

Overview of the 2017 High Opportunity Areas File

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 extra credit for Enterprise activities that promote “residential economic diversity,” as defined in the regulation.² Residential economic diversity activities include Enterprise activities in connection with mortgages on affordable housing in “high opportunity areas,” as defined in the regulation and FHFA’s Duty to Serve Evaluation Guidance.³

FHFA’s 2017 High Opportunity Areas File designates the specific census tracts that qualify as high opportunity areas for purposes of the Duty to Serve program. Described below are the criteria FHFA used to identify high opportunity areas for purposes of determining eligibility for extra credit under the Duty to Serve.

“High Opportunity Area” Defined

The Duty to Serve 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 below 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 below 15 percent (for non-metropolitan areas).

¹ 12 U.S.C. § 4565.

² 81 Fed. Reg. 96293, 96297 (Dec. 29, 2016), codified at 12 C.F.R. §§ 1282.1, 1282.36(c)(3).

³ 81 Fed. Reg. 96293 (Dec. 29, 2016), codified at 12 C.F.R. § 1282.1.

1. Identifying Difficult Development Areas that Qualify for Extra Credit under Duty to Serve

DDAs are areas with rents that are high relative to area median incomes and are considered to be proxies for high opportunity areas. For purposes of the first component of FHFA's definition of high opportunity area, FHFA used HUD's 2017 DDA data to determine metropolitan DDAs, which are based on ZIP Code Tabulation Area (ZCTA),⁴ and nonmetropolitan DDAs, which are based on county or county equivalent.

The Duty to Serve regulation requires that a HUD-designated DDA have a poverty rate that is less than the poverty rate level established in the Evaluation Guidance in order for the DDA to qualify as a high opportunity area for purposes of receiving extra credit under the Duty to Serve program.⁵ As stated above, under the Evaluation Guidance, a metropolitan DDA with a poverty rate less than 10 percent qualifies as a high opportunity area, and a nonmetropolitan DDA with a poverty rate less than 15 percent qualifies as a high opportunity area.⁶

To determine the DDA poverty rates, FHFA calculated poverty rates for ZCTAs and counties and merged the poverty data with HUD's list of DDAs. Poverty rates were determined by calculating three sets of poverty rates for ZCTAs and counties using the 2008-2012, 2009-2013, and 2010-2014 American Census Survey (ACS) five-year estimates. A metropolitan DDA with a ZCTA 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 nonmetropolitan DDA with a county 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 2017 High Opportunity Areas File shows the specific 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 for Extra Credit under Duty to Serve

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:

⁴ <https://www.census.gov/geo/reference/zctas.html>.

⁵ 81 Fed. Reg. 96293 (Dec. 29, 2016), codified at 12 C.F.R. § 1282.1.

⁶ <https://www.fhfa.gov/PolicyProgramsResearch/Programs/Documents/DTS-Evaluation-Guidance.pdf>.

1. The definitions are 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;

and

2. The QAP describes the location of the areas in sufficient detail to enable them to be mapped and/or includes a list(s) or map(s) of such high opportunity areas.

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).

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 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 18 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 2008-2012, 2009-2013, and 2010-2014 ACS five-year estimates. 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 nonmetropolitan 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 2017 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 after applying the poverty rate screen. The File also shows the census tracts that qualify as high opportunity areas under both the first and second components of FHFA's definition of high opportunity area after applying the poverty rate screen.

Some state QAPs include a section related to high opportunity areas in which they assign different numbers of points to LIHTC applications for projects located in specific areas that meet different high opportunity criteria. In such cases, FHFA needed to determine which of these criteria should be used to define high opportunity area for purposes of the Duty to Serve. To make this determination, FHFA applied the following 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 to ensure that the areas identified by FHFA are those truly considered high opportunity by the state.
 - Exception: If a state QAP uses a term like “high opportunity” to refer to more than one category, FHFA selected each category bearing 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 points 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:
 - A census tract assigned the highest possible combined points total was counted as a high opportunity area.
 - For census tracts receiving the next highest possible combined points total, if 70% or more of these tracts passed the FHFA poverty rate screen, then all of the tracts in this category were counted as high opportunity areas.
 - 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:

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>.” (page 79) 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.

