CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

901 P Street, Suite 213A
Sacramento, CA 95814
p (916) 654-6340
f (916) 654-6033
www.treasurer.ca.gov/ctcac

MEMBERS

FIONA MA, CPA, CHAIR
State Treasurer

MALIA M. COHEN
State Controller

JOE STEPHENSHAW
Director of Finance

GUSTAVO VELASQUEZ
Director of HCD

TIENA JOHNSON HALL
Executive Director of CalHFA

EXECUTIVE DIRECTOR
MARINA WIANT

DATE: December 4, 2024

TO: California Tax Credit Allocation Committee ("CTCAC") and California Department of Housing and Community Development ("HCD") Stakeholders

FROM: Anthony Zeto, Deputy Director (CTCAC) and Megan Kirkeby, Deputy Director of Housing Policy Development (HCD)

RE: Response to Comments on the Draft 2025 CTCAC/HCD Opportunity Map

CTCAC, HCD, and the California Debt Limit Allocation Committee ("CDLAC") use the CTCAC/HCD Opportunity Map ("Map") to inform policies aimed at increasing access to opportunity-rich areas for residents of affordable housing financed with Low Income Housing Tax Credits and other state funding programs. We have adopted this approach in light of overall patterns of residential segregation and unequal access to opportunity, and, specifically, historical concentrations of this housing in areas characterized by limited resources, high poverty rates, and racial concentration. The Map is an essential tool for advancing the affirmatively furthering fair housing ("AFFH") objective of increasing access to opportunity in State policies and programs. CTCAC and HCD work with its researchers tasked on updating the Map each year based on newly available data, research and public comments.[1]

CTCAC and HCD published the draft 2025 Map on October 30, 2024 and accepted public comments through November 20, 2024. As described in the memo accompanying the draft 2025 Map release, the focus of this year's update process was reducing instability in annual updates.[2] Exploration into potential sources of instability,

---

[1] Research partners currently include representation from Othering & Belonging Institute at UC Berkeley, the Terner Center for Housing Innovation at UC Berkeley, and the California Housing Partnership.

[2] Some amount of change in indicator scores and map categorization is expected in updates due to incorporation of more recent data which represent real changes on the ground, and the new threshold-based methodology did not

and approaches for addressing them, yielded one proposed methodology change for the draft 2025 Map: implementing a three-year rolling average for education indicators, which include student poverty, reading proficiency, math proficiency, and high school graduation rate.

CTCAC and HCD appreciate the feedback provided through comment letters on the draft 2025 Map. After reviewing and considering these comments in consultation with research partners, CTCAC and HCD will proceed to adopt the map initially released for public comment. We also offer the responses below to specific issues raised in the comment letters (which are included as an attachment). The comment letters submitted are referenced in responses according to the following numerical identification.

Number	Commenter(s)
1	Ann Silverberg, Related California Northern California & Northwest Affordable Divisions
2	Capri Juliet Roth, East Bay Asian Local Development Corporation
3	Community-Based Development Collaborative (Regina Celestin Williams, SV@Home; Malcolm Yeung, Chinatown Community Development Center; Erich Nakano, Little Tokyo Service Center; Arnulfo Manriquez, Metropolitan Area Advisory Committee on Anti-Poverty; Alejandro Martinez, Coalition for Responsible Community Development; Duane Bay, East Palo Alto Community Alliance and Neighborhood Development Organization; Omar Carrera, Canal Alliance; Janelle Chan, East Bay Asian Local Development Corporation; Aubra Levine, The Unity Council; Luis Granados, Mission Economic Development Agency; Katie Lamont, Tenderloin Neighborhood Development Corporation)
4	Robin Zimbler, Freebird Development Company

Use of regional benchmarks (1, 2, 3)

Multiple comments related to the Map's use of regional benchmarks in scoring and classifying neighborhoods, and argued that statewide benchmarks should be used in addition to regional benchmarks. We received similar comments on the draft 2024 Map and our response this year is the same as last year: although we understand that use of regional benchmarks continues to be a concern for developers and advocates in some parts of the state, we will continue to use this approach for a set of interrelated policy and methodological reasons.

---

introduce any new structural sources of instability. In addition, "grandfathering" clauses in housing funding program regulations and guidelines have helped applicants adjust to map updates over time. However, "noise" in data used in the Map that does not represent real or lasting change – whether due to data reporting error, sampling error, or other sources – present a potential source of instability that should be minimized to the degree practicable. Map instability is thus still an area of general concern, particularly in rural areas where Map categorization shifts year-to-year with greater frequency than in urban and suburban areas.

First, use of regional benchmarks is aligned with HCD and CTCAC's goal to advance the AFFH objective of increasing access to opportunity in each region of the state, reflecting likely residential mobility patterns for low-income families in regional employment and housing markets. This approach also aligns with the competitive architecture of State affordable housing programs, where much of the competition for funding occurs within regions.

A mapping approach that uses statewide benchmarks would not align with the goal of advancing AFFH objectives in each region because California's immense size and range of economic and environmental contexts would lead to a highly uneven map which makes illogical comparisons between rural, inland, and coastal areas. Further, a hybrid approach – as proposed in the comment letters[3] – where neighborhoods are scored relative to whichever is more favorable between regional or statewide benchmarks, would effectively lower standards for what is classified as high resource in some regions, weakening incentives to build affordable housing in regionally defined high resource areas and thereby decreasing the level of opportunity to which families living in affordable housing have access.[4]

In addition, not all indicators included in the Map methodology are well suited to statewide comparison. The primary example is home values, which are regionally generated based on local housing and job market dynamics. Internal analysis found that the home value indicator would drive a meaningful amount of shift in classification of neighborhoods under a statewide or hybrid benchmarking approach – meaning neighborhoods could be classified as high resource under a statewide approach solely because of higher home values – contributing to our belief that such an approach would not be appropriate. We appreciate the comments on this topic and are always open to further discussions on how to improve the mapping methodology in a way that advances the State's policy goals.

Changing mapping categories (4)

As noted above, the focus of the update process for the draft 2025 Map was reducing instability in annual updates, which lead to the proposed approach of using a three-year rolling average of the education indicators – reading and math proficiency, high school graduation rates, and student poverty – instead of a single year of data. The three-year rolling average allows real changes to emerge in map updates over time while limiting the effect of noisy data (year to year variability in the data that does not necessarily

---

[3] Please note that these comment letters, which are included as an attachment to this memo, include images from an outdated version of the Map created for discussion purposes two years ago. These images do not accurately represent the hybrid scenario proposed in these letters.

[4] A related point is that the majority of new construction large-family developments awarded Low Income Housing Tax Credit awards since introduction of opportunity area incentives are in Low Resource and Moderate Resource areas. According to analysis conducted in 2022, this pattern is particularly pronounced in the San Francisco Bay Area region – the region that would be most affected by the hybrid approach proposed in comment letters – suggesting that more progress is needed in increasing access to the region's higher resource neighborhoods, not less.

reflect real changes), while increasing year-to-year stability in indicator measurements and categorization in the Map.

One comment raised the possibility of also adopting a rolling average approach for economic indicators, noting that sample size limitations in American Community Survey (ACS)-derived economic indicators, particularly in rural areas, also contributes higher margins of error and greater year to-year instability. While this observation is true, ACS 5-year estimates, which are the sole data source for the Map's economic indicators, already compile samples over multiple years to construct the estimates. Furthermore, the research partners identify and suppress unreliable data points when sample size limitations affect data quality.

However, we recognize that economic indicators are still a source of instability, particularly in rural areas. In fact, in this year's update process, the research partners explored the approach of controlling for statistically significant change in economic indicators. However, multiple methodological and legibility-related challenges emerged with this approach. As a result, controlling for statistical significance was set aside as a topic requiring further exploration. However, we may continue to explore approaches to reducing instability in economic indicators in future Map udpates.

It should also be noted that agencies have sought to address the instability issue through a grandfathering clause in housing funding programs, allowing applicants to claim the mapping category either at the time of application or at the time of site control up to seven years prior. CTCAC, HCD, and CDLAC do not anticipate removing this clause in future updates to funding program regulations and guidelines.

RELATED

November 20, 2024

Anthony Zeto, Deputy Director
California Tax Credit Allocation Committee
901 P Street, Suite 213A
Sacramento, CA 95814

Megan Kirkeby, Deputy Director Housing Policy Department
California Department of Housing and Community Development
651 Bannon Street
Sacramento, CA 95811

Submitted via email to Anthony.Zeto@treasurer.ca.gov and Megan.Kirkeby@hcd.ca.gov

RE: 2025 Opportunity Map

Dear Mr. Zeto & Ms. Kirkeby,

Related California appreciates the opportunity to provide comments on the "Proposed 2025 CTCAC/HCD Opportunity Map."

Related California is one of California's most prolific developers of affordable and mixed-income housing. Our work spans throughout the State of California and reflects our over 30-year commitment to create high-quality affordable housing to address California's housing crisis.
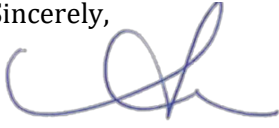
We are writing to echo East Bay Asian Local Development Corporation's concern about the mapping methodology and believe that their proposed analysis and solution below deserves your consideration.

Problem Statement: The current version of the Opportunity Map, in order to balance investment throughout the state, labels some areas as Low or Moderate Resource that are actually High Resource Areas according to the raw opportunity data (economic, education, and environmental indicators). This disproportionately affects urban communities of color, which are – as a result – being denied critical housing funding on the false basis that they are not good areas to raise children, when in fact they are excellent places to raise children according to the State's own data.

Solution: HCD staff briefly released the raw opportunity data showing what the maps could look like if they identified High/Moderate/Low Resource Areas statewide, without the requirement to have an equal number of High Resource Areas in each region. See Attachment 1 for snapshot comparisons of these statewide maps to the current adopted maps in key urban areas.

