

2026 CTCAC/HCD Opportunity Map Frequently Asked Questions (FAQ)

Responses to frequently asked questions related to the CTCAC/HCD Opportunity Map (Opportunity Map) are provided below. For more background and detail on the mapping methodology, click here: <https://www.treasurer.ca.gov/ctcac/opportunity>

Background

1. What is the purpose of the opportunity and high-poverty & segregation mapping tools?

The mapping tools are intended to advance the state's affirmatively furthering fair housing (AFFH) objectives. AFFH means combating discrimination and taking meaningful actions that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.

The Opportunity Map identifies areas in every region of the state whose characteristics have been shown by research to be associated with positive economic, educational, and health outcomes for low-income families—particularly long-term outcomes for children. As such, the map is intended to inform efforts to advance the AFFH objective of increasing access to opportunity.

The high-poverty and segregated areas overlay identifies places that meet standards for both high or concentrated poverty rates and racial segregation. The use of this overlay is grounded in two guiding AFFH objectives: to avoid further segregation and poverty concentration, and to increase access to opportunity for low-income families.

2. What has been the process for creating and updating these tools?

In February 2017, the Department of Housing and Community Development (HCD) and the California Tax Credit Allocation Committee (CTCAC) convened a range of independent organizations and research centers which provided input on the original creation of the Opportunity Map. Since then, a subset of research partners has continued to update and refine the map over time. HCD, CTCAC, and the research partners annually review and update the mapping tools' indicators and methodology in response to stakeholder comments and emerging research.

3. How has the Opportunity Map been used in State policy and programs?

The Opportunity Map was originally created to inform statewide policy for funding affordable housing in the context of the CTCAC regulations which relate to 9% Low-Income Housing Tax Credit (LIHTC) program. For this reason, the mapping methodology was designed for the competitive funding infrastructure of the 9% LIHTC program (e.g., geographic competition, a separate funding pool for rural applicants). The Opportunity Map has also been used inform similar policies in the other housing funding programs, including CDLAC regulations for tax-exempt bonds, which are paired with 4% LIHTCs, and HCD's Multifamily Super NOFA. Finally, HCD has used a slightly modified version of the Opportunity Map to inform land use and zoning policy, including the Regional Housing Need Allocation (RHNA) process and Housing Element updates.

4. How has the location of affordable housing for low-income families changed since the introduction of opportunity area incentives?

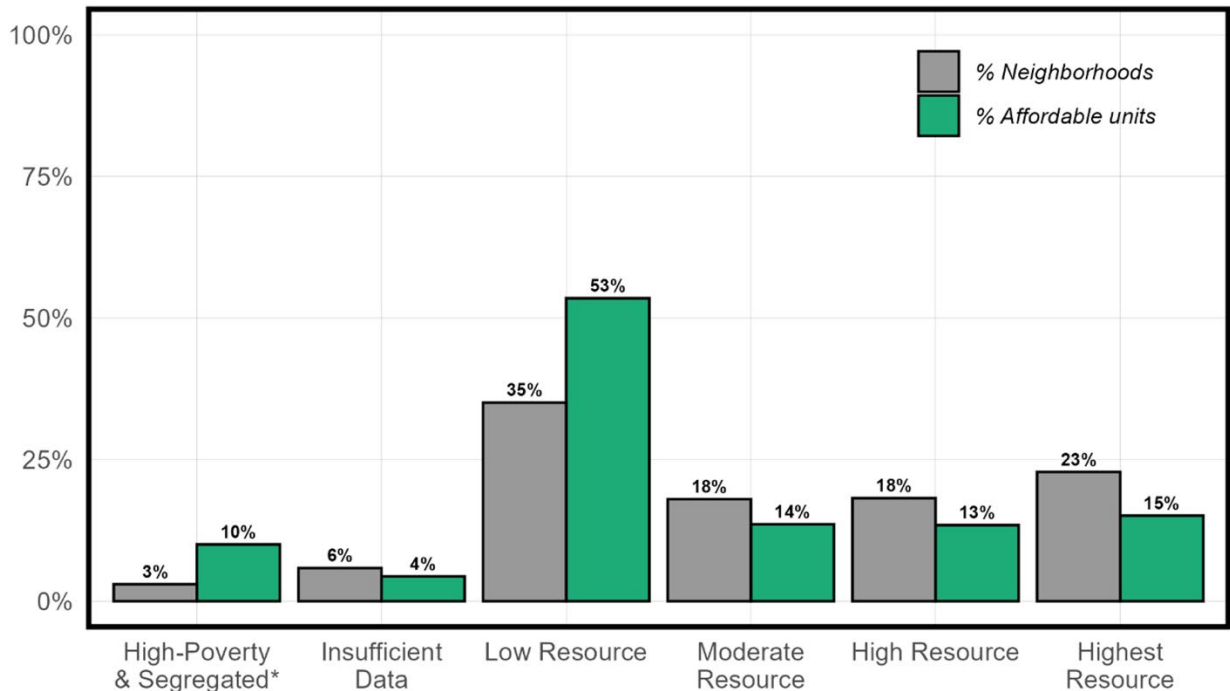
Since the introduction of incentives several years ago, affordable housing for low-income families financed with LIHTCs in higher resource neighborhoods has increased when compared to historical patterns. This trend is more pronounced for developments financed with 4% LIHTCs than for those financed with 9% LIHTCs. However, even after the introduction of opportunity area incentives, Low Resource areas continue to see more production of affordable housing for families than any other neighborhood category in the Opportunity Map when considering both 4% and 9% LIHTCs combined.

As a result, LIHTC-financed affordable homes for low-income families in California are still notably underrepresented in higher resource areas. Through 2024, only 15 percent of all LIHTC funded homes the state's affordable housing portfolio (both 4% and 9%) in family-serving developments are located in Highest Resource neighborhoods, which comprise 23 percent of neighborhoods statewide, contrasted with 54 percent in Low Resource neighborhoods, which comprise 35 percent of neighborhoods statewide, as shown in Figure 1.

Figure 1

4% and 9% LIHTC-Financed Affordable Units in Large-Family Developments by Level of Neighborhood Resources

1990-2024



Sources: CHPC Preservation Database; and Draft 2026 CTCAC/HCD Opportunity Map. Note: *Neighborhoods that meet the High-Poverty & Segregated definition are also assessed in terms of neighborhood resources.

