



September 15, 2017

California Tax Credit Allocation Committee
915 Capitol Mall, Room 485
Sacramento, CA 95814

Re: Opportunity Maps, Published for Comment by CTCAC

Dear Director Stivers:

The Rural Smart Growth Task Force organizations serve rural, farmworker, and American Indian tribal communities. The Task Force appreciates your leadership in seeking to address the historic and systemic patterns of racial and economic inequity in communities across California.

We have the following overall comments on the intent of the proposed Opportunity Maps:

- Development of decent, affordable housing in all communities of all income and demographic categories is critical to ensure fair housing opportunity. *All* communities are accountable for developing their fair share of affordable housing.
- The goal of creating racially and economically integrated communities that provide equitable opportunity in affordable housing and infrastructure for the complex diversity of the population is essential to State housing policy.
- The goal of investing in affordable housing and infrastructure in historically disadvantaged communities and areas of high concentrations of poverty and segregation is essential to State housing policy.
- Rural, farmworker and disadvantaged communities are not adequately addressed in the proposed Maps or State housing policy.

The current methodology fails to reflect the unique data challenges and circumstances of rural communities, thus **our primary recommendation is to establish a separate mechanism for rural areas that reflects the input of nonprofit developers, advocates, and community representatives in identifying the true areas of opportunity in rural communities.**

Addressing inequity in the development of affordable housing and infrastructure, and addressing related inequities in transportation and municipal services must be incorporated into housing element policy, program, site inventory and fair housing requirements. Local governments should be required to have a robust public engagement process, consider mapping tools, utilize explicit understanding of local conditions and circumstances in identifying specific sites and areas that would qualify as high opportunity sites for development of affordable housing. Local governments should identify specific local incentives to further facilitate development in high opportunity areas while also being cognizant of, and establishing policies to address potential displacement pressures. Local governments also must have policies, programs, sites and mapping that address the need to invest and develop affordable housing and



infrastructure where historic underinvestment or disinvestment has resulted in concentrations of poverty and race.

A statewide strategy must include interagency planning that extends well beyond TCAC and HCD. There must be a statewide approach to ensure that projects in all opportunity neighborhoods are supported by zoning, transit, and other amenities for families to thrive and that those in disadvantaged communities are paired with transformative investments and strategies. HUD and the Departments of Transportation and Education supported this coordination in response to the HUD guidance on affirmatively furthering fair housing.

The Task Force takes this opportunity to identify specific concerns about the Proposed Opportunity Maps and to recommend alternatives.

OVERALL PROCESS

Creating a comprehensive and powerful a tool like the Proposed Opportunity Maps is a process that should be embarked upon with great diligence, intention, and stakeholder engagement.

Concern: The overall process to create these maps has been somewhat shortsighted and lacked the real-time input from local and subject experts. Seeking feedback once the maps already have been created and only days ahead of regulations outlining the intended use of the maps does *not* constitute adequate stakeholder engagement.

Recommendations:

- Allow additional time to revisit and make changes to the maps with additional comment periods following a re-release of the tool.
- Increase understanding and participation by community members and residents in the development of the maps.
- Increase participation by affordable housing developers and housing advocates in the development of the maps.

Concern: Developers throughout the state already have acquired sites based on the assumption that they would be competitive for TCAC allocations using the present methodology.

Recommendations:

- New incentives for developing in higher resource areas should be phased in and not take immediate effect.
- Properly defining higher resource development areas in rural and farmworker communities is a challenge that must be completely revisited and properly undertaken.
- Delaying until at least 2019 will provide affordable housing developers time to work with the State to address rural and underserved areas and submit competitive applications without potentially losing on scarce funding in the next two immediate cycles.



Concern: It has been impossible to assess the Proposed Opportunity Maps and the methodologies used in their creation in their limited form and with limited access to full data.

Recommendations:

- The methodology used to create the maps should be peer reviewed by experts who carry advanced degrees in research methodology and understand small area data.
- Information about the methodology and details of the data should be widely available, specifically, all data and shapefiles should be easily accessible on the TCAC website.

USE OF CENSUS TRACTS

We understand how critical consistent data is to the effectiveness of a tool such as the Proposed Opportunity Maps and that using data at the Census Tract level often provides greater access to more consistent data. It seems that census tracts were used a) for the consistent level of data available and b) as a proxy for delineation of neighborhoods.

Concern: Census tracts in urban areas often align with neighborhoods, however, Census tracts in rural communities are much larger, with many counties containing only one or two Census tracts. Census tracts in rural counties can look like some of the worst gerrymandered political districts, and very odd pairings of communities can result. Rural Census tracts often include multiple small communities with starkly contrasting demographics and amenities or combine small disadvantaged communities with nearby affluent urban neighborhoods. This uneven pairing of communities in the same census tract, along with potential changes in tiebreaker methodology, are likely to have the unintended consequence of rendering projects in rural high opportunity neighborhoods infeasible. This problem is not a new one for those of us who regularly deal with rural Census data: we have encountered difficulties with Census tract data in rural, farmworker and disadvantaged communities across California for a variety of state and federal programs, because the data is simply not suitably area-specific.

