

2016 IHDA Opportunity Areas **Geographic Considerations and Determination Metrics**

IHDA Opportunity Areas are determined for purposes related to the State of Illinois' Low Income Housing Tax Credit Qualified Allocation Plan. Please visit the IHDA website for more information.

Geographic Considerations

IHDA determines Opportunity Areas at one of two levels of geography:

1. Places within Illinois with populations equal to or greater than 1,000 and less than 50,000 are examined in whole. As defined by the US Census Bureau, "Place" means incorporated places (cities, towns, villages) or unincorporated areas that meet population density thresholds (Census-Designated Places). Census Designated Places are excluded from Opportunity Area consideration. IHDA intends to incent communities that are generally large enough to support rental housing developments, therefore places with populations under 1,000 are excluded from Opportunity Area consideration.
2. Places with populations above 50,000 are examined by individual Census Tracts. Places with larger populations may be too large to accurately reflect measurements of opportunity.

2016 Major Determination Metrics (Data):

The following four data-based drivers (metrics) were considered as the major determination factors for a person-based determination of Opportunity Areas:

1. **Poverty Rate** – Targeting affordable housing development in communities with low poverty rates should be the primary goal of any determination of Opportunity Areas. Data Source: *The American Community Survey – 5-Year Estimates (published by the US Census Bureau) includes a poverty rate estimate that is available for all geographies for the State. SPAR recommends using the most current ACS 5-year data available (currently 2009-2013).*

Job Access Indicators - *Two different indicators of Job Access were considered for the 2016 Opportunity Areas determination:*

2. **Jobs to Population Ratio** – Opportunity Areas should be located in areas with high concentrations of jobs. The Jobs to Population Ratio is constructed using the Estimated Population of the Community (from ACS 5-year data sets) and the Total Number of Jobs located within each community (From the Longitudinal Employer-Household Dynamics survey published by the US Census Bureau and based on State and Federal data from unemployment issuance and quarterly census of employment and wages). The total number of jobs in a community was divided by its population to create a percentage that can be compared across geographies. Data Sources: *The American Community Survey – 5-Year Estimates (published by the US Census Bureau) includes population estimates that are available for all geographies for the State. Additionally, the Longitudinal Employer-Household Dynamics survey is published by the US Census Bureau and based on State and Federal data from unemployment issuance and quarterly census of employment and wages – this data is published by Census Block Group and is aggregated by place and Census Tract by IHDA.*
3. **Mean Travel Time To Work** - People don't always live where they work and therefore jobs located in a specific area is not a complete indicator of the way jobs are really accessed. Transportation access is considered an equally important part of accessing jobs, but "access" to transportation is not a universally (throughout different regions) defined consideration. Mean travel time to work is an indication of how long it takes people to get to their jobs. Unlike other indicators of transportation /

job access this metric does not presume a need to access public transportation or multiple nodes of travel – though this metric doesn’t discount this type of access either. Data Source: *The American Community Survey – 5-Year Estimates (published by the US Census Bureau) includes estimated Mean Travel Time to Work by both Place and Census Tracts for all of Illinois.*

- 4. Unemployment Rate – Opportunity Areas should also include communities where there are a great deal of people working.** Unemployment Rate, is a commonly used benchmark of the number of people who do work in an area, and because unemployment data is available through the U.S. Census Bureau for all geographies in Illinois. Data Source: *The American Community Survey – 5-Year Estimates (published by the US Census Bureau) includes a Civilian Unemployment Rate (Estimated percent of people age 16 years or older who were unemployed) that is available for all geographies for the State.*

2016 Threshold Consideration - Eligible geographies must be above or below (as appropriate) a threshold benchmark in ALL Major Determination Metric categories to qualify as Opportunity Areas.

In 2015, Statewide Thresholds for each metric category were utilized. The statewide thresholds were determined using averages of all Places (definition discussed above) in Illinois. For 2016, these thresholds were reconsidered based on recommendations received from participants in QAP summits and Opportunity Area focus groups.

In general, the received input recommended that Regionally Based thresholds be used in determining the 2016 Opportunity Areas. IHDA conducted extensive research on this method and determined that regional thresholds for the “downstate” regions are generally more restrictive (except in poverty and in some cases unemployment) than the statewide categories, meaning that fewer Opportunity Areas are identified in downstate regions using the regional thresholds. For this reason, **a hybrid threshold model is being used with a regional model being used in the Chicago Metropolitan Area and a Statewide Threshold being used in Other Metro and Non-Metro Set-Asides.** This model allows for the greatest geographic diversity in IHDA’s Opportunity Areas. Thresholds are determined both regionally and statewide by an average of Census Tracts.

The chart below shows the thresholds for the 2016 Opportunity Areas Determination:

2016 Opportunity Area Thresholds	STATEWIDE	SET-ASIDE THRESHOLD CONSIDERATION				
		Chicago	AHPAA	Chicago Metro (Non AHPAA)	Other Metro	Non Metro
					Included for Reference Only. Statewide Thresholds are used for these two Set-Asides	
Poverty Rate (Average Census Tract %)	16.03	24.33	5.85	12.50	21.16	13.72
Unemployment (Average Census Tract %)	11.61	16.12	7.71	11.97	11.20	9.02
Jobs to Pop (Average Census Tract %)	44.1	41.2	49.9	45	44	41.4
Mean Travel Time (Average Census Tract Mean Minutes)	27.97	34.08	30.32	29.70	19.77	22.95

Concentration Metrics:

IHDA utilizes the following concentration metrics in its consideration of all applications for financing for rental developments. Qualifying geographies that are over the thresholds discussed for either of the Concentration Metrics utilized are not considered Opportunity Areas even if they qualify under all the other determination metrics.

1) IHDA Market Share:

IHDA Market Share Data Sources: IHDA Database and US Census Bureau, American Community Survey 2009 – 2013 5- Year Estimates.

The IHDA Market Share is calculated by dividing the total number of rental units financed by IHDA in a community (IHDA Database) by the estimated number of rental units in that community (ACS 5-Yr Est.). If the IHDA Market Share for a place or census tract is above 10%, the place or tract does not qualify as an Opportunity Area.

PLEASE NOTE: IHDA Market Share calculations do not include approved but unconstructed IHDA units. A proposed project located in an Opportunity Area may be denied because of unconstructed IHDA units.

2) Affordable Market Share

Affordable Market Share Data Sources: IHDA database, HUD Picture of Subsidized Households, and American Community Survey 2009 – 2013 5- Year Estimates.

The Affordable Market Share is calculated by dividing the total number of rental units financed by IHDA, HUD, and USDA (HUD Picture of Subsidized Households) by the estimated number of rental units for that community (ACS 5-Yr Est.). If the Affordable Market Share for a place or census tract is above 20%, the Place or Tract does not qualify as an Opportunity Area.

PLEASE NOTE: IHDA uses a similar Affordable Market Share metric in its Preliminary Project Assessment review of applications. For the PPA, the Affordable Market Share is determined on a case-by-case basis and therefore units funded by multiple resources can be backed out to avoid double counting. For this determination, such individualization is impossible and the Affordable Market Share utilized in the Opportunity Area determination may include duplication.