Connecticut

Source: Connecticut Housing Finance Authority, Low Income Housing Tax Credit Qualified Allocation Plan – 2017 Application Year, July 19, 2017

([http://www.chfa.org/content/Multifamily%20Document%20Library/2017%20LIHTC%20Qualified%20Allocation%20Plan%20\(QAP\).pdf](http://www.chfa.org/content/Multifamily%20Document%20Library/2017%20LIHTC%20Qualified%20Allocation%20Plan%20(QAP).pdf))

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 14 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 13) The following four additional high opportunity area characteristics are awarded up to two points each: “below average poverty rate,” “above average performing schools,” “employment in community,” and “access to higher education.” (page 14) 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 2017 Low Income Housing Tax Credits Qualified Allocation Plan (January 3, 2017)

(http://www.destatehousing.com/Developers/lihtc/2017/2017_gap.pdf)

Description: The Delaware State Housing Authority's (DSHA) QAP references "Areas of Opportunity as defined in DSHA's Balanced Housing Opportunities Map." In the Reference Guide for the 2017 Balanced Housing Opportunities Map, Areas of Opportunity are described as specific market areas (Delaware Market Areas A, B, and C, or Wilmington Market Areas A and B) and areas with strong school proficiency. As part of a housing strategy, these areas are "strong, high value markets, many with high performing schools, where new affordable housing opportunities should be supported." Using a set of mapping files for the 2016 Areas of Opportunity, 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, 2017 Low Income Housing Tax Credit Qualified Allocation Plan (May 2017)

(<https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/DHCD%202017%20Final%20Qualified%20Allocation%20Plan%206.09.17.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 25) To help identify high opportunity neighborhoods, DHCD uses census tract-level ACS data on housing costs, and a composite scoring system that relates higher housing costs with characteristics of high opportunity neighborhoods. By combining quartile rankings and scores, census tracts are scored from 2-8 points. The results are six zones, defined by census tract boundaries, and based on housing costs. The census tracts with the highest scores receive the highest preference for economic opportunity targeting. (page 26) DHCD provided the data file used to create the Economic Opportunity Targeting Map. Based on FHFA's analysis of the jurisdictions composite scoring system, FHFA identified census tracts with a score of 8 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 6/28/2017) (8/2/2017)

(<https://www.floridahousing.org/programs/developers-multifamily-programs/competitive/areas-of-opportunity/2017>)

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.

Illinois

Source: Illinois Housing Development Authority, 2016-2017 Low Income Tax Credit Qualified Allocation Plan (https://www.ihda.org/wp-content/uploads/2015/08/2016-2017-QAP_Approved_New-Address.pdf)

Description: The Illinois Housing Development Authority’s (IHDA) QAP designates Opportunity Areas (page 72 on its website) as “communities with low poverty, high access to jobs and low concentrations of existing affordable rental housing.” IHDA provides a list of census tracts designated as Opportunity Areas. FHFA identified all of these census tracts as potential high opportunity areas for the Duty to Serve program.

