<div align="center">**Overview of the 2020 High Opportunity Areas File**</div>

Synopsis

The Federal Housing Enterprises Financial Safety and Soundness Act of 1992 establishes a duty for Fannie Mae and Freddie Mac (the Enterprises) to serve the housing needs of very low-, low-, and moderate-income families in three specified underserved markets – manufactured housing, affordable housing preservation, and rural housing.[1] FHFA's Duty to Serve regulation provides eligibility for Duty to Serve extra credit under each of the three underserved markets for activities that promote "residential economic diversity," as defined in the regulation.[2] Residential economic diversity activities include eligible Enterprise activities in connection with mortgages on affordable housing in "high opportunity areas," as defined in the regulation and FHFA's Evaluation Guidance.[3]

FHFA's 2020 High Opportunity Areas File designates the specific census tracts that qualify as high opportunity areas for purposes of residential economic diversity activities. Described below are the criteria FHFA used to identify high opportunity areas for purposes of determining eligibility for extra credit under Duty to Serve.

"High Opportunity Area" Defined

The Duty to Serve regulation, as further specified in the Evaluation Guidance, defines "high opportunity area" to mean:

> An area designated by the Department of Housing and Urban Development (HUD) as a "Difficult Development Area" (DDA) during any year covered by an Enterprise's Underserved Markets Plan (Plan) or in the year prior to a Plan's effective date, whose poverty rate falls below 10 percent (for metropolitan areas) or 15 percent (for non-metropolitan areas).

> Or

> An area designated by a state or local Qualified Allocation Plan (QAP) as a high opportunity area whose poverty rate falls below 10 percent (for metropolitan areas) or 15 percent (for non-metropolitan areas).[4]

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[1] 12 U.S.C. § 4565.
[2] 12 C.F.R. §§ 1282.1, 1282.36(c)(3).
[3] 12 C.F.R. § 1282.1.
[4] Duty to Serve Evaluation Guidance 2020-4, pp. 16-17.

1. **Identifying Difficult Development Areas that Qualify as Duty to Serve High Opportunity Areas**

For purposes of the first component of FHFA's definition of high opportunity area, FHFA used HUD's 2019 DDA data to determine metropolitan DDAs, which are based on ZIP Code Tabulation Area (ZCTA),[5] and non-metropolitan DDAs, which are based on county or county equivalent.

To determine the DDA poverty rates, FHFA first determined the census tracts in the ZCTAs that were metropolitan DDAs and the census tracts in counties that were non-metropolitan DDAs. FHFA then calculated poverty rates for all census tracts and merged the poverty data with the DDA census tracts. Poverty rates were determined by calculating three sets of poverty rates using the 2010-2014, 2011-2015, and 2012-2016 American Community Survey (ACS) five-year estimates.[6] A metropolitan DDA census tract with a poverty rate of less than 10 percent in two of the three sets of ACS data is considered a high opportunity area for Duty to Serve purposes. Similarly, a non-metropolitan DDA census tract with a poverty rate of less than 15 percent in two of the three sets of ACS data is considered a high opportunity area for Duty to Serve purposes.

The 2020 High Opportunity Areas File shows the census tracts that qualify as high opportunity areas under this first component of FHFA's definition of high opportunity area.

2. **Identifying State-Defined High Opportunity Areas that Qualify as Duty to Serve High Opportunity Areas**

For purposes of the second component of FHFA's definition of high opportunity area, the Evaluation Guidance states that FHFA has elected to use state or local definitions of high opportunity areas (or similar terms) contained in Low-Income Housing Tax Credit (LIHTC) QAPs or QAP-related materials that meet the following criteria:

> 1. The definitions are clearly intended to describe areas that provide strong opportunities for the residents of housing funded through the QAP. Use of terminology such as "high opportunity areas," "very high opportunity areas," "areas of opportunity," "opportunity areas," or "economic integration areas" (singular or plural) can be helpful in signaling this intent;
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> and
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> 2. The QAP describes the location of the areas in sufficient detail to enable them to be mapped or includes a list(s) or map(s) of such high opportunity areas.[7]

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[5] https://www.census.gov/geo/reference/zctas.html.
[6] Poverty rates were based on analysis HUD used to estimate census tract poverty rates and determine the Qualified Census Tracts for 2019. Statutorily Mandated Designation of Difficult Development Areas and Qualified Census Tracts for 2019, 83 Fed. Reg. 53286 (Oct. 22, 2018).
[7] Duty to Serve Evaluation Guidance 2020-4, pp. 16-17.

The Evaluation Guidance further states that areas with a poverty rate at or above 10 percent in metropolitan areas and at or above 15 percent in non-metropolitan areas will be excluded from FHFA's definition of high opportunity area (poverty rate screen).[8]

To identify which state or local QAPs define high opportunity areas that meet the above criteria, FHFA first identified state or local QAPs that take into account location criteria designed to promote opportunity or residential economic diversity for purposes of scoring LIHTC applications.

