

Areas of Opportunity – July 2016 Summary of Proposed Approach

Florida Housing has presented Areas of Opportunity information at the January, April, and May 2016 rule development workshops, as well as the May 2016 Board meeting. There have been four significant changes to the concept since it was first discussed: 1) the two and three factor concept is now applied to all metropolitan counties; 2) the two/three factor threshold for the income data variable has been changed; 3) RECAP areas are set for any census tract in the state that exceeds the thresholds for high rates of poverty and minority concentration; and 4) the July 2016 maps rely on a more robust dataset.

Two and Three Factor Census Tracts

- Census tracts with high indicators of community wellbeing based on income, educational attainment and employment rate.
- Tracts meeting two but not three of the criteria are two factor tracts, and would receive a 20% LIHTC basis boost.
- Tracts which meet all three criteria are three factor tracts, and would receive a 30% LIHTC basis boost.
- **Revisions to Approach:**
 - Originally, for the median income variable we applied a threshold of the average of all census tracts within the county. The new proposed threshold is the 40th percentile of all census tracts in the county – provides additional areas of opportunity (two factor tracts), and turns many two factor tracts into three factor tracts.
 - Change to data used for employment rate now allows an additional 1,900 census tracts to be included in the evaluation. Additionally, for all three variables, we are now using the average of the three most recent 5-year averages of data rather than a single 5-year average, allowing us to base two and three factor designations on longer term trends.
- Now two and three factor tracts in all large counties, as well as medium and small metro counties.

RECAP Areas

- A RECAP is a census tract which has been identified as a “Racially and Ethnically Concentrated Area of Poverty.”
- RECAP tracts are those in which at least 40% of the population is living below the poverty line and in which a concentration of individuals who identify as other than non-Hispanic White exceeds 50% of the population of the census tract. These thresholds represent a poverty rate 2.4 times the statewide poverty rate and a level of segregation 14% greater than the statewide average. Many RECAPs have poverty and minority concentration levels well above these thresholds.
- Fewer than 3.5% of all census tracts in Florida are RECAPS. After suppressing high margin of error values and one anomalous census tract, there are 146 RECAPs in the state. Of those, 143 are also QCTs.
- We evaluated changes to the concentration of poverty and, separately, race/ethnicity and decided to maintain the original approach described above.
- RECAPs now have been determined for all metropolitan counties; in Large counties there are 86 RECAPs, in Medium counties there are 54 RECAPs and in Small counties there are 6 RECAPs.

Where Can Folks Find Information and Maps on the Current Proposed Approach?

The maps are posted on the Florida Housing website on the [Areas of Opportunity Page](#). There are PDF maps for each Metropolitan Statistical Area (MSA). In addition, there are PDF maps for each of the seven large counties. There are also links to Google Maps documents for each MSA.