As EBALDC suggests, a simple solution to the above problem could be to adopt the statewide map of High/Highest Resource Areas based on the un-adjusted data, and then apply the regionally-adjusted map as an *additive* layer, increasing the number of High/Highest Resource Areas to reflect the census tracts that, while not in the top 20% or 40% of census tracts statewide, do represent the highest resource census tracts in their respective regions; the resulting map would not remove the High Resource designation from any areas that currently receive it because of the regional requirement, but would better capture the range of excellent locations where affordable housing can be incentivized. This would maintain the geographic diversity TCAC wants to see in the maps without misrepresenting urban communities as Low or Moderate Resource that in fact are High Resource according to the opportunity data.
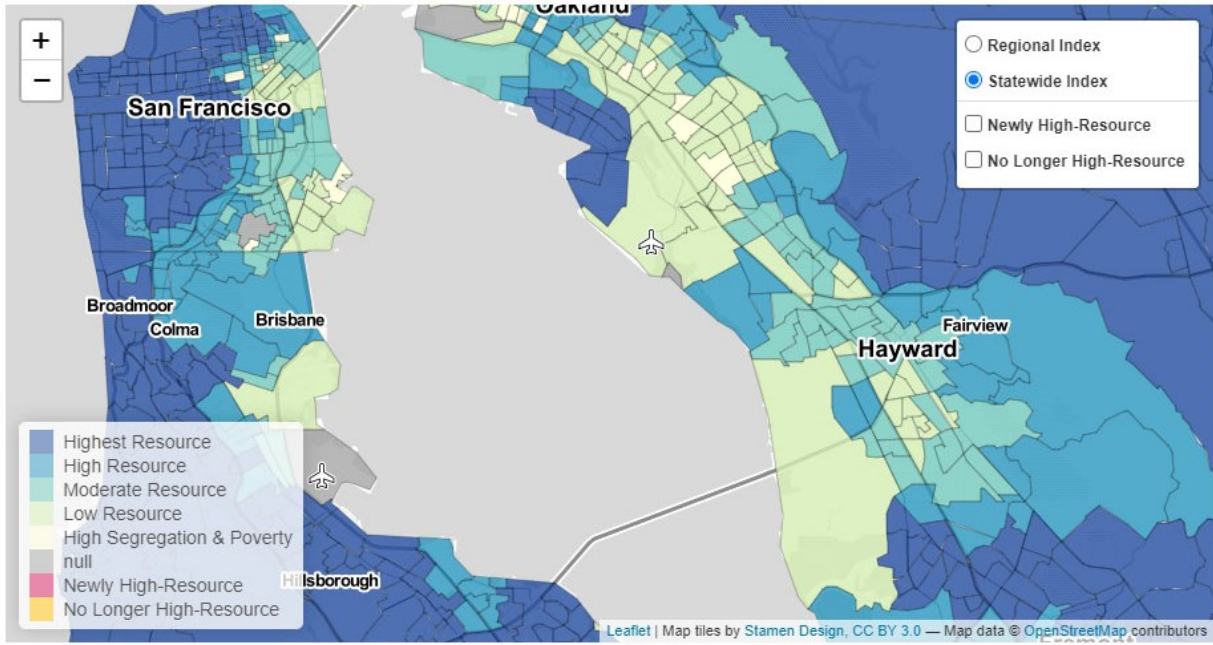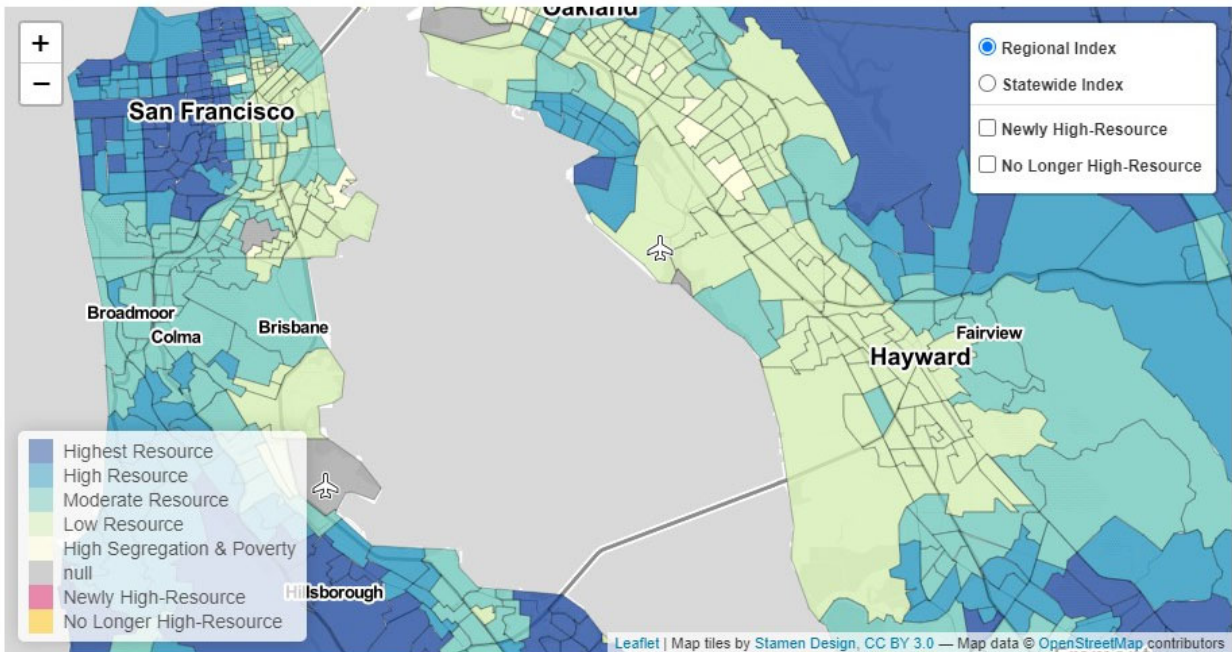
Sincerely,

Ann Silverberg
Chief Executive Officer
Related California Northern California & Northwest Affordable Divisions

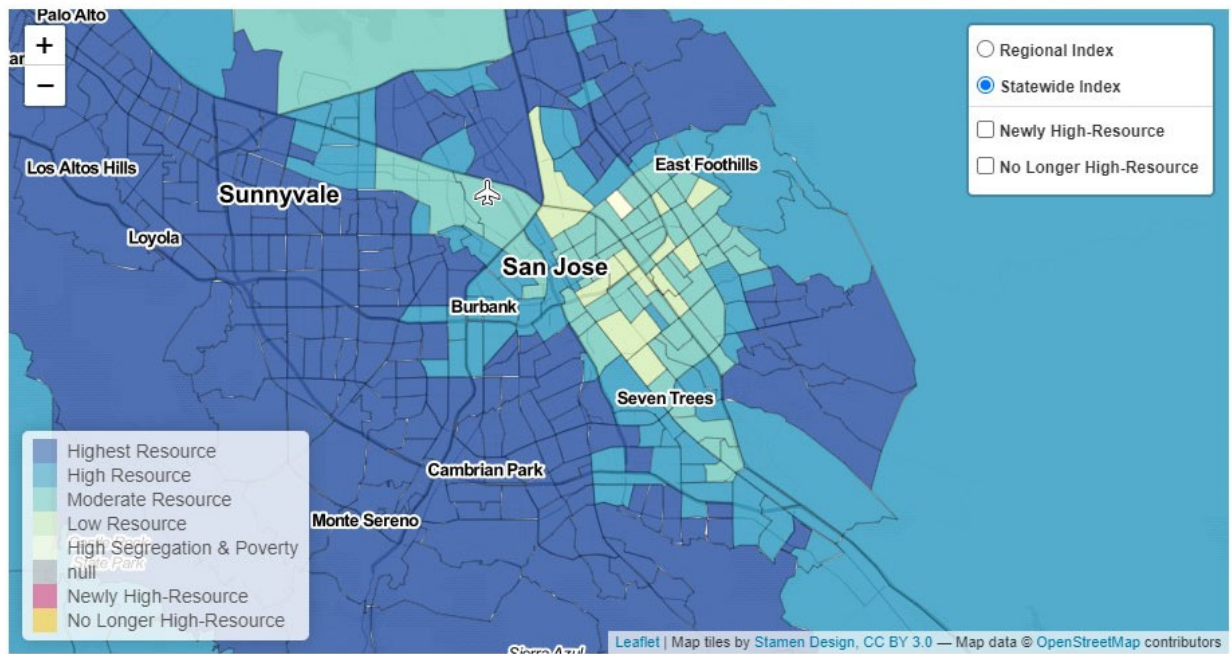# ATTACHMENT 1: COMPARITIVE MAPS: STATEWIDE AND REGIONALLY ADJUSTED

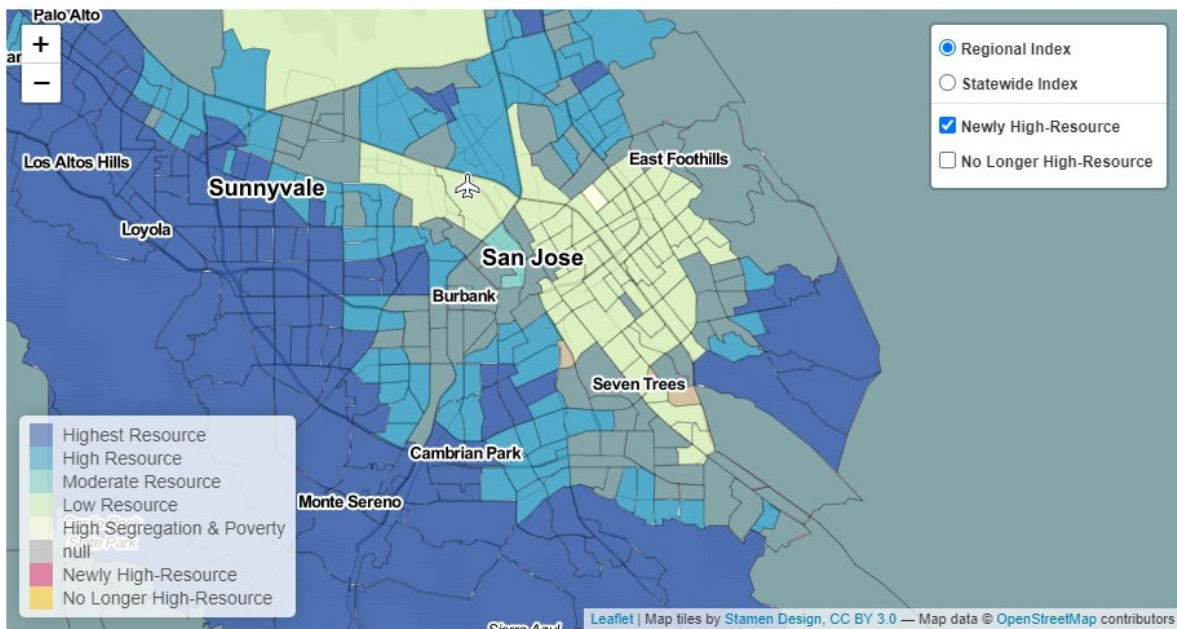**San Francisco and East Bay Area using Statewide Map:**