FHFA then reviewed those QAPs to determine which specific census tracts qualify as such high opportunity areas, using data that is publicly available or available upon request from the state housing finance agency. Information on each of the state or local QAPs is provided below.

Based on that analysis, FHFA determined that 20 states have QAPs that define high opportunity areas meeting the above criteria, before applying the poverty rate screen.

FHFA then applied the poverty rate screen to designate the high opportunity areas meeting the second component of FHFA's definition of high opportunity area. Similar to the poverty rate screen used to identify high opportunity areas in DDAs, FHFA calculated poverty rates for all census tracts and merged the poverty data with the census tracts FHFA identified as state-designated high opportunity areas. Poverty rates were determined by calculating three sets of poverty rates for census tracts using the 2010-2014, 2011-2015, and 2012-2016 ACS five-year estimates.[9] A metropolitan census tract identified as a high opportunity area by a QAP with a poverty rate of less than 10 percent in two of the three sets of ACS data is considered a high opportunity area for Duty to Serve purposes. Similarly, a non-metropolitan census tract identified as a high opportunity area by a QAP with a poverty rate of less than 15 percent in two of the three sets of ACS data is considered a high opportunity area for Duty to Serve purposes.

The 2020 High Opportunity Areas File shows the specific census tracts that qualify as high opportunity areas solely under this second component of FHFA's definition of high opportunity area. The File also shows the specific census tracts that qualify as high opportunity areas under both the first and second components of FHFA's definition of high opportunity area.

Some state QAPs include a section related to opportunity in which they assign different numbers of points to areas that meet different criteria. In such cases, FHFA needed to determine which of these criteria should be used to define high opportunity areas for purposes of the Duty to Serve. To make this determination, FHFA applied the following decision criteria:

- Multi-category scoring systems: Some state QAPs use a multi-category scoring system in which different numbers of points are assigned to a limited number of definitions of opportunity areas. For states with such systems, FHFA selected the category allocated the highest number of points

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[8] Duty to Serve Evaluation Guidance 2020-4, pp. 16-17

[9] Poverty rates were based on analysis the U.S. Department of Housing and Urban Development used to estimate census tract poverty rates and determine the Qualified Census Tracts for 2019. Source: 83 Fed. Reg 53286 (Oct. 22, 2018)

to ensure that the areas identified by FHFA are those truly considered high opportunity by the state.

- o Exception: If a state used a term like "high opportunity" to refer to more than one category, FHFA selected each category that had this designation.

- Composite scoring systems: Some state QAPs use a composite scoring system that assigns points for different high opportunity area characteristics, and then adds up all of the points achieved to produce a combined point total. For states with such systems and different scoring tiers, FHFA applied the following criteria to identify high opportunity areas for Duty to Serve purposes:
  - o A census tract assigned the highest possible combined points total was counted as a high opportunity area.
  - o For census tracts receiving the next highest possible combined points total, if 70% or more of these tracts passed the Duty to Serve poverty rate screen, then all of the tracts in this category were counted as high opportunity areas.
  - o FHFA continued this process until it came to a category in which fewer than 70% of the tracts receiving a particular score met the poverty rate screen, at which point FHFA stopped and did not count any of the tracts in that category as high opportunity areas.

Where data about the quality of schools was not readily available, that criterion was not included in FHFA's analysis. State QAPs that did not allow identification of specific census tracts were not used as a basis for identifying qualifying high opportunity areas for Duty to Serve purposes.

The following sections describe the process and criteria FHFA used in analyzing each state QAP to identify specific census tracts as potential high opportunity areas before applying the poverty rate screen:

Alaska

Source: State of Alaska, Alaska Housing Finance Corporation, GOAL Program (Greater Opportunities for Affordable Living Program), Rating and Award Criteria Plan (June 27, 2018) (https://www.novoco.com/sites/default/files/atoms/files/alaska_2018-2019_qap_062718.pdf)

Description: Up to 15 points are available for market conditions for opportunity based on area unemployment rate compared to the state average. (page 31) Scoring is based on the unemployment rate information reported by the State of Alaska Department of Labor and Workforce Development. While areas with an unemployment rate more than 5 percent above the state average would get no points, other areas could get from 4 to 15 points. Based on state unemployment data for August 2019, FHFA identified census tracts in municipalities with a score of 12 or more points as potential high opportunity areas for the Duty to Serve program.

