



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

915 Capitol Mall, Suite 485
Sacramento, CA 95814
p (916) 654-6340
f (916) 654-6033
www.treasurer.ca.gov/ctcac

MEMBERS

JOHN CHIANG, CHAIRMAN
State Treasurer

BETTY YEE
State Controller

MICHAEL COHEN
Director of Finance

EXECUTIVE DIRECTOR
Mark Stivers

MEMO

TO: TCAC Stakeholders

FROM: Mark Stivers, Executive Director

DATE: August 8, 2017

RE: Opportunity Maps

California continues to struggle with racial, ethnic, and economic segregation. However, research has shown that low-income children who move to higher-resource, lower poverty areas experience higher educational attainment, college attendance rates, and earnings in adulthood when compared to their counterparts who grow up in areas of concentrated poverty.¹ Living in lower poverty neighborhoods also has been shown to generate substantial physical and mental health improvements for both children and adults.²

While affordable housing developments can and sometimes do offer opportunities for low-income families with children to access lower poverty, higher resource neighborhoods, recent analyses have shown that low-income housing tax credit new construction projects targeted to families continue to be sited disproportionately in lower-income and more ethnically and racially concentrated neighborhoods in California. These neighborhoods often overlap with indices of lesser economic opportunity, less access to high quality education, and higher exposure to environmental pollution.

The Tax Credit Allocation Committee (TCAC) remains interested in increasing access to place-based opportunity for residents of large family developments. TCAC initiated robust discussion on this topic during the Fall 2016 regulation change cycle, and TCAC and the Department of

¹ Chetty, Raj, and Nathaniel Hendren. 2016. "The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment," *American Economic Review*, American Economic Association, vol. 106(4), April 2016.

² Sanbonmatsu, et al. 2011. *Moving to Opportunity for Fair Housing Demonstration Program – Final Impacts Evaluation*. National Bureau of Economic Research, prepared for U.S. Department of Housing and Urban Development, Office of Policy Development & Research. November.

Housing and Community Development (HCD) followed up in May of this year with three forums around the state focusing on the topic. These forums focused on possible policy measures. However, TCAC and HCD acknowledged that how we define and map opportunity is equally important to policy decisions.

To address the mapping question, TCAC and HCD in early 2017 convened a group of independent organizations and research centers to advise on the most appropriate mapping tool. The primary organizations involved included the Haas Institute for a Fair and Inclusive Society, the UC Davis Center for Regional Change, Enterprise Community Partners, and the California Housing Partnership. In addition to HCD and CalHFA staff, the project was also advised by the Kirwan Institute for the Study of Race and Ethnicity, the Urban Displacement Project, the Turner Center for Housing Innovation, PolicyLink, and Housing California.

Ultimately, this task force agreed that currently available mapping tools were not appropriate for TCAC and HCD and recommended a new approach. The group designed its own methodology, has completed the first five regional maps, and will complete the final four remaining maps by the end of August. TCAC is now interested in receiving your informal feedback on the recommended methodology and maps. On this website, you will find the following:

- A 1-page summary and 8-page fuller description of the recommended methodology.
- Maps for the first five regions, encompassing the Capital and Northern Region, the Central Valley, Los Angeles County, San Diego County, and the San Francisco Bay Area.
- Summary tables for the first five regions showing the scores for each census tract by opportunity category as well as the composite index score and final opportunity quintile.

TCAC anticipates that the maps and summary tables for the four remaining regions will be available as follows: the non-metro and Inland Empire maps around August 14, and the Orange County and Central Coast maps around August 28.

TCAC is most interested in comments related to the methodology. Nonetheless, acknowledging the staggered rollout of regional data and maps that allow folks to visualize the methodology in action, the deadline for comments will be as follows:

Comments related to general methodology or to the first five regional maps: September 1
Comments related specifically to the final four regional maps: September 15

Please send comments via email to mark.stivers@treasurer.ca.gov with the header “Opportunity Map Comments.” If you have technical questions, please direct such questions to the researchers at equity_metrics_program@berkeley.edu (there is an underscore between the first three words, as opposed to spaces).

TCAC will evaluate the feedback and, as appropriate, work with the members of the task force to make refinements to the methodology and maps through the fall. The Fall 2017 regulation change proposals (slated for release on or around September 15) will likely reference and seek to

define the uses of the maps. The regulation change process will provide additional opportunity to comment on the policy proposals that involve the maps.

In reviewing the maps, please keep in mind that while many rural census tracts are geographically large and may not seem intuitively to be higher resources areas, it is unlikely that there will be many higher-density multi-family zoned sites available in outlying areas and, even if such sites do exist, that they will be able to score significant site amenity points outside of built-up communities. Please also note that the maps do not yet include the functionality to look up specific addresses. The summary tables allow one to look up a census tract only. TCAC will explore including an address look up function on any final maps cited by the regulations in order to facilitate use of the maps.