Indiana

Source: Indiana Housing and Community Development Authority, State of Indiana 2016-2017 Qualified Allocation Plan (https://www.novoco.com/sites/default/files/atoms/files/indiana_2016-2017_final_qap_101215.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, at least one public K-12 school (including charter schools) assigned to that location with a rating of ‘A’ or exemplary or equivalent according to the most recent accounting from the Indiana Department of Education, a county that has an unemployment rate below the State average, or a county ranked from 1-23 on the Overall Rankings of Healthy Outcomes.” (page 70) While school locations and ratings are not readily available and data for unemployment were not easily compiled, IHEDA provided to FHFA a list of counties matching the above criteria for median household income, poverty rate, and Healthy Outcomes. FHFA determined that the census tracts most likely to receive high scores on the Opportunity Index are those in counties that meet all three 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, 2017 9% Qualified Allocation Plan (<http://www.iowafinanceauthority.gov/Home/DocumentSubCategory/206>)

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, 2017 Final Qualified Allocation Plan, (http://lhc.louisiana.gov/assets/Programs/Low_Income_Housing_Tax_Credit/2017_Funding_Round/2017_QAP/2017-Final-QAP-Board-Approved-as-of-4132017-and-Corrected-5162017.pdf)

Description: The Louisiana Housing Corporation’s QAP defines two levels of geographic diversity by census tract. Based on data from the Federal Financial Institutions Examination Council (FFIEC) website, a census tract meets the geographic diversity standard if the census tract median income is above either 120 percent or 150 percent of the area median income for the metropolitan statistical area (MSA) in which it is located. (Selection Criteria, page 2) Looking only at census tracts in MSAs, if a census tract met the higher standard – census tract median income is at least 150 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 Qualified Allocation Plan, 2017 (<http://www.mainehousing.org/docs/default-source/qap/2017-qap.pdf>)

Description: MaineHousing's QAP includes two levels of high opportunity area defined by area median income of each census tract according to ACS data. (page 40) The area median income levels are \$40,000 or more, and \$55,000 or more. Using data on median income for households in the ACS's 5-year estimates for 2011-2015, FHFA identified census tracts that meet the higher criteria of \$55,000 or more 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 (August 9, 2016)

(<http://dhcd.maryland.gov/HousingDevelopment/Documents/lihtc/Final%202016%20MD%20MRF%20Rental%20Financing%20Program%20Guide%20Signed%20by%20Governor%208-9-16.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 51-52) As a result of two court settlement agreements, census tracts are designated as Communities of Opportunity in Baltimore City and Baltimore County. The Maryland DHCD provides three lists of 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.

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.

Ohio

Source: Ohio Housing Finance Agency, 2016-2017 Qualified Allocation Plan (https://ohiohome.org/ppd/documents/2016-2017_QAP-Final.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 two areas where a census tract-level Opportunity Index is used to award points on a composite basis to LIHTC applications. The first is the awarding of points for a set-aside for developments of family housing in high opportunity areas. (page 30) The second is as part of a priority to develop family housing, for which OHFA awards points for family properties located in moderate to high opportunity areas. (page 43) The Opportunity Index used by OHFA was developed by the Kirwan Institute. The Opportunity Index covers all of Ohio, taking into account 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 moderate, 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 assist LIHTC applicants to 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. OHCS provides census tract-level data used in the mapping tool, assessing poverty rate, jobs, and unemployment rates. Based on FHFA's analysis of the state's composite scoring system, FHFA identified census tracts that meet all three of the criteria, and thus receive a score of 3, as potential high opportunity areas for the Duty to Serve program.

South Dakota

Source: South Dakota Housing Development Authority, Low Income Housing Tax Credit 2016-2017 Qualified Allocation Plan, Amended May 10, 2017 (<http://www.sdhda.org/housing-development-docs/housing-tax-credits/48-htc-qualified-allocation-plan/file.html>)

Description: The South Dakota Housing Development Authority's (SDHDA) 2017 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 South Dakota Department of Education." (page 29) 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 the three criteria as potential high opportunity areas for the Duty to Serve program.

Utah

Source: Utah Housing Corporation, State of Utah 2017 Federal and State Housing Credit Program Allocation Plan, Further Amended April 13, 2017 (<https://utahhousingcorp.org/pdf/2017QAP.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, 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 QAP describes Opportunity Areas, and uses a 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. The poverty rate thresholds are 12 percent, 10 percent, and 3 percent. The lower the poverty rate of the census tract, the more points are awarded. Using ACS data for 2010-2014, 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, 2017 (September 2016)

(<http://www.wshfc.org/mhcf/9percent/2017application/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 77) While the Index designates census tracts in four counties -- King, Kitsap, Pierce, and Snohomish Counties – 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.