Arkansas

Source: Arkansas Development Finance Authority, Housing Credit Program (signed as adopted November 15, 2018) (https://www.novoco.com/sites/default/files/atoms/files/arkansas_2019_final_qap_2019.pdf); Arkansas Development Finance Authority, Multifamily Housing Application Guidelines (https://www.novoco.com/sites/default/files/atoms/files/arkansas_2019_lihtc_app_guidelines_2019.pdf)

Description: The multifamily housing application guidelines describe an Area of Opportunity Index at the census tract level. The Index, with values that award from 0-10 points, is based on unemployment rate, vacancy rate, and population growth. FHFA rounded the available points by census tract to whole numbers and determined that census tracts with a score of 10 were potential high opportunity areas for the Duty to Serve Program.

California

Source: California Tax Credit Allocation Committee Regulations Implementing the Federal and State Low Income Housing Tax Credit Laws, California Code of Regulations, Title 4, Division 17, Chapter 1 (May 17, 2017) (http://www.treasurer.ca.gov/ctcac/programreg/2017/20170517/clean.pdf)

Description: The state regulation governing the QAP refers to areas that are "deemed to have the highest opportunity by the "Place" map at http://interact.regionalchange.ucdavis.edu/roi/webmap/webmap.html)." The source data for the map (ROI_downloadable_data_2014.xlsx) include a field named "ROI: Place," defined as "a relative measure of an area's assets in education, the economy, housing, mobility/transportation, health/environment, and civic life." The mapped data are census tracts divided into quintiles. Based on the map, FHFA identified the census tracts with the highest "ROI: Place" values (from 45.23 to 58.67) as potential high opportunity areas for the Duty to Serve program. (Note: The QAP and this analysis is the same as with the 2017 High Opportunity Areas File.)

Connecticut

Source: Connecticut Housing Finance Authority, Low Income Housing Tax Credit Qualified Allocation Plan – 2019 Application Year, July 25, 2019 (https://www.chfa.org/assets/1/6/2019_-_LIHTC_Qualified_Allocation_Plan_(QAP)_Final.pdf?8702)

Description: The Connecticut Housing Finance Authority's (CHFA) QAP defines high opportunity area characteristics at the municipality level. CHFA uses a composite scoring system under which LIHTC applicants may be awarded up to 15 points based on the high opportunity characteristics of the area in which the proposed project will be located. Proposed projects in municipalities with "less than 10% assisted and deed restricted housing" will be awarded up to 6 points. (page 15) The following four additional high opportunity area characteristics are also awarded points: "below average poverty rate" (2 points), "above average performing schools" (1-2 points), "employment in community" (3 points), and "access to higher education" (2 points). (page 15) Applicants can assess how CHFA will score their applications for high opportunity area characteristics using an online map that shows which municipalities meet the QAP's high opportunity area characteristics. CHFA provided the data used in the online map. Based on FHFA's analysis of the state's composite scoring system, FHFA identified census tracts in municipalities with a score of 9 or more points as potential high opportunity areas for the Duty to Serve program.

Delaware

Source: Delaware State Housing Authority, State of Delaware, 2019 Low Income Housing Tax Credits Qualified Allocation Plan (January 4, 2019) (http://www.destatehousing.com/Developers/lihtc/2019/2019_qap.pdf)

Description: The Delaware State Housing Authority's (DSHA) QAP references Areas of Opportunity defined as "Delaware Market Areas A, B, and C or Wilmington Market Areas A or B and/or areas where students are attending schools achieving a high proficiency level of 90% or higher." (page 7) The DSHA provides a link to their Balanced Housing Opportunities Map. After reviewing the map, FHFA identified census tracts within or partially within designated Areas of Opportunity as potential high opportunity areas for the Duty to Serve program.

District of Columbia

Source: Government of the District of Columbia, 2019 Low Income Housing Tax Credit Qualified Allocation Plan (June 2019) (https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/page_content/attachments/2019-06-28%20DHCD%202019%20Qualified%20Allocation%20Plan%20a%20-%20Signed_0.pdf)

Description: The D.C. Department of Housing and Community Development's (DHCD) QAP section on Selection Criteria includes information on Prioritization Scoring. Under Location Criteria, the QAP provides a description for Economic Opportunity Targeting. High opportunity neighborhoods are "those with characteristics such as low-crime, low-poverty, and access to high quality schools and jobs." (page

30) To help identify high opportunity neighborhoods, DHCD uses census tract-level 2013-2017 ACS 5-year estimates. The results are six zones, defined by census tract boundaries and given scores from 1 to 6. The census tracts with the highest scores receive the highest preference for economic opportunity targeting. DHCD provided the data file used to create their Economic Opportunity Targeting Map. (page 31) Based on FHFA's analysis of the jurisdictions composite scoring system, FHFA identified census tracts with a score of 6 as potential high opportunity areas for the Duty to Serve program.