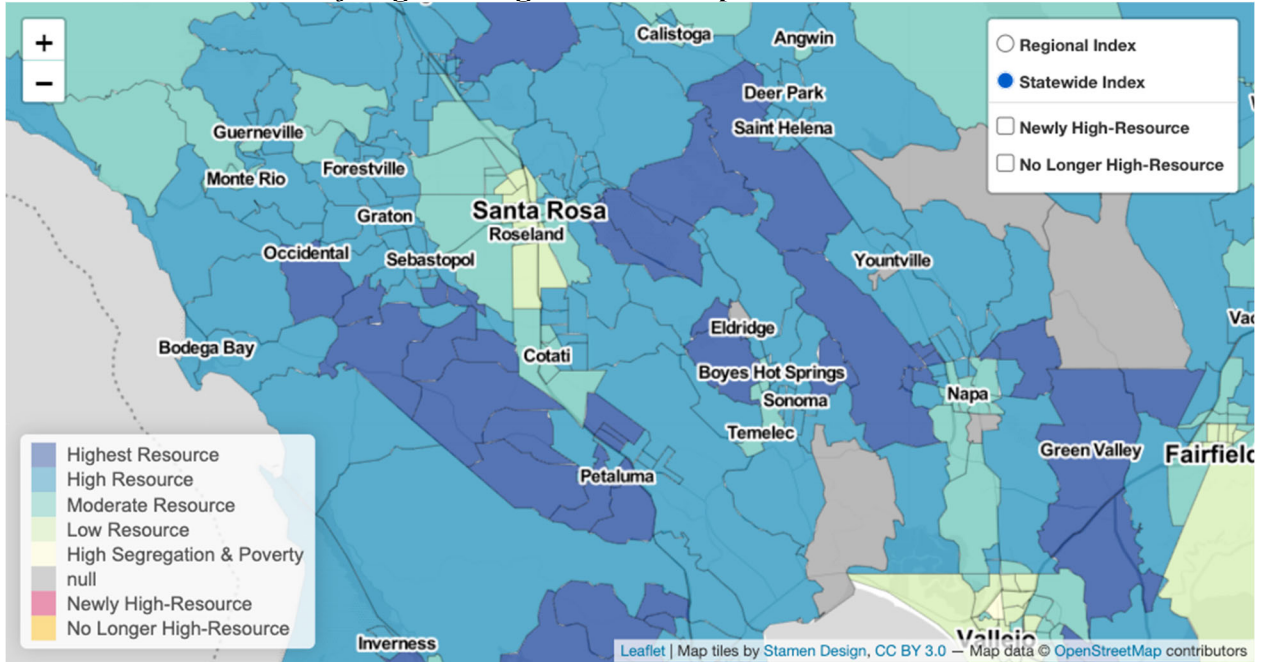**San Francisco and East Bay Area using Regionally Adjusted Map:**

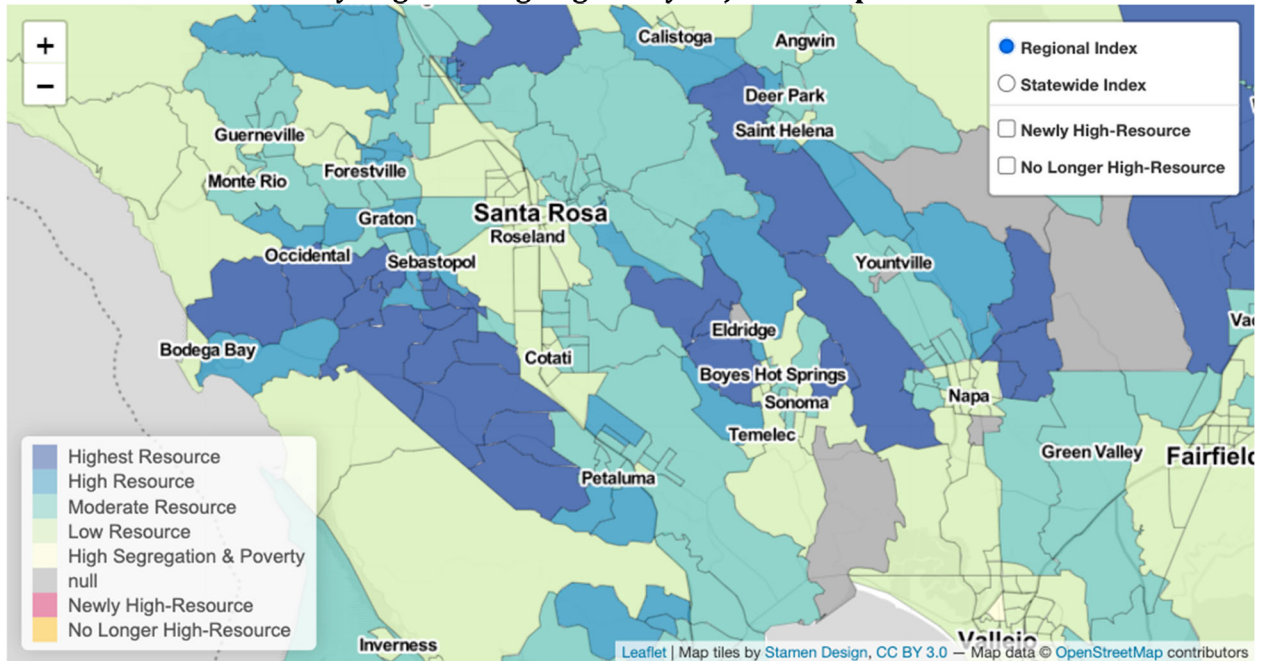**San Jose and Silicon Valley using Statewide Map:**

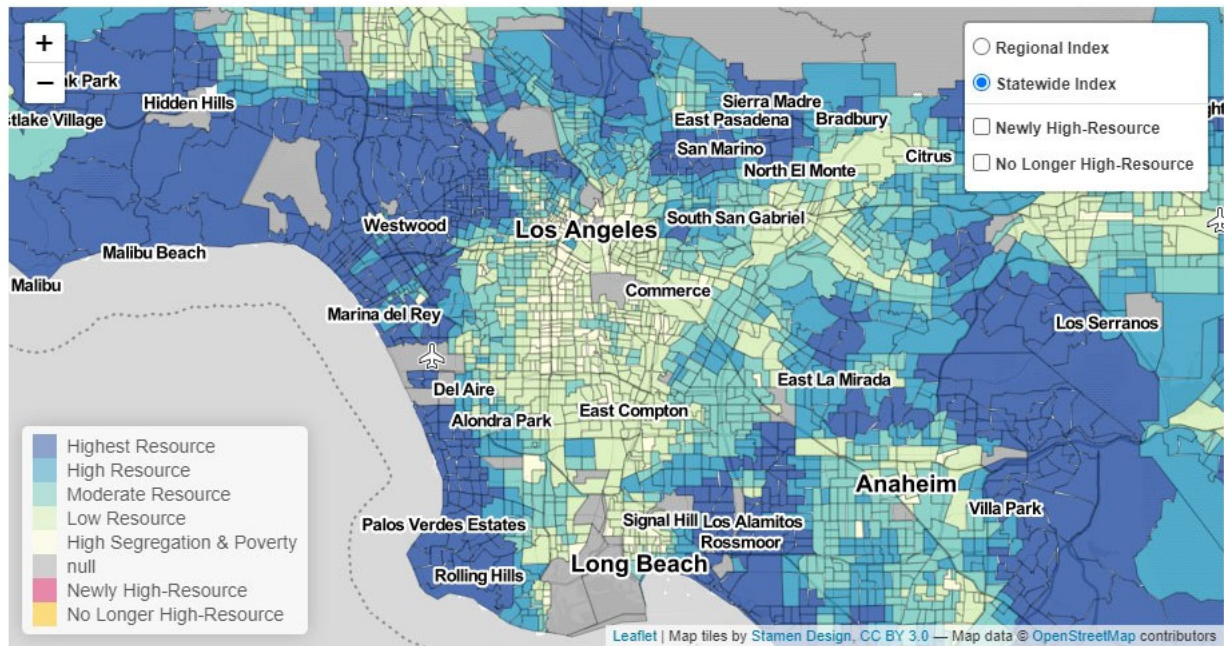**San Jose and Silicon Valley using Regionally Adjusted Map:**
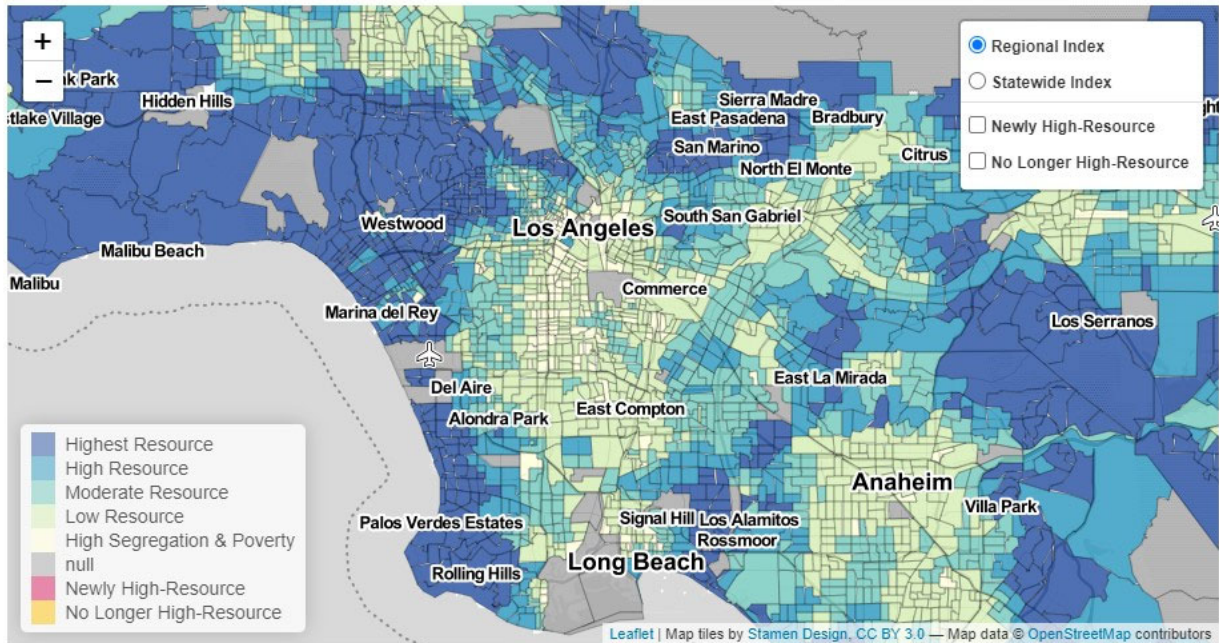
Santa Rosa and North Bay Region using Statewide Map:

Santa Rosa and North Bay Region using Regionally Adjusted Map:

Los Angeles Metro using Statewide Map:

Los Angeles Metro using Regionally Adjusted Map:

San Diego Area using Statewide Map:

San Diego Area using Regionally Adjusted Map:

November 20, 2024

Anthony Zeto, Deputy Director
California Tax Credit Allocation Committee
901 P Street, Suite 213A
Sacramento, CA 95814

Megan Kirkeby, Deputy Director Housing Policy Department
California Department of Housing and Community Development
651 Bannon Street
Sacramento, CA 95811

Submitted via email to Anthony.Zeto@treasurer.ca.gov and Megan.Kirkeby@hcd.ca.gov

RE: 2025 Opportunity Map

Dear Mr. Zeto & Ms. Kirkeby,

East Bay Asian Local Development Corporation (EBALDC) appreciates the opportunity to provide these comments on the "Proposed 2025 CTCAC/HCD Opportunity Map." We appreciate the numerous engagements that HCD, especially, has offered to discuss AFFH in the state of California, including the numerous conversations with the California Community Based Development Collective (CBDC), of which EBALDC is a participant. We appreciate the continued efforts to improve both the mapping methodologies and the overall framework for affirmatively furthering fair housing. We continue to offer our comments in the spirit of that improvement and refinement of the maps, while recognizing their limitations for fully realizing the goals of the AFFH mandate. For that reason, we strongly encourage CTCAC and HCD to continue robust engagement and efforts to develop a framework for driving investment into communities that have been harmed by the systemic disinvestment related to historic and current racism and redlining.

EBALDC is a non-profit community development organization with over 49 years of experience in building healthy, vibrant and safe neighborhoods in Oakland and East Bay. We address the specific needs of individual neighborhoods by connecting the essential elements of health and wellbeing through our Healthy Neighborhoods Approach. Emphasizing our historic and continuing commitment to Asian and Pacific Islander communities, EBALDC works with and for all the diverse populations of the East Bay to build healthy, vibrant and safe neighborhoods through community development. We achieve more by building strong partnerships to accomplish neighborhood goals.

In response to the Draft 2025 Opportunity Maps, we strongly urge the state to correct a glaring and persistent shortfall, which is the down-labeling of census tracts as "moderate" or "low" resource neighborhoods, when the data itself demonstrates that this is not an accurate characterization of these communities.

Problem Statement: The current version of the Opportunity Map, in order to balance investment throughout the state, labels some areas as Low or Moderate Resource that are actually High Resource Areas according to the raw opportunity data (economic, education, and environmental indicators). This disproportionately affects urban communities of color, which are – as a result – being denied critical housing funding on the false basis that they are not good areas to raise children, when in fact they are excellent places to raise children according to the State's own data.

Solution: HCD staff briefly released the raw opportunity data showing what the maps would look like if they identified High/Moderate/Low Resource Areas statewide, without the requirement to have an equal number of High Resource Areas in each region. See Attachment 1 for snapshot comparisons of these statewide maps to the current adopted maps in key urban areas.

A simple solution to the above problem would be to adopt the statewide map of High/Highest Resource Areas based on the un-adjusted data, and then apply the regionally-adjusted map as an _additive_ layer, increasing the number of High/Highest Resource Areas to reflect the census tracts that, while not in the top 20% or 40% of census tracts statewide, do represent the highest resource census tracts in their respective regions; the resulting map would not remove the High Resource designation from any areas that currently receive it because of the regional requirement, but would better capture the range of excellent locations where affordable housing can be incentivized. This would maintain the geographic diversity TCAC wants to see in the maps without misrepresenting urban communities as Low or Moderate Resource that in fact are High Resource according to the opportunity data.

Sincerely,

Capri Juliet Roth

Capri Juliet Roth
Executive Vice President, Real Estate Development

ATTACHMENT 1: COMPARITIVE MAPS: STATEWIDE AND REGIONALLY ADJUSTED
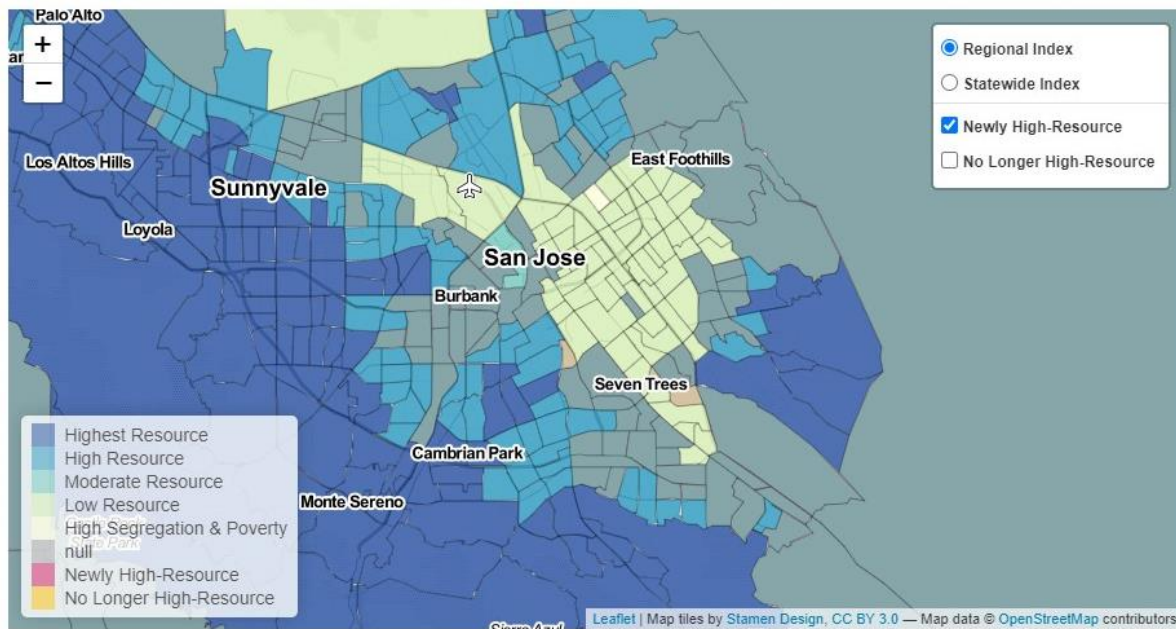
San Francisco and East Bay Area using Statewide Map:

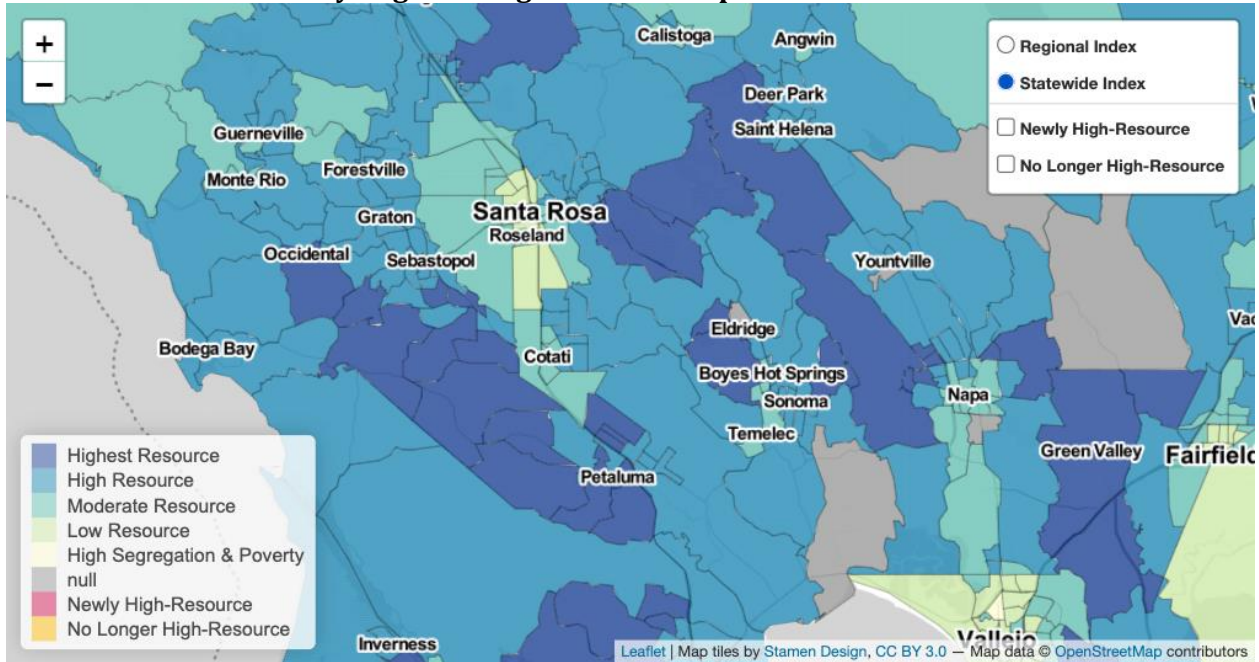**San Francisco and East Bay Area using Regionally Adjusted Map:**

