DATE: October 21, 2020

TO: Low Income Housing Tax Credit Stakeholders

FROM: Judith Blackwell, Executive Director

RE: Proposed Changes to the TCAC/HCD Opportunity Maps for 2021 with Statement of Reasons

The California Tax Credit Allocation Committee (TCAC) regulations currently provide site amenity points, a threshold basis limit increase, and a tiebreaker bonus for qualified projects located in a census tract or census block group designated on the TCAC/HCD Opportunity Map as Highest or High Resource.

TCAC is committed to updating these maps on an annual basis to account for updated data. In addition, TCAC in any given year may propose improvements to the methodology. This memo summarizes proposed changes and statement of reasons to the TCAC/HCD Opportunity Map methodology for the 2021 annual map update. The memo references sections and page numbers of the methodology document, which is available at http://www.treasurer.ca.gov/ctcac/opportunity.asp, along with an online mapping tool and statewide summary table.

Please submit public comments to TCAC and HCD by 5:00 pm on Thursday, November 12, 2020. Please send public comments via email to judith.blackwell@treasurer.ca.gov, azeto@treasurer.ca.gov (TCAC), and tyrone.buckley@hcd.ca.gov (HCD) with the subject line “2021 Opportunity Map Comments”.

Following the public comment period, TCAC staff intends to respond to public comments, which may result in additional revisions to the draft maps. TCAC intends to present the final proposed draft maps to the Committee for adoption on December 9, 2020.
METHODOLOGY CHANGES

*Environmental Domain (page 10):* This section is revised to reflect adjusting the methodology for the Environmental Domain score to weight the CalEnviroScreen 3.0 (CES) “exposure” indicators twice that of the CES “environmental effect” indicators.

*Reason:* This change will align the Environmental Domain methodology for the TCAC/HCD Opportunity Map with the CES “pollution burden” methodology, which weights exposure indicators twice that of environmental effect indicators because exposure indicators are considered to have more of an effect on pollution burden. The TCAC/HCD Opportunity Map methodology previously weighted all CES pollution burden equally.

DATA UPDATES

*Overview of Indicators (pages 6-13):* This section is revised to reflect incorporation of more recent data released by the California Department of Education and the American Community Survey over the past year for all Economic and Education domain indicators.

*Reason:* The TCAC/HCD Opportunity Map should reflect the most recent available data and evidence, and thus should be updated periodically as new data and research becomes available.

ONGOING MONITORING

*Rapidly Changing Moderate Resource Areas (pages 16-17):* The 2020 TCAC/HCD Opportunity Map included a new methodology to identify Moderate Resource areas that may soon become High Resource based on recent trends. This category currently has no impact on the TCAC or HCD programs at this time. The 2021 draft map proposes no changes to this methodology, but TCAC and HCD intend to work with the California Fair Housing Task Force—the group of independent researchers tasked with creating and updating the TCAC/HCD Opportunity Map—to refine this methodology based on further evaluation of its efficacy at predicting future trends. In the meantime, TCAC and HCD welcome public comment on this methodology.