Florida

Source: Florida Housing Finance Corporation, Methodology to Designate Census Tracts as Geographic Areas of Opportunity (effective 4/15/2019) (https://www.floridahousing.org/docs/default-source/programs/developers-multifamily-programs/areas-of-opportunity/2019/methodology-to-determining-geographic-areas-of-opportunity-effective-04-15-19.pdf?sfvrsn=b060117b_2)

Description: The Florida Housing Finance Corporation (FHFC) designates census tracts as Geographic Areas of Opportunity based on three criteria: "1) tract median income greater than the 40th percentile of all census tracts within the county; 2) educational attainment above the median of all tracts in the county, measured as the proportion of adults over 25 years old who have completed at least some college; and 3) tract employment rate greater than the statewide employment rate." Census tracts that meet at least two of the three criteria are identified as Geographic Areas of Opportunity. FHFC provides a list of the census tracts identified as Geographic Areas of Opportunity on its website. FHFA identified all of these census tracts as potential high opportunity areas for the Duty to Serve program.

Idaho

Source: Low-Income Housing Tax Credit Program Qualified Allocation Plan for the State of Idaho (March 14, 2019) (https://www.idahohousing.com/documents/2019-approved-qap.pdf); Posted notice about Selection Criteria #10 Scoring Information (https://www.idahohousing.com/documents/selection-criteria-10-scoring-information.pdf)

Description: The Idaho Housing and Finance Association awards points for locating in areas of opportunity. An area of opportunity is a census tract that 1) has a poverty rate of 15 percent or less, and 2) has 50 percent of households with income above 60 percent of the Area Median Gross Income. A notice posted at the IHFA website stated that because of difficulties reconciling data used for the second criteria, only the poverty rate will factor into identifying a census tract as an area of opportunity, and poverty rates may be accessed using the Federal Financial Institutions Examination Council (FFIEC) website. Using 2015 ACS 5-year data, FHFA identified census tracts in Idaho with poverty rates of 15 percent or less as potential high opportunity areas for the Duty to Serve program.

Illinois

Source: Illinois Housing Development Authority, 2018-2019 Low Income Housing Tax Credit Qualified Allocation Plan (https://www.ihda.org/wp-content/uploads/2017/10/2018-2019_QAP_Final.pdf)

Description: The Illinois Housing Development Authority's (IHDA) QAP designates Opportunity Areas as "communities with low poverty, high access to jobs and low concentrations of existing affordable rental housing." IHDA provides a list of census places and census tracts designated as Opportunity Areas through 2019. FHFA identified all of these census places and census tracts as potential high opportunity areas for the Duty to Serve program.

Indiana

Source: Indiana Housing and Community Development Authority, State of Indiana 2018-2019 Qualified Allocation Plan (https://www.in.gov/myihcda/files/2nd%20Draft%202018-2019%20QAP.pdf)

Description: The Indiana Housing and Community Development Authority's (IHCDA) QAP describes an Opportunity Index used to identify locations in "proximity to growth opportunities such as quality education institutions and livable wages." The locations are further described as "a county at the top quartile for median household income in the state and not within a QCT (Qualified Census Tract), a county at the bottom quartile for poverty rate in the state and not within a QCT, a county that has an unemployment rate below the State average, a county with a ratio of population to primary care physicians of 2,000:1 or lower, a development that is within 1 mile of a university, college, trade school, or vocational school, and a development that is within 1 mile of the 25 largest employers in a county." (pages 67-68) While locations relative to educational institutions and specific employers were not readily available and not easily compiled, IHCDA provided links to county-level data for median household income, poverty rate, unemployment rate, and ratio of population to primary care physicians. FHFA determined that the census tracts most likely to receive high scores on the Opportunity Index are those in counties that meet all four criteria. FHFA identified all of those census tracts as potential high opportunity areas for the Duty to Serve program.

Iowa

Source: Iowa Finance Authority, Low Income Housing Tax Credit Program, 2019 9% Qualified Allocation Plan (http://www.iowafinanceauthority.gov/File/DownloadFile/8296)

Description: The Iowa Finance Authority's QAP identifies very high and high opportunity areas and includes a list of census tracts in those areas. FHFA identified all of those census tracts as potential high opportunity areas for the Duty to Serve program.

Louisiana

Source: Louisiana Housing Corporation, Qualified Allocation Plan, (https://cdn2.hubspot.net/hubfs/4280063/2019%20QAP%20Final%20-%20As%20approved%20061919%20(004)%20-%20edited%206.25.19.pdf)

Description: The Louisiana Housing Corporation's QAP defines two levels of geographic diversity by census tract. Based on ACS 2013-2107 5-year estimates and data from the FFIEC website, a census tract meets the geographic diversity standard if the census tract median income is above either 80 percent or

100 percent of the area median income for the metropolitan statistical area (MSA) in which it is located. (page 47) Looking only at census tracts in MSAs, if a census tract met the higher standard – census tract median income is at least 100 percent of the MSA median income – FHFA identified the census tract as a potential high opportunity area for the Duty to Serve program.