Concern: Rural mobility and housing choice is different than in other transit-rich and more urban areas. People locate in rural communities because of proximity to their work, particularly agricultural and industrial workers. The expansive geographies, significant topographic differences and transportation barriers render it impossible and nonsensical for a working family in a rural community to move up to an hour away into an area of opportunity in another census tract. They often really are in data-masked areas of opportunity that are suitable for development.

Recommendation: Maps should use local, regional, or non-Census level data wherever possible, and otherwise use data at the Census Block level.

Rural Redlining and Urban Bias

These maps have proven to be urban-centric and are dangerously misleading for rural communities. A tool that was designed to foster integration across neighborhoods within urban and suburban cities has effectively 'redlined' entire rural jurisdictions as low-opportunity or outside high opportunity. The



definitions and terminology also must be revisited, at least in rural areas, since they twist the opportunity for development and investment into a rigid, unworkable tool and assume that many areas in which investment is key, communities are vital, but lack of funding and planning somehow defines them as low resource.

The following list of rural and farmworker communities that do *not* contain areas of high or highest opportunity is not comprehensive, but is representative:

San Joaquin Valley

Arvin, Avenal, Biola, Chowchilla, Coalinga, Corcoran, Cutler, Del Rey, Delano, Delhi, Dinuba, Dos Palos, Earlimart, Empire, Farmersville, Firebaugh, Grayson, Gustine, Huron, Ivanhoe, Kerman, Keyes, Lamont, Legrand, Lindsay, Livingston, Los Banos, Parksdale, McFarland, Mendota, Orange Cove, Orosi, Patterson, Pixley, Planada, Poplar, Porterville, Reedley, Richgrove, Riverbank, Salida, Selma, Shafter, Strathmore, Terra Bella, Tipton, Traver, Wasco, Winton, Woodville

Northern Sierra

Colusa County: Colusa, Williams, Arbuckle
 Glenn County: Orland, Willows, Hamilton City
 Tehama County: Red Bluff, Corning, Los Molinos
 Yuba County: Marysville, Wheatland, Linda, Olivehurst
 Butte County: Gridley, Biggs, Oroville or Paradise (nowhere but Chico and Durham, none in 4 of the 5 incorporated cities)
 Sutter County: Yuba City, Live Oak (nowhere besides Sutter CDP)

Coachella and Imperial Valleys

The unincorporated communities of: Mecca, Thermal, Oasis, North Shore, Heber
 The incorporated communities of: Coachella (not rural but farmworker community), Westmorland, Desert Hot Springs, and Calexico (not rural but a Colonia community)

Central Coast

Santa Cruz County: Watsonville, Freedom
 Monterey County: Castroville, Salinas, Chualar, Gonzales, Soledad, Greenfield, King City, San Lucas

OTHER INDICATORS AND FILTERS

Undevelopable Land

Concern: Many areas of the Proposed Opportunity Maps identify high opportunity areas in State or National Parks, open green space, on mountain sides and ravines, or other undevelopable and protected land.

Concern: This issue is disproportionate to rural and agricultural communities and many of the *only* identified high opportunity areas are in these undevelopable locations.

Recommendations:

- Incorporate a mapping layer that identifies and takes into consideration topography.



- Incorporate a mapping layer that better identifies and takes into consideration parks, agricultural land, and other protected space.

Gentrification

Gentrification will convert some of the so-called low resource neighborhoods of the past into the high resource neighborhoods of the future. Investing in affordable housing and services in these neighborhoods today will allow low-income residents to remain and benefit from new investments, rather than be displaced by rapidly rising housing costs.

Concern: The Proposed Opportunity Maps do not address communities that are rapidly gentrifying and the potential risk of displacement.

Recommendations:

- Maps should incorporate indicators that identify Census tracts with rising rents and a shrinking proportion of people of color and low income.
- Transportation can serve as a proxy for gentrification and the Proposed Opportunity Maps can include information about levels of transit service or investment.

Commute Times

Concern: Rural and agricultural communities, like the San Joaquin Valley and Eastern Coachella Valley, have extensive commute times based less on access to jobs, housing costs, or other factors and much more to do with geography, topography, or work-type.

Recommendation:

- Measuring Commute Times over 30 minutes is not adequate in rural areas and must be reanalyzed since commute times are generally longer and can easily be an hour or longer.

Proximity to Jobs

Concern: People living in rural communities often live much further away from their places of work because of geographic and topographic differences between rural and urban/sub-urban areas. .