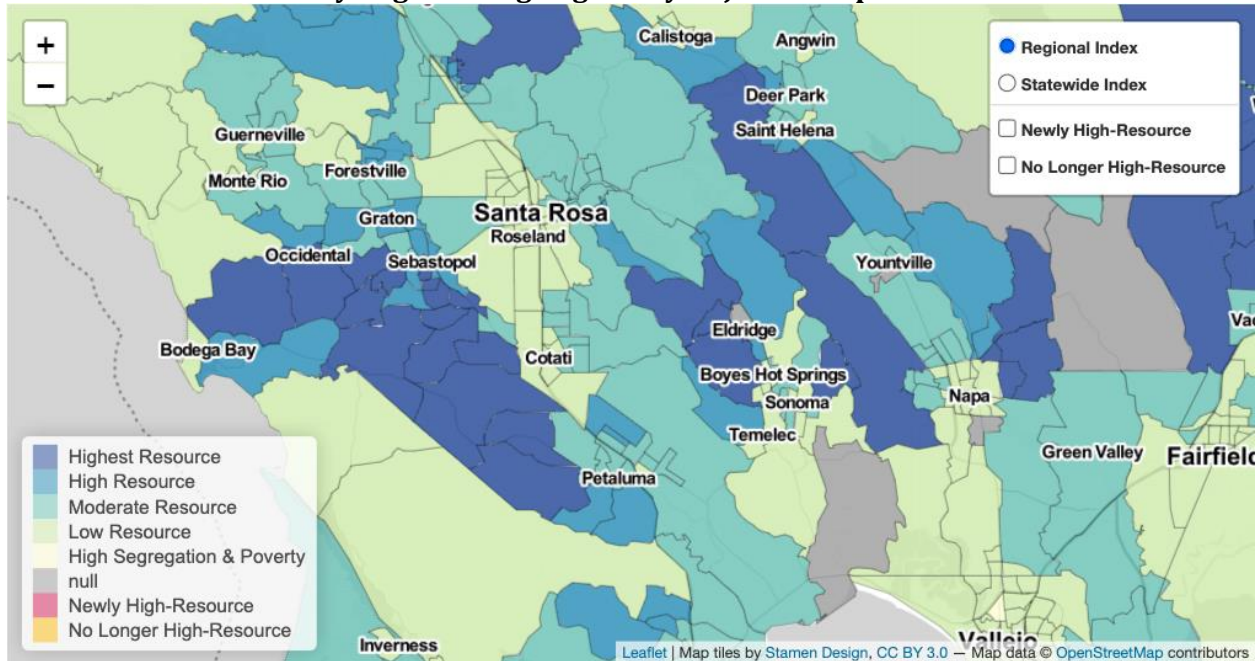## San Jose and Silicon Valley using Statewide Map:
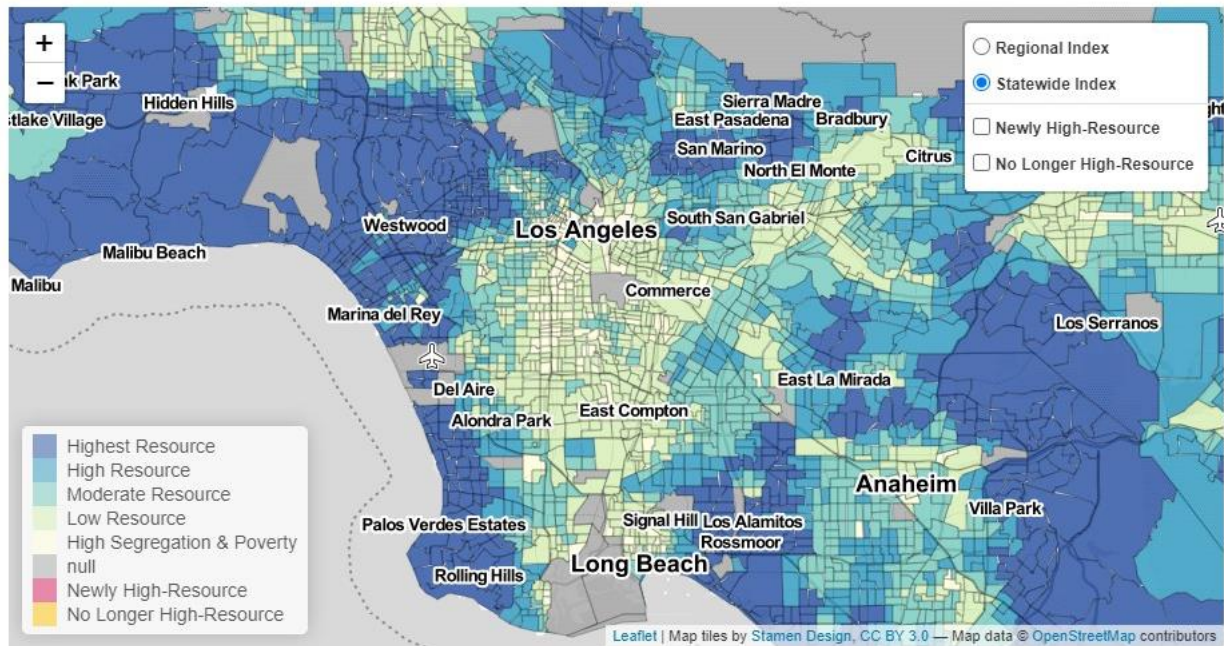

San Jose and Silicon Valley using Regionally Adjusted Map:
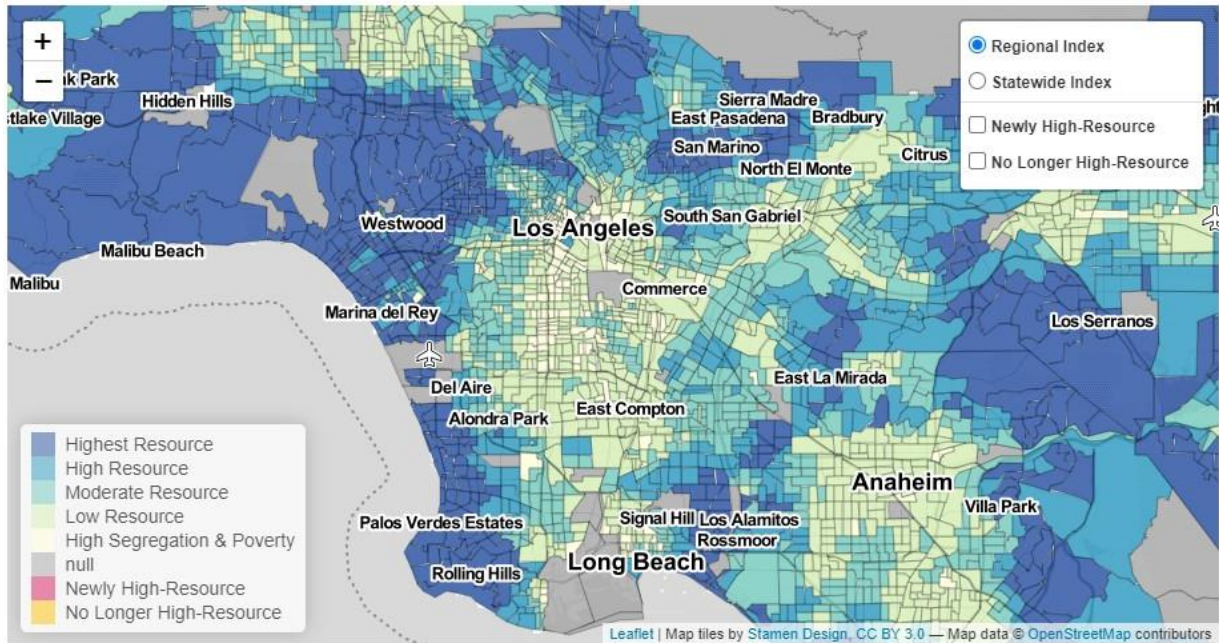
Santa Rosa and North Bay Region using Statewide Map:

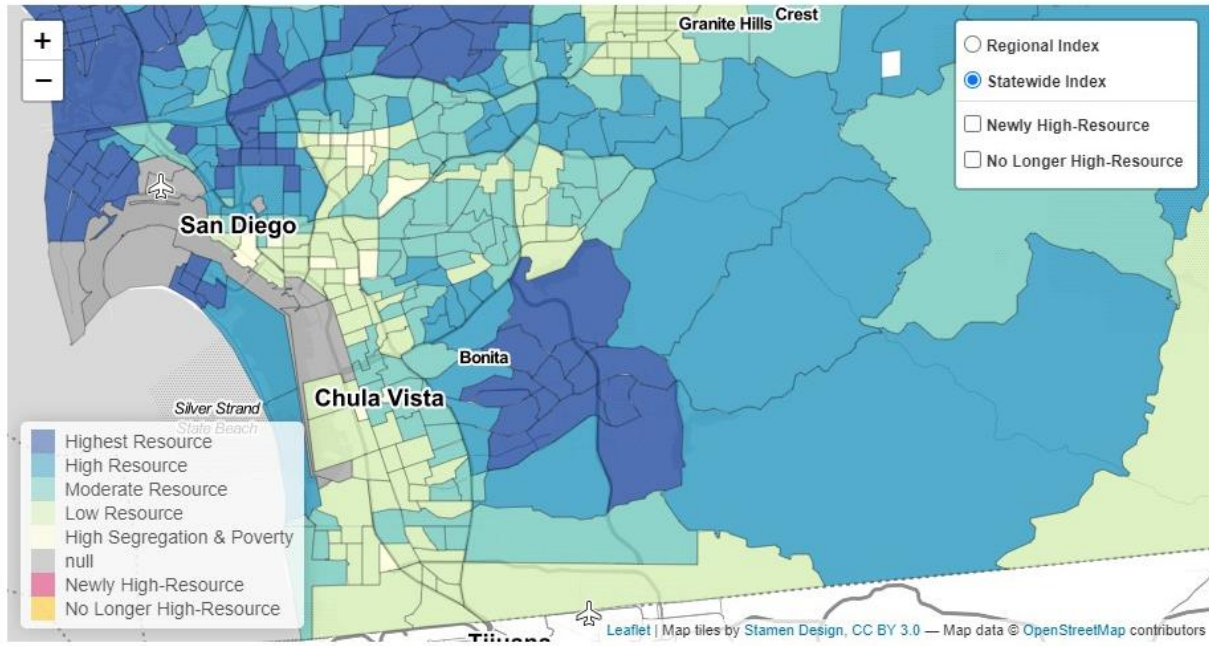**Santa Rosa and North Bay Region using Regionally Adjusted Map:**
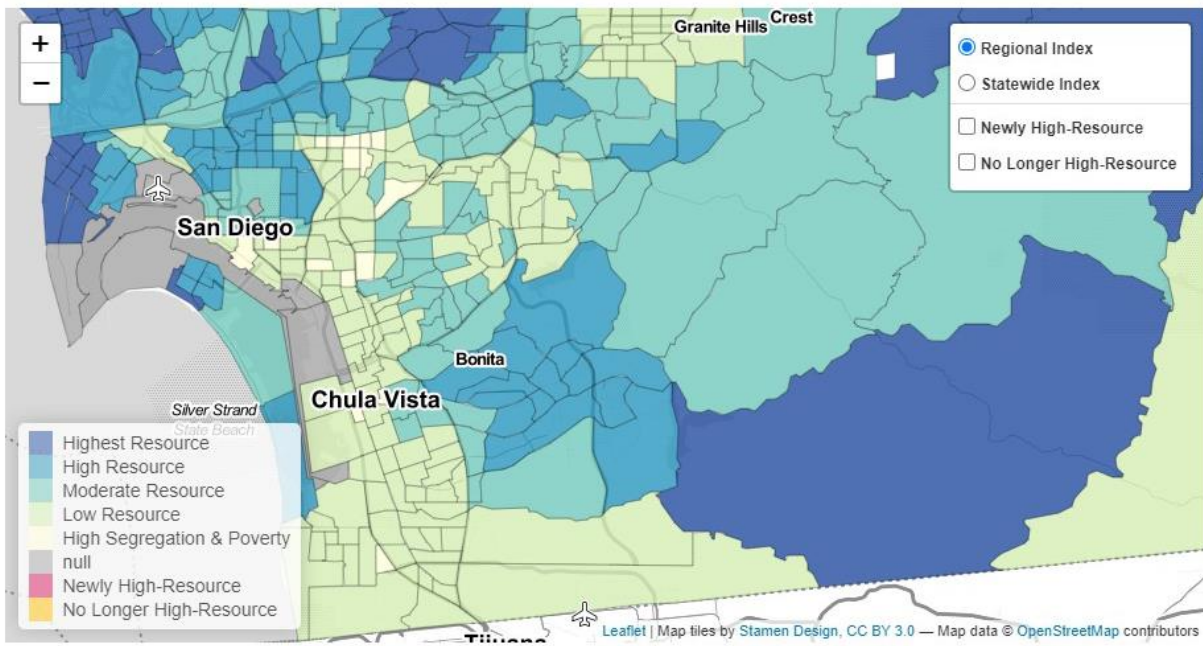
Los Angeles Metro using Statewide Map:

Los Angeles Metro using Regionally Adjusted Map:

San Diego Area using Statewide Map:

San Diego Area using Regionally Adjusted Map:

November 20, 2024

Anthony Zeto, Deputy Director
California Tax Credit Allocation Committee
901 P Street, Suite 213A
Sacramento, CA 95814

Megan Kirkeby, Deputy Director Housing Policy Department
California Department of Housing and Community Development
651 Bannon Street
Sacramento, CA 95811

Submitted via email to Anthony.Zeto@treasurer.ca.gov and Megan.Kirkeby@hcd.ca.gov

RE: 2025 Opportunity Map

Dear Mr. Zeto & Ms. Kirkeby,

In response to the Draft 2025 Opportunity Maps and Memo dated October 30, 2024, please accept the following comment on behalf of the California Community-Based Development Collective (CBDC) – a coalition of majority BIPOC-led and staffed affordable housing organizations engaged in community investment and development in neighborhoods with strong cultural and ethnic identities, and our allies. We have appreciated the numerous opportunities to discuss the maps and the broader AFFH framework with HCD staff in recent years, and offer our comments to further improve the impact of these maps, while recognizing their limitations for fully realizing the goals of the AFFH mandate. We continue to strongly encourage CTCAC and HCD to continue robust engagement and efforts to develop a framework for driving investment into communities that have been harmed by the systemic disinvestment related to historic and current racism and redlining.

In response to the Draft 2025 Opportunity Maps, we strongly urge the state to correct a glaring and persistent shortfall, which is the down-labeling of census tracts as "moderate" or "low" resource neighborhoods, when the data itself demonstrates that this is not an accurate characterization of these communities.

Problem Statement: The current version of the Opportunity Map, in order to balance investment throughout the state, labels some areas as Low or Moderate Resource that are actually High Resource Areas according to the raw opportunity data (economic, education, and environmental indicators). This disproportionately affects urban communities of color, which are – as a result – being denied critical housing funding on the false basis that they are not good areas to raise children, when in fact they are excellent places to raise children according to the State's own data.

Solution: HCD staff briefly released the raw opportunity data showing what the maps would look like if they identified High/Moderate/Low Resource Areas statewide, without the requirement to have an equal number of High Resource Areas in each region. See Attachment 1 for snapshot comparisons of these statewide maps to the current adopted maps in key urban areas.

A simple solution to the above problem would be to adopt the statewide map of High/Highest Resource Areas based on the un-adjusted data, and then apply the regionally-adjusted map as an _additive_ layer, increasing the number of High/Highest Resource Areas to reflect the census tracts that, while not in the top 20% or 40% of census tracts statewide, do represent the highest resource census tracts in their respective regions; the resulting map would not remove the High Resource designation from any areas that currently receive it because of the regional requirement, but would better capture the range of excellent locations where affordable housing can be incentivized. This would maintain the geographic diversity TCAC wants to see in the maps without misrepresenting urban communities as Low or Moderate Resource that in fact are High Resource according to the opportunity data.

Thank you in advance for your time and consideration of this suggestion.

Sincerely,

Arnulfo Manriquez

President & CEO, MAAC

Duane Bay

Executive Director, East Palo Alto Community Alliance and Neighborhood Development Organization

