Task Force investigated this issue and found that in many cases, large numbers of college students in tracts near colleges and universities were indeed causing the filter to categorize these tracts as high-poverty. TCAC and the Task Force agree that tracts should not be categorized as high-poverty by the filter if concentrations of college students with little or no income are driving this designation and propose a methodology change accordingly.

In tracts where college students make up more than 25% of the population, the revised maps remove those students from the calculation of the poverty rate for purposes of the filter. This change reduces the number of

filtered tracts statewide where more than 25% of the tract population is college students from 64 to 2 and redistributes some of these 62 tracts into the High and Highest Resource categories due to their high overall index scores. Since the share of tracts in these categories is fixed for each non-rural region and rural county, this redistribution causes some tracts previously categorized as Highest and High Resource in the draft 2019 maps to now be categorized as High and Moderate Resource, respectively.

### **Use of student poverty as an indicator in the filter**

Neither the 2018 nor the 2019 proposed maps use student poverty in the filter. In both cases, the filter is comprised of thresholds for two tract-level indicators: 1) racial segregation; and 2) poverty. The student poverty indicator is only used in the Education domain of the opportunity map index score, along with several other education indicators.

### **Appropriateness of the job proximity indicator in non-rural areas**

TCAC and the Task Force agree that the job proximity indicator must reflect real commuting patterns in different urban areas and should not require unreasonably close proximity to jobs in order for tracts to show high values for this indicator. For this reason, the job proximity indicator: 1) only compares tracts to other urban areas in the same region; and 2) is valued by the number of jobs filled by workers with less than a BA degree that fall within the typical commute distance of low-wage workers in that region.

### **Use of census tracts and filters in rural areas**

In 2018, TCAC asked the Task Force to convene a Rural Working Group. Engagement with this group yielded several improvements to the methodology to address issues that disproportionately (or only) affect rural areas, including: removing tracts with a low density from consideration; removing tracts with a high proportion of prisoners from consideration; and refining the job proximity measure to be more adaptive to large rural tracts by measuring via Census blocks rather than tracts (each tract has an average of 100 blocks). Although these changes do not address all challenges posed by large rural tracts, they reflect the Task Force's effort to capture several dynamics unique to rural areas. In addition, rural areas have a higher percentage of High and Highest Resource tracts than any non-rural region due to being evaluated on a county-by-county basis. The Task Force will continue to explore strategies to address issues specific to large rural tracts in 2019 - including data availability and quality at sub-tract geographies - through engagement with the Rural Working Group.

### **Zoning, infrastructure, and topography**

TCAC strongly opposes the suggestion that the methodology should account for local zoning and infrastructure. Failure to zone land for multifamily housing or to provide infrastructure for higher density development are tools often used by exclusionary communities. Likewise, many cities provide the large majority, if not all, multifamily sites in areas with less opportunity. The whole point of TCAC's higher opportunity incentives is to reward local governments and developers who create opportunities in high-resource communities. Moreover, TCAC's incentives will encourage developers to seek rezoning of sites that are not currently zoned for affordable housing and find creative solutions to infrastructure challenges.

Various comments also suggested that the methodology should account for topography. TCAC and the Task Force have taken steps over the past year to improve the maps in rural areas where issues regarding inaccessible topography predominate. The methodology now excludes tracts with fewer than 15 people per square mile to screen out sparsely populated areas. All remaining tracts have a meaningful population, evidencing that some

type of development has happened in portions of the tract. Even if some portions are undevelopable, the tract as a whole is not inherently undevelopable.

**Lack of higher resource designations in certain communities**

When the data so demonstrates, TCAC believes that it is appropriate that specific cities or unincorporated communities have few or no higher resource tracts if other parts of the region (for non-rural areas) or county (for rural areas) are comparatively higher resource. Given the wide demographic disparities between cities and communities within a region, distributing tracts at a city or community level or guaranteeing each city or community a higher resource tract would lower the bar for higher resource designations overall and therefore undermine the purpose and benefits of the opportunity area incentives.