Concern: Measuring 5 miles from the center of a Census Tract that encompasses an entire county does not give an accurate Indicator of proximity to jobs.

Recommendation:

- Instead of measuring proximity to jobs as a 5 mile radius this radius should be significantly increased in rural areas.

Employment

Concern: It is likely that civilian labor force does not adequately include agricultural work in the Employment indicator.

Poverty Rates



It is widely understood that poverty rates, specifically childhood poverty rates, are key indicators of access to opportunity and educational outcomes. Student Poverty Rate (calculated as average percentage of students eligible for free or reduced lunch at the three closest schools) is used as an Indicator for the Education Domain Score. Poverty Rate (calculated as percentage of the population with an income below 200% of the federal poverty line) is included as a factor in the Economic Domain Score. Student Poverty Rate is used again as a Filter (any census tract with over 80% of students eligible for free or reduced lunch will be designated “very low-resource in nearly any context”¹). Poverty Rates (calculated as census tracts at 60% County AMI or below) are then filtered again.

Concern: Poverty rate and Student Poverty Rates are each counted as Indicators and then used again as Filters. This raises concern that lower income rural and farmworker communities, when taken at the sweeping Census Tract level, will disproportionately, and incorrectly be rendered as lower opportunity than they are, twice at the Indicator level, and twice at the Filter level.

Concern: The statewide Filter of Student Poverty in theory creates an objective standard across the state, but in practice holds “a farming community to the same standard as a dense, urbanized neighborhood in San Francisco.”² This is most clearly seen in the San Joaquin Valley where, according to the California Department of Education, every county in the San Joaquin Valley exceeds 80% of its students on free or reduced-price lunches in 2015-16.

Concern: It does not appear to be correct to count student poverty rates as separate from general poverty rates twice.

Concern: Student Poverty Rate is calculated as the three “closest”³ schools, but in rural and other farmworker communities (like the San Joaquin Valley or Eastern Coachella Valley) where Census Tracts are so large, even school-level data will be skewed. It is not possible to assess the “three closest schools”⁴ in an entire county.

Concern: It is unclear whether student poverty rates are calculated for schools that charge tuition.

Recommendations:

- Student Poverty Rate should not be used as a Filter.
- Separate Racial Segregation and Poverty Rate into two Filters.
- Consider eliminating use of Student Poverty Rate, as the two other uses of Poverty Rate should account for student/childhood poverty.

REASONABLE ACCOMMODATIONS

¹ California Fair Housing Taskforce; Opportunity Mapping Methodology; August 8, 2017

² California Fair Housing Taskforce; Opportunity Mapping Methodology; August 8, 2017

³ California Fair Housing Taskforce; Opportunity Mapping Methodology; August 8, 2017

⁴ California Fair Housing Taskforce; Opportunity Mapping Methodology; August 8, 2017



Rural communities must act to provide housing choice for all of their community members and to provide equitable access to opportunities. These maps are intended to direct investment into neighborhoods of opportunity and to promote integration across cities. The maps have missed their mark in assessing rural communities and opportunities to create such economic or racial integration. Instead, entire counties and towns have been redlined as areas without high opportunity or as low-opportunity altogether⁵.

The urban-centric indicators and methodologies that perpetuate the myth that rural and farmworker communities do not offer upward mobility and opportunity must be addressed through culturally and regionally appropriate means of measurement. This will accomplish the goals of affirmatively furthering fair housing. The state must create a better process for identifying opportunity in rural, farmworker and disadvantaged areas, investing in them and creating opportunities for racial and economic integration in all rural areas.

We understand that the intent is to use these maps to provide an incremental incentive for the development of affordable housing into areas of higher opportunity. We will save detailed comments on the implementation of these maps for the response to the proposed regulations, but rural and farmworker communities stand to lose the most if the State does not create a process that is equitable to all regions. This not a question of having a perfect tool, it is a question of having a fair, equitable and useful tool. We have been here before in attempting to assess programs without rural set-asides, with insufficient data on rural communities, or with processes that seemed too burdensome to put into place. Each time rural, farmworker, and American Indian communities have lost necessary resources and time and often have fallen further behind our urban counterparts.

The Rural Smart Growth Task Force appreciates the opportunity to comment and to find ways to promote equity and opportunity in all of California's communities.

Sincerely,
The Rural Smart Growth Task Force:

Brian Augusta, California Rural Legal Assistance Foundation
Tom Collishaw, Self-Help Enterprises
Cathy Creswell, Creswell Consulting
Tim Frank, Center for Sustainable Neighborhoods
Steve Frisch, Sierra Business Council
Phoebe Seaton, Leadership Counsel for Justice & Accountability
Alicia Sebastian, California Coalition for Rural Housing

Additional Sign-On:
Ilene Jacobs, California Rural Legal Assistance, Inc.