Maine

Source: MaineHousing, Low Income Housing Tax Credit, 2019 Qualified Allocation Plan (http://www.mainehousing.org/docs/default-source/msha-rules/2019-qap---draft.pdf?sfvrsn=9d60bf15_2)

Description: MaineHousing's 2019 QAP identifies high opportunity areas by city or town. High opportunity areas are "communities with above average access to health care, services, economic activity, and quality education." (pg. 19) FHFA identified census tracts with at least 50 percent of the population in a city or town listed as a high opportunity area as potential high opportunity areas for the Duty to Serve program.

Maryland

Source: Maryland Department of Housing and Community Development, Multifamily Rental Financing Program Guide, Attachment to Maryland Qualified Allocation Plan for the Allocation of Federal Low Income Housing Tax Credits (February 14, 2019) (https://dhcd.maryland.gov/HousingDevelopment/Documents/lihtc/NEW-Final2019MDMFRentalFinancingProgramGuideSignedbyGovernor2-13-2019.pdf)

Description: The Maryland Department of Housing and Community Development's (DHCD) defines a "Community of Opportunity" for family housing developments based on indicators of community health, economic opportunity, and educational opportunity. (pages 56-58) As a result of two court settlement agreements, some additional census tracts are designated as Communities of Opportunity in Baltimore City and Baltimore County. The Maryland DHCD provides an online mapping tool to show census tracts that have been designated as Communities of Opportunity. FHFA identified all of these census tracts as potential high opportunity areas for the Duty to Serve program.

Massachusetts

Source: Low Income Housing Tax Credit Program, 2018-2019 Qualified Allocation Plan (https://www.novoco.com/sites/default/files/atoms/files/massachusetts_2018-2019_final_qap_2018.pdf)

Description: Massachusetts' Department of Housing and Community Development (DHCD) gives a maximum of 14 points for locating in an Area of Opportunity. An area of opportunity is defined as an area of low poverty, specifically a census tract with a poverty rate below 15 percent. Additionally, the area should offer "access to opportunities such as jobs, health care, high-performing school systems, higher education, retail and commercial enterprise, and public amenities." (page 45) Using ACS data and the DHCD report, FHFA identified all Massachusetts census tracts that met both the 15 percent poverty screen and the other criteria as potential high opportunity areas for the Duty to Serve program.

Minnesota

Source: 2019 Housing Tax Credit Self-Scoring Worksheet
(http://www.mnhousing.gov/sites/Satellite?blobcol=urldata&blobheadername1=Content-Type&blobheadername2=Content-Disposition&blobheadername3=MDT-Type&blobheadervalue1=application%2Fvnd.openxmlformats-officedocument.wordprocessingml.document&blobheadervalue2=attachment%3B+filename%3DMHFA_1041462.docx&blobheadervalue3=abinary%3B+charset%3DUTF-8&blobkey=id&blobtable=MungoBlobs&blobwhere=1533148610275&ssbinary=true);
Minnesota Housing Finance Agency, 2019 QAP – Community Economic Integration Methodology
(http://www.mnhousing.gov/sites/Satellite?blobcol=urldata&blobheadername1=Content-Type&blobheadername2=Content-Disposition&blobheadername3=MDT-Type&blobheadervalue1=application%2Fpdf&blobheadervalue2=attachment%3B+filename%3DMHFA_1041454.pdf&blobheadervalue3=abinary%3B+charset%3DUTF-8&blobkey=id&blobtable=MungoBlobs&blobwhere=1533148609481&ssbinary=true);
Minnesota Housing Finance Agency, 2019 QAP - Access to Higher Performing Schools Methodology
(http://www.mnhousing.gov/sites/Satellite?blobcol=urldata&blobheadername1=Content-Type&blobheadername2=Content-Disposition&blobheadername3=MDT-Type&blobheadervalue1=application%2Fpdf&blobheadervalue2=attachment%3B+filename%3DMHFA_1041453.pdf&blobheadervalue3=abinary%3B+charset%3DUTF-8&blobkey=id&blobtable=MungoBlobs&blobwhere=1533148609437&ssbinary=true)

Description: Under the Minnesota Housing Finance Agency's (MHFA) 2019 Housing Tax Credit Program, points are available for locating a project in areas of opportunity. Points are provided for economic integration, access to higher performing schools, workforce housing communities, and location efficiency (transportation and walkability). Economic integration is defined as locating properties in higher income communities outside of rural and tribal designated areas. According to the methodology document, census tracts that met or exceeded the "80th percentile of median family income for the region" were classified as First Tier Community Economic Integration census tracts, and projects located in such census tracts received 9 points. Census tracts meeting or exceeding the 40th percentile of median family income were classified as Second Tier Community Economic Integration census tracts, and projects located in such census tracts received 7 points. For higher performing school areas, MHFA determined the percentage of census tracts with housing units located in such areas, and projects located in such census tracts received up to 4 points. If at least 50 percent of housing units were in higher performing school areas, MHFA decided the census tract was eligible to receive the 4 points for access to higher performing schools. Based on FHFA's analysis of the state's composite scoring system for economic integration and access to higher performing schools, FHFA identified census tracts with a score of 9 or more points (either 9 points for economic integration or 7 points for economic integration plus 4 points for access to higher performing schools) as potential high opportunity areas for the Duty to Serve program.

Mississippi

Source: Mississippi Home Corporation, State of Mississippi 2017-2018 Qualified Allocation Plan, Housing Tax Credit Program (December 2, 2016) (https://www.novoco.com/sites/default/files/atoms/files/mississippi_2017-2018_final_qap_120616.pdf)

Description: The Mississippi Home Corporation (MHC) identifies "High Opportunity Areas" based on median household income, population growth, median household income growth, unemployment rate, county-level hires per quarter in 2015, and high-performing school districts. (page 61) MHC provides a list of census tracts that meet these criteria. FHFA identified all of these census tracts as potential high opportunity areas for the Duty to Serve program. (Note: The QAP and this analysis is the same as for the 2017 High Opportunity Areas File.)

New York

Source: New York State Homes and Community Renewal, Request for Proposals, Multifamily Programs, HCR Multifamily Finance 9% RFP – Fall 2019 (https://hcr.ny.gov/system/files/documents/2019/12/fall-2019-hcr-multifamily-finance-9-rfp-updated-12.6.19.pdf)

Description: The New York State (NYS) Homes and Community Renewal HCR Multifamily Finance 9% RFP requires applicants to advance State Housing Goals. The fourth State Housing Goal is for Housing Opportunity Projects, described as "family projects in an area of opportunity linked to schools that meet or exceed minimum performance standards and that meet or exceed other measures of opportunity, including, but not limited to, the rate of poverty, as defined in a list of census tracts published by HCR. (page 12) FHFA identified the list of housing opportunity census tracts created by the NYS HCR Policy and Strategic Planning Unit and Fair and Equitable Housing Office as potential high opportunity areas for the Duty to Serve program.

Ohio

Source: Ohio Housing Finance Agency, 2018-2019 Qualified Allocation Plan (https://ohiohome.org/ppd/documents/2018-19-QAP-TechnicalRevisions.pdf); Overview of the Ohio 2018-2019 USR Opportunity Index, The Ohio State University Kirwan Institute for the Study of Race and Ethnicity (http://ohiohome.org/ppd/documents/USR-Opportunity-Index.pdf)

Description: The Ohio Housing Finance Agency's (OHFA) QAP describes multiple scoring criteria that take into account locating in a high or very high opportunity area. The opportunity areas are based on a census tract-level opportunity index. Points may be awarded for locating in a concentrated job center (page 47), for including at least 15 percent of the development's units as market rate rents (pages 48, 58, and 68), for locating in a school district that meets criteria from the Ohio Department of Education's Performance Index measurement (page 55), and for meeting neighborhood stabilization scoring criteria (page 57). The Opportunity Index used by OHFA was developed by the Kirwan Institute. The Opportunity Index covers all of Ohio, applying to urban, suburban, and rural areas. The Opportunity

Index includes data on transportation, education, employment, housing, and health. The Opportunity Index is based on composite scores and classifies areas into five tiers – very low, low, moderate, high, and very high. The Kirwan Institute provides a census tract-level data file with Opportunity Index composite scores. FHFA identified census tracts with high and very high Opportunity Index composite scores as potential high opportunity areas for the Duty to Serve program.

Oregon

Source: Oregon Housing and Community Services, Low Income Housing Tax Credit, 2016 Qualified Allocation Plan (March 29, 2016) (http://www.oregon.gov/ohcs/HD/HRS/LIHTC/2016-QAP-Final.pdf)

Description: The Oregon Housing and Community Services' (OHCS) QAP describes Opportunity Areas as locations based on low poverty census tracts, high ratio of jobs to population, below average unemployment, and high scoring schools. To help LIHTC applicants determine if their proposed project locations meet any of the criteria for an Opportunity Area, OHCS provides an online mapping tool that shows whether a census tract meets any of the first three characteristics based on poverty rate, jobs and population, and unemployment rate, scoring census tracts as meeting 0-3 of the three criteria. To assess proximity to a high scoring school, an applicant uses a separate mapping tool to help find the nearby elementary school and determine whether it is a high scoring school. Based on FHFA's analysis of the state's composite scoring system, FHFA identified census tracts that meet all three of the criteria (not including education) and, thus, receive a score of 3 as potential high opportunity areas for the Duty to Serve program. (Note: The QAP and this analysis are the same as for the 2017 High Opportunity Areas File.)

Pennsylvania

Source: Pennsylvania Housing Finance Agency, Allocation Plan for Program Years 2019-2020, Low Income Housing Tax Credit Program (https://www.phfa.org/forms/multifamily_news/news/2018/2019-2020-qap-final-news.pdf)

Description: The Pennsylvania Housing Finance Agency (PHFA) identifies areas of opportunity as ZIP Codes with "low poverty rates; limited affordable housing options, both subsidized and non-subsidized; limited affordable housing production in the past twenty (20) years; close proximity to employment; strong housing markets; and high owner-occupied markets." (page 23) PHFA provided a data file of ZIP Codes and the Opportunity Scores to FHFA. FHFA converted the ZIP Codes to census tracts, and identified the census tracts with an Opportunity Score of 5 or higher as potential high opportunity areas for the Duty to Serve program.

South Dakota

Source: South Dakota Housing Development Authority, Low Income Housing Tax Credit 2018-2019 Qualified Allocation Plan (https://www.novoco.com/sites/default/files/atoms/files/sd_2018-2019_final_qap_2018.pdf)

Description: The South Dakota Housing Development Authority's (SDHDA) 2018-2019 QAP uses a composite scoring system that awards up to 20 points to LIHTC applications for proposed projects located in areas of opportunity. Areas of opportunity are defined by the following four criteria, each worth up to five points: "Low Poverty Census Tracts – less than 10% poverty rate; High Ratio of Jobs to Population – above the state average ratio; Below Average Unemployment – less than the state unemployment rate;" and "High Scoring Schools – above average school performance index posted by the South Dakota Department of Education." (page 30) While school locations are not readily available, SDHDA provides census tract-level data that flag census tracts meeting the criteria for poverty rate, jobs and population, and unemployment rate. Based on FHFA's analysis of the state's composite scoring system, FHFA identified census tracts that meet any two of these three criteria as potential high opportunity areas for the Duty to Serve program.

Utah

Source: Utah Housing Corporation, State of Utah 2019 Federal and State Housing Credit Program Allocation Plan, Approved August 7, 2018 (https://utahhousingcorp.org/pdf/2019-FINAL-QAP-180726.pdf)

Description: The Utah Housing Corporation's QAP describes incentives to develop affordable housing in high opportunity areas. Based on an Opportunity Index developed at the Kem C. Gardner Policy Institute at the University of Utah, LIHTC applicants with proposed projects in Davis County, Salt Lake County, Utah County, or Weber County may receive up to four points for projects located in an area with the highest possible Opportunity Index scores (scores from 9-10). Applicants proposing projects outside of these counties in census tracts with a poverty rate below 10 percent, based on FFIEC 2016 website data, may also receive up to four points. (page 87) Using maps for Davis, Salt Lake, Utah, and Weber Counties in the QAP, FHFA identified census tracts with Opportunity Index scores from 9-10 as potential high opportunity areas for the Duty to Serve program. For the remaining counties in Utah, FHFA identified census tracts with poverty rates below 10 percent as potential high opportunity areas for the Duty to Serve program.

Virginia

Source: Virginia Housing Development Authority, The Plan of the Virginia Housing Development Authority for the Allocation of Low-Income Housing Tax Credits (https://www.vhda.com/BusinessPartners/MFDevelopers/LIHTCProgram/LowIncome%20Housing%20Tax%20Credit%20Program/2019-QAP-Final.pdf)
Virginia Housing Development Authority, Summary of Proposed Changes to the 2017 Low Income Housing Tax Credit Qualified Allocation Plan (http://www.vhda.com/BusinessPartners/MFDevelopers/LIHTCProgram/LowIncome%20Housing%20Tax%20Credit%20Program/SUMMARY%20OF%20PROPOSED%20CHANGES%20TO%20THE%20QAP.pdf)

Description: The Virginia Housing Development Authority's (VHDA) summary of proposed changes to its 2017 QAP identified Opportunity Areas and used a new sliding scale of points to be awarded to

LIHTC applications based on the poverty rate of the census tract in which the proposed project would be located. While the 2019 QAP does not explicitly mention Opportunity Areas, the VHDA still awards points for locating proposed family developments in census tracts based on the poverty rate thresholds of 3 percent (30 points), 10 percent (25 points), and 12 percent (20 points). Using ACS data for 2012-2016, FHFA identified census tracts with poverty rates of 3 percent or less – the category providing the highest number of points in the QAP – as potential high opportunity areas for the Duty to Serve program.

Washington

Source: Washington State Housing Finance Commission, 9% Competitive Housing Tax Credit Policies, 2019 (September 2018)
(http://www.wshfc.org/mhcf/9percent/2019application/c.policies.pdf

Description: The Washington State Housing Finance Commission (WSHFC) provides points for proposed LIHTC projects located in census tracts defined as High or Very High Opportunity Areas based on the Puget Sound Regional Council's Comprehensive Opportunity Index. (page 74) While the Index designates census tracts in four counties -- King, Kitsap, Pierce, and Snohomish – as High or Very High Opportunity Areas, WSHFC plans to award points only to proposed projects located in the High and Very High Opportunity Areas in King County. Using a list of the High and Very High Opportunity Area census tracts in King County, FHFA identified those census tracts as potential high opportunity areas for the Duty to Serve program.

West Virginia

Source: West Virginia Housing Development Fund, Low-Income Housing Tax Credit Program, 2019 and 2020 Allocation Plan (https://www.wvhdf.com/wp-content/uploads/2019/03/2019-AND-2020-Allocation-Plan.pdf)

Description: The West Virginia Housing Development Fund awards points for developments in a High-Opportunity Location. (pages 39-46) For new housing development, up to 60 points are available based on census tract-level 2012-2016 ACS 5-year estimates. Up to 10 points are available for each of six characteristics: a high percentage of owner-occupied housing; a low percentage of households with more than one occupant per room; low rates of poverty; a low percentage of households receiving Food Stamps/SNAP; low rates of unemployment; and high rates of educational attainment. Points are also available based on the performance of the public school district and for proximity to public transportation. FHFA reviewed the points available through the six census tract-level characteristics found in the ACS data and identified the census tracts that scored at least 53 points as potential high opportunity areas for the Duty to Serve program.

Wisconsin

Source: Wisconsin Housing and Economic Development Authority, Low Income Housing Tax Credit Qualified Allocation Plan 2019-20 (https://www.wheda.com/LIHTC/QAP/); 2019 Housing Tax Credit

(HTC) Program, Self-Scoring Exhibit
(https://www.wheda.com/WorkArea/DownloadAsset.aspx?id=2211)

Description: The Wisconsin Housing and Economic Development Authority (WHEDA) lists seven objectives for the 2019 Qualified Allocation Plan, with the fourth objective being to "encourage housing development in areas of economic opportunity." (page 4) The LIHTC self-scoring sheet presents criteria for awarding points for locating in an area of economic opportunity. Up to five points may be awarded based on each of five items: 1) census tract median income; 2) census tract unemployment rate; 3) school district in the top 25 percent based on the Wisconsin Department of Public Instruction's most recent Overall Accountability Score; 4) a Federally-designated Tribal Land or other area specified by WHEDA, including "High Need" areas; and 5) county average household rental burden. Based on a review of the points that would contribute to a housing development's score based on census tract median income and unemployment rate, FHFA identified the census tracts with scores of 5 or more as potential high opportunity areas for the Duty to Serve program.

3. High Opportunity Areas File (May 2020)

FHFA's 2020 High Opportunity Areas File provides a list of all census tracts that qualify as high opportunity areas. The File incorporates the census tract numbering system used in the 2010 Census. The classification of census tracts as metropolitan or non-metropolitan is based on the Office of Management and Budget's (OMB) specification of MSAs in July 2015.

The High Opportunity Areas File is column formatted and has five fields, values of which may have leading zeros.

> STATE: 2-digit numeric state FIPS code.
> COUNTY: 3-digit numeric county FIPS code.
> TRACT: 6-digit 2010 census tract code (2 decimals implied).
> MSA2015:   5-digit OMB MSA designator representing the MSA as specified in OMB Bulletin No. 15-01 (July 15, 2015). '99999' represents a non-metropolitan area.[10]
> HIGH_OPP: 1-digit code indicating whether the tract is located in a high opportunity area, see below.

The HIGH_OPP field can be interpreted as follows:
> HIGH_OPP =1, census tract is located in a high opportunity area for purposes of the Duty to Serve program based on the DDA analysis only
> HIGH_OPP =2, census tract is located in a high opportunity area for purposes of the Duty to Serve program based on the QAP analysis only
> HIGH_OPP =3, census tract is located in a high opportunity area for purposes of the Duty to Serve program based on both the DDA analysis and the QAP analysis
> HIGH_OPP =0, census tract is not located in a high opportunity area for purposes of the Duty to Serve program

The 2020 High Opportunity Areas File is a census tract level file covering all metropolitan and non-metropolitan areas in the 50 states, the District of Columbia, and Puerto Rico. Census tract records for U.S. territories (other than Puerto Rico) are not included as they are not considered high opportunity areas for purposes of the Duty to Serve program.

For questions concerning the format of the 2020 High Opportunity Areas File, please contact:
Federal Housing Finance Agency
Division of Housing Mission and Goals
Office of Housing and Community Investment
400 7th Street, S.W.
Washington, D.C. 20219
202-649-3114

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[10] "Non-metropolitan" areas include Micropolitan Statistical Areas.