3. High Opportunity Areas File (August 2017)

FHFA's 2017 High Opportunity Areas File provides a list of census tracts qualifying as high opportunity areas for this Plan cycle. It incorporates the census tract numbering system used in the 2010 Census. The classification of census tracts as metropolitan or nonmetropolitan is based on the Office of Management and Budget's (OMB) specification of MSAs in February 2013 and updated through December 2016.⁷

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). |
| MSA2013: | 5-digit OMB MSA designator representing the MSA as specified in OMB Bulletin No. 13-01 (Feb. 28, 2013), as revised through December 2016. '99999' represents a nonmetropolitan area. ⁸ |
| 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 2017 High Opportunity Areas File is a census tract level file covering all metropolitan and nonmetropolitan areas in the 50 states, the District of Columbia, and Puerto Rico. Except for Puerto Rico, tract records for U.S. territories are not included. U.S. territories, other than Puerto Rico, are not considered high opportunity areas for purposes of the Duty to Serve program.

⁷ OMB Bulletin No. 13-01 (Feb. 28, 2013) reaffirms MSA definitions made in earlier OMB Bulletins and creates new MSAs. Additionally, some counties and county equivalents are no longer in an MSA and are now classified as nonmetropolitan, see footnote 9 below. OMB Bulletin No. 15-01 (July 15, 2015) redesignated Micropolitan Statistical Area 21420 as an MSA.

⁸ "Nonmetropolitan" includes Micropolitan Statistical Areas.

The File includes 12 additional tract records for Madison and Oneida Counties, New York (FIPS county codes 053 and 065 respectively) that resulted from corrections to the Oneida American Indian Reservation boundaries after the 2010 Census Tract definitions were finalized. The File also includes 7 additional tract records for Pima County, Arizona (FIPS county code 019) and 1 additional tract record for Los Angeles County, California (FIPS county code 037) corrected by the Census Bureau in 2013. Bedford City, Virginia is no longer an independent city and became a town within Bedford County on July 1, 2013. The File includes an additional tract record to reflect this change. These additional census tract records facilitate geocoding of mortgage purchases in these counties.⁹ Two U.S. county/county equivalents changed names and geocodes during 2015. In Alaska, Wade Hampton Census Area (FIPS county code 270) became Kusilvak Census Area (FIPS county code 158), and in South Dakota, Shannon County (FIPS county code 113) became Oglala Lakota County (FIPS county code 102).¹⁰ Census tract records for both old and new geocodes are provided to facilitate geocoding.

FHFA defines “high opportunity areas” at the census tract level in both metropolitan and nonmetropolitan areas. The exception is in the St. Louis MSA, where parts of the city of Sullivan lie within Franklin County and Crawford County, Missouri but, by statute, the entirety of Sullivan is deemed to be within the St. Louis MSA.¹¹ The portion of Crawford County outside of Sullivan is nonmetropolitan. In the 2017 High Opportunity Areas File, the census tract in Crawford County that contains a portion of Sullivan is treated as a split tract. The 2017 High Opportunity Areas File contains two records for this census tract – one record for the nonmetropolitan portion of the tract and one record for the metropolitan portion of the tract.

For questions concerning the format of the 2017 High Opportunity Areas File, please contact:

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⁹ <http://www.census.gov/programs-surveys/acs/geography-acs.html>.

¹⁰ <http://www.census.gov/geo/reference/county-changes.html>.

¹¹ Treasury, Postal Service and General Government Appropriations Act, 1988, Pub. L. No. 100-202, § 530, 101 Stat. 1329-419 (1987).