Janelle Chan

CEO, East Bay Asian Local Development Corporation

Malcolm Yeung

Executive Director, Chinatown Community Development Center

Aubra Levine

Vice President of Real Estate Development, The Unity Council

Regina Celestin Williams

Executive Director, SV@Home

Erich Nakano

Executive Director, Little Tokyo Service Center

Alejandro Martinez

President, CRCD Partners LLC

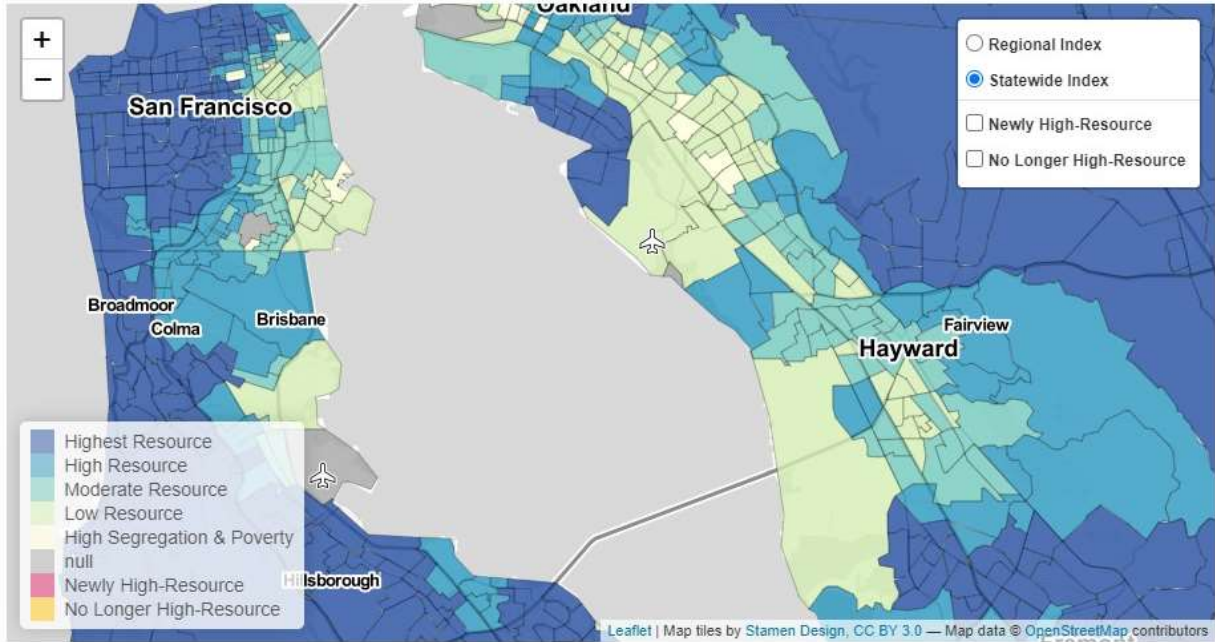Omar Carrera

CEO, Canal Alliance

Luis Granados

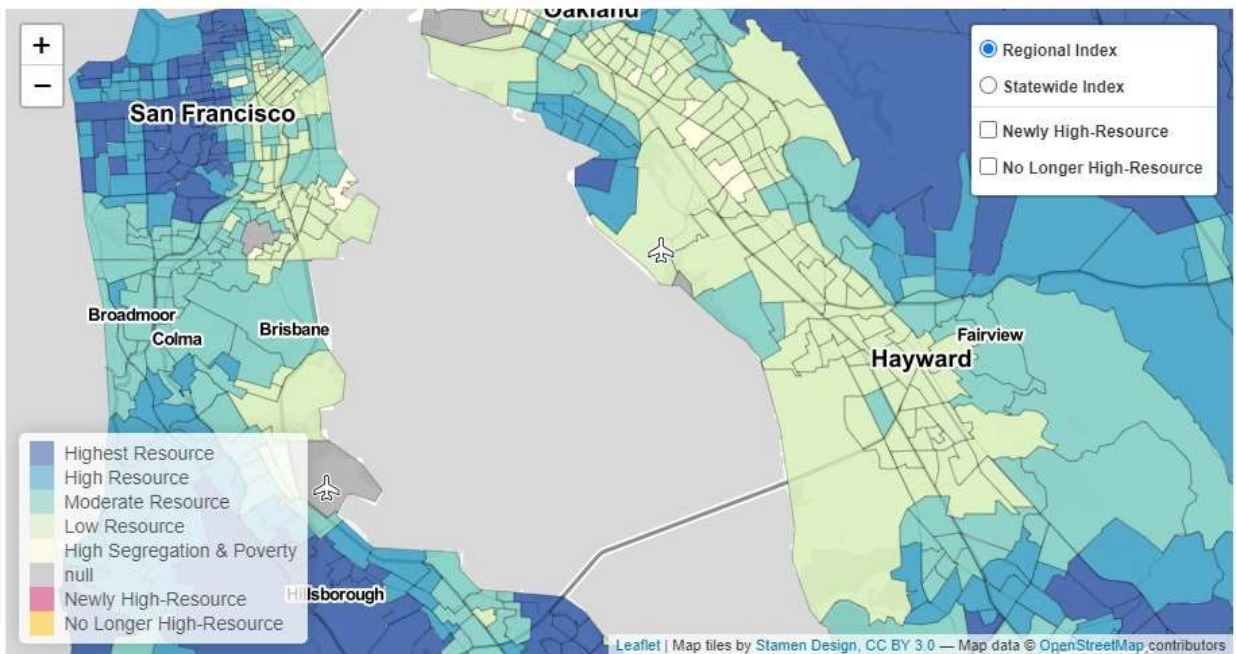CEO, Mission Economic Development Agency

Katie Lamont

Interim Co-CEO and Chief Operating Officer, TNDC

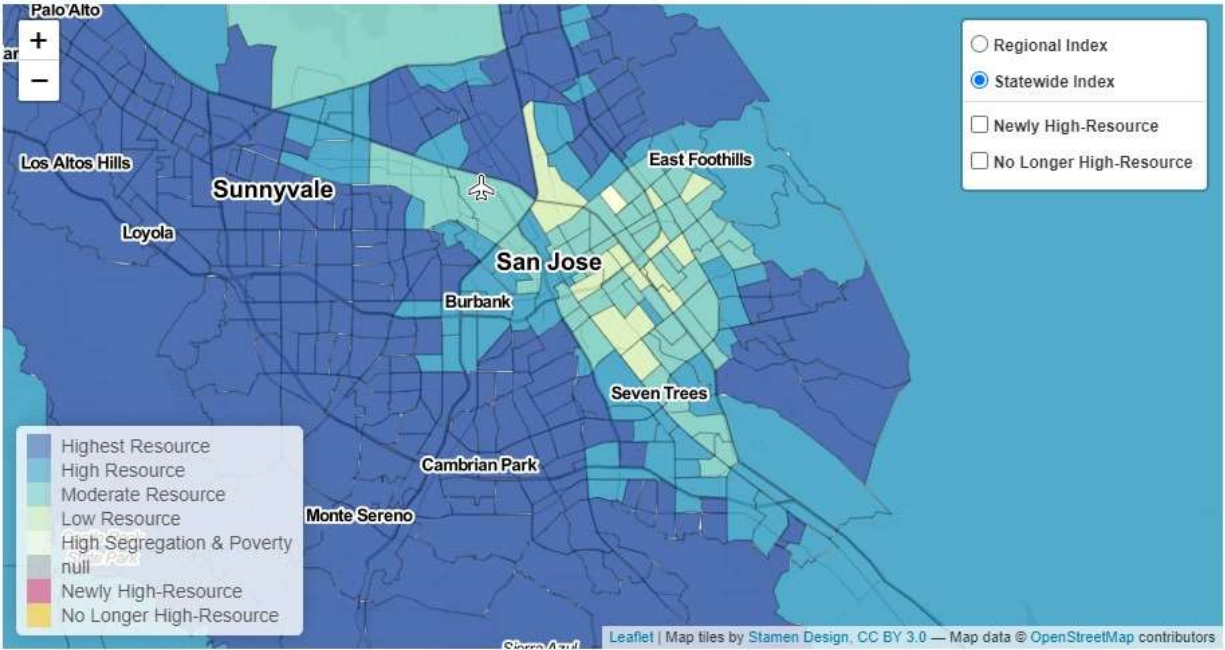**ATTACHMENT 1: COMPARITIVE MAPS: STATEWIDE AND REGIONALLY ADJUSTED**

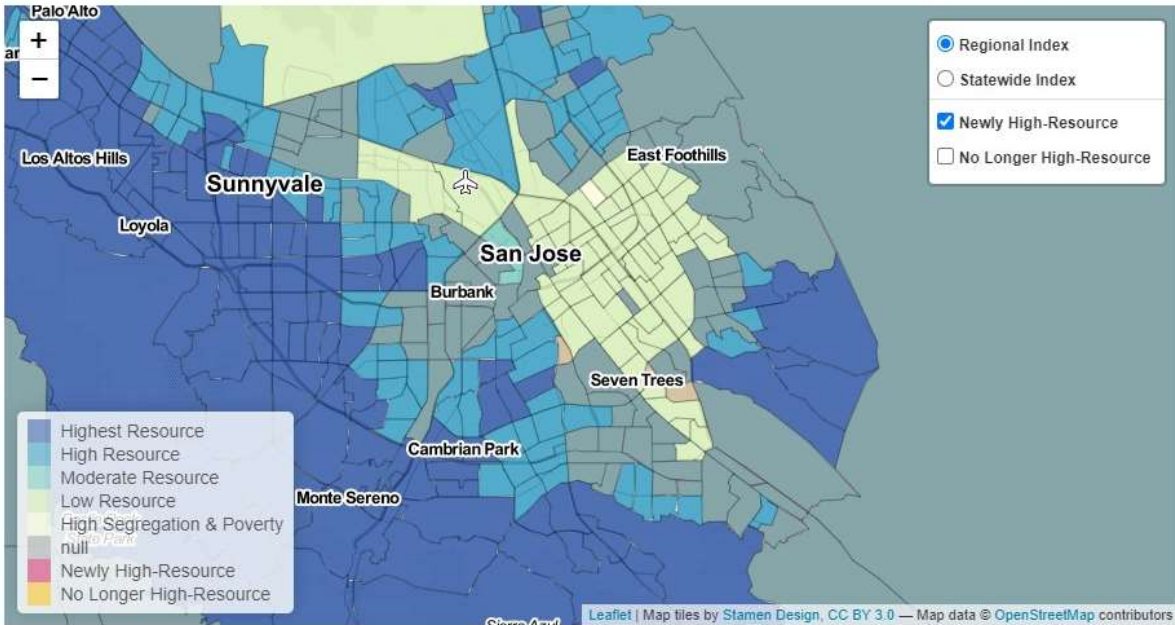**San Francisco and East Bay Area using Statewide Map:**

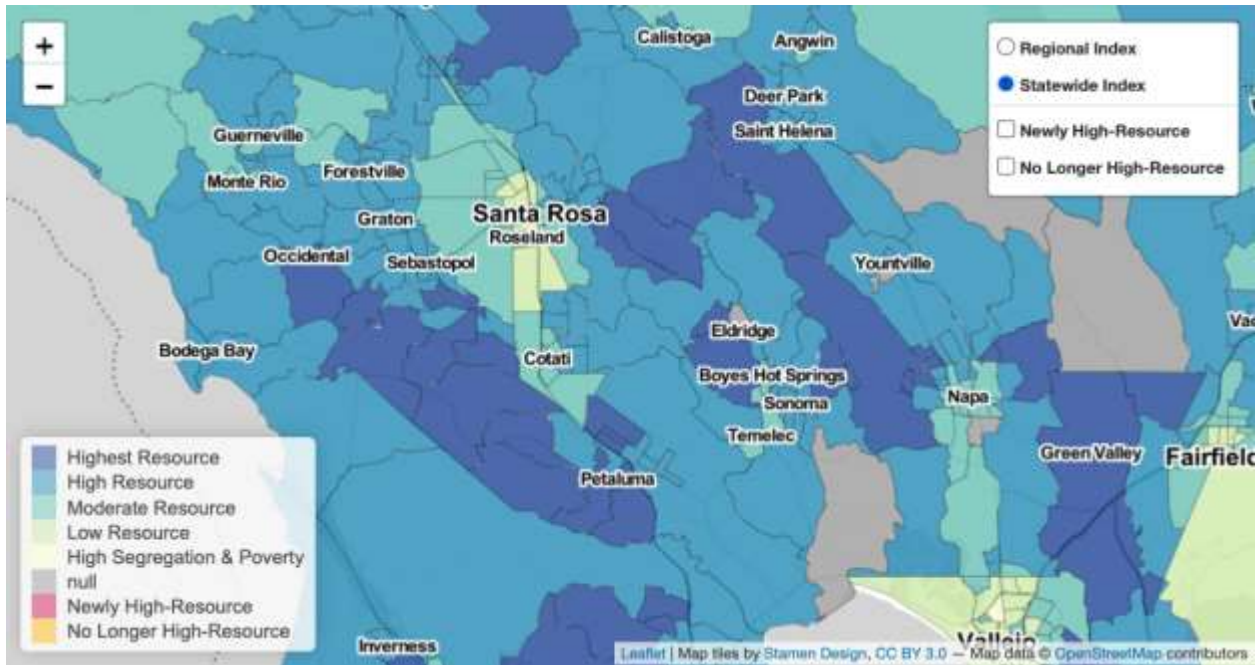**San Francisco and East Bay Area using Regionally Adjusted Map:**
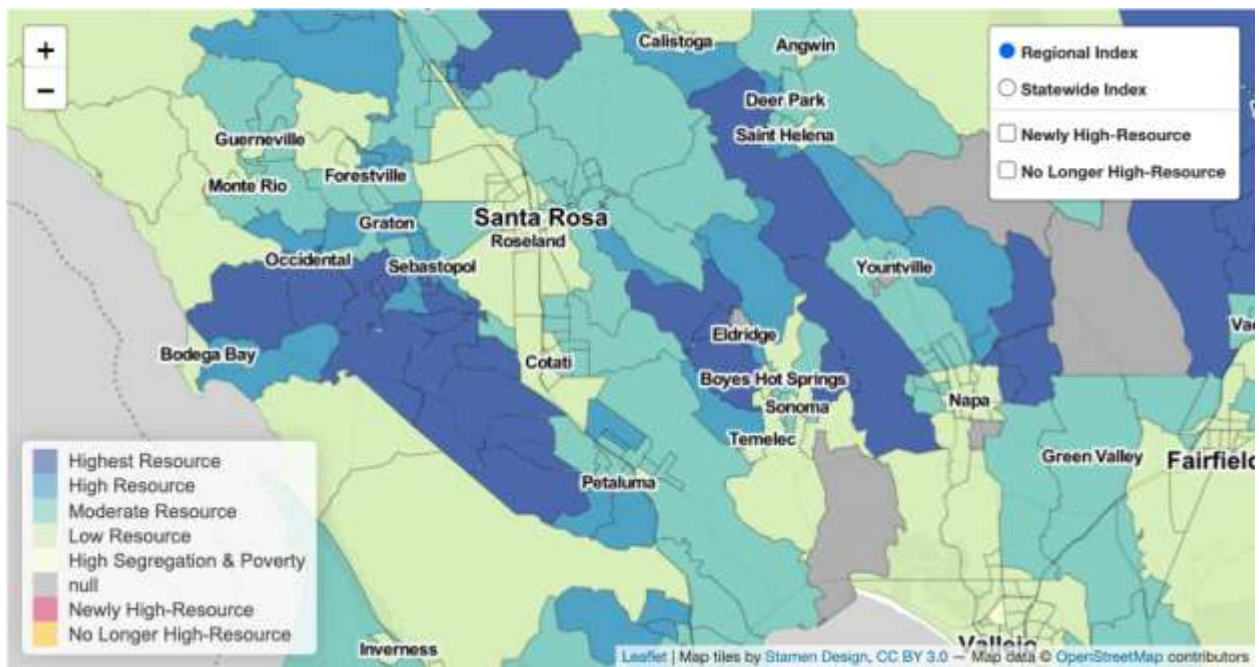
San Jose and Silicon Valley using Statewide Map:

San Jose and Silicon Valley using Regionally Adjusted Map:

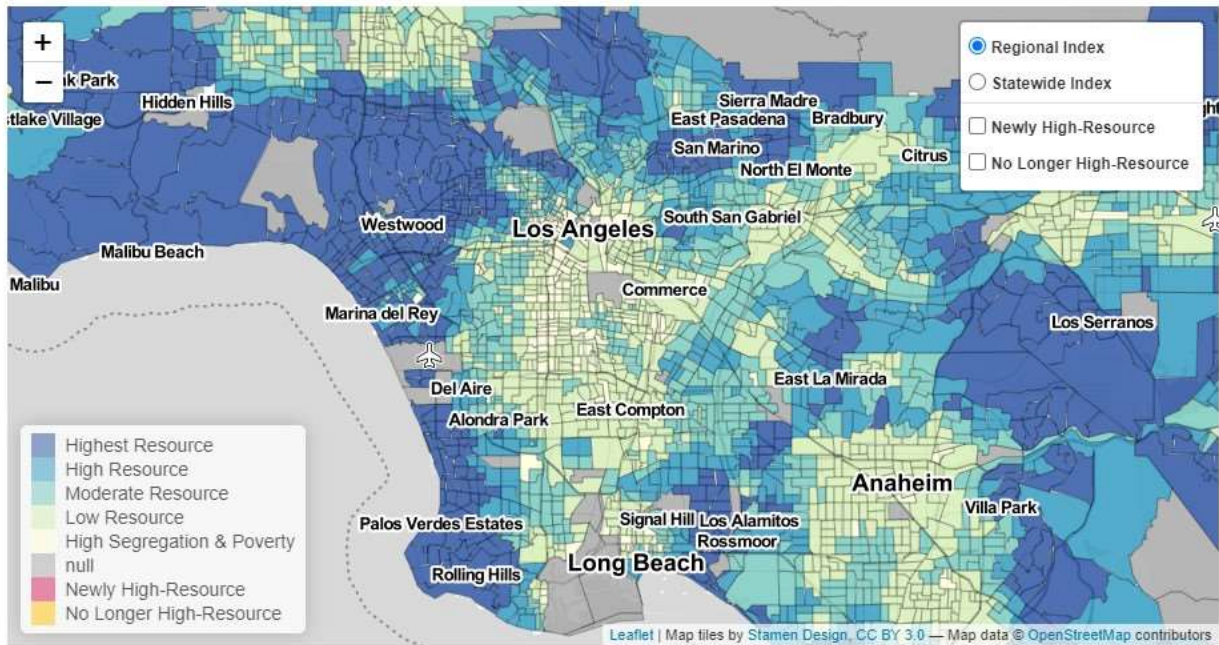**Santa Rosa and North Bay Region using Statewide Map:**

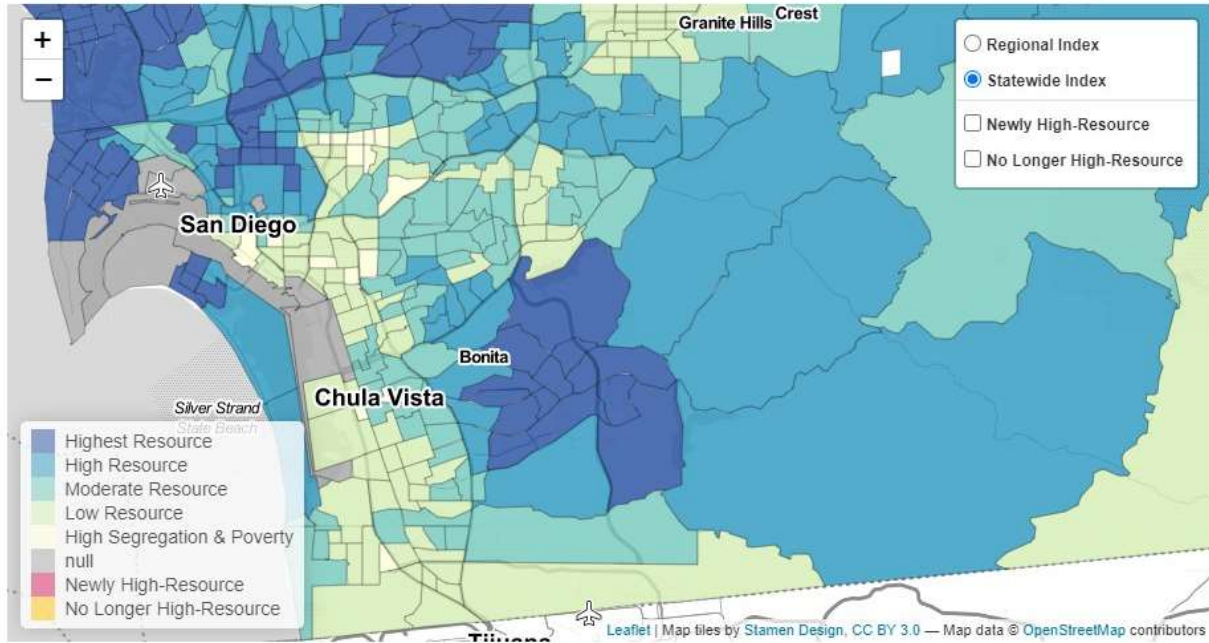**Santa Rosa and North Bay Region using Regionally Adjusted Map:**
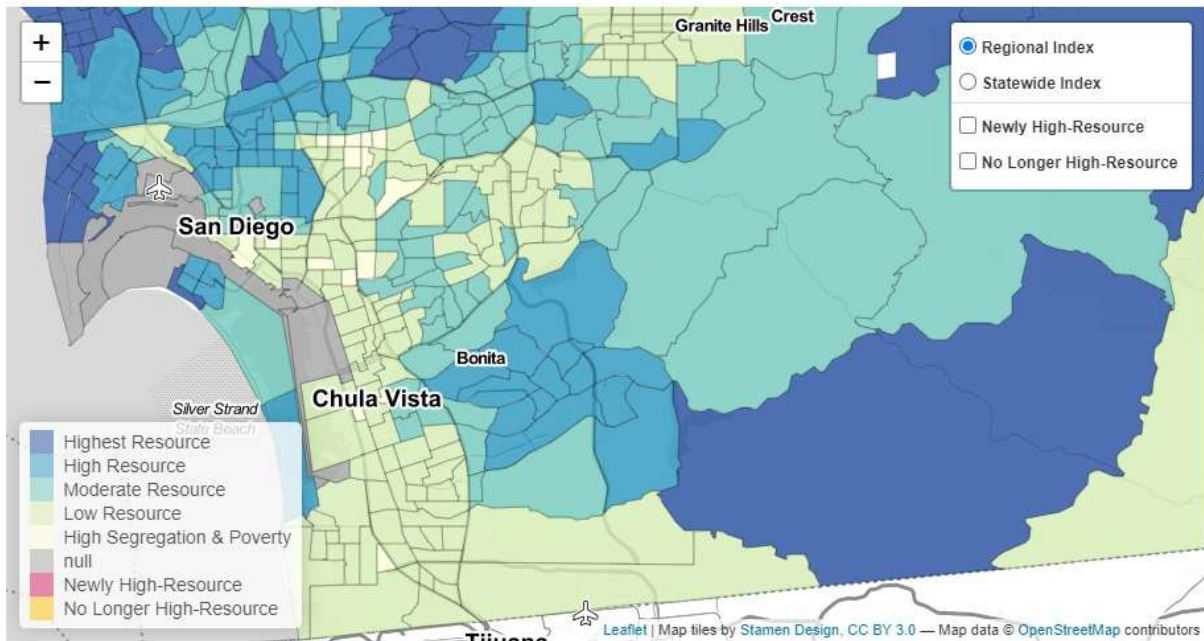
Los Angeles Metro using Statewide Map:

Los Angeles Metro using Regionally Adjusted Map:

San Diego Area using Statewide Map:

San Diego Area using Regionally Adjusted Map:

Thank you for the opportunity to comment on the 2025 Opportunity Map. One general comment—wondering if TCAC/HCD would consider making all block group data (not just the education indicators noted, which did not include educational attainment) on a three-year rolling average as well? I'm definitely in support of using block group data for rural areas, when available, given the large size of rural census tracts, but I do think the data on the block group level is pretty volatile and not always very accurate given the small sample sizes of rural block groups with huge margins of error in the data.   I think using a three-year rolling average on all block group data would be more accurate and wondering if TCAC/HCD looked at that?

Thanks,

Robin

Robin Zimbler
Freebird Development Company
1111 Broadway, Suite 300
Oakland, CA 94607 | (510) 319-6959
robin@freebirddev.com | www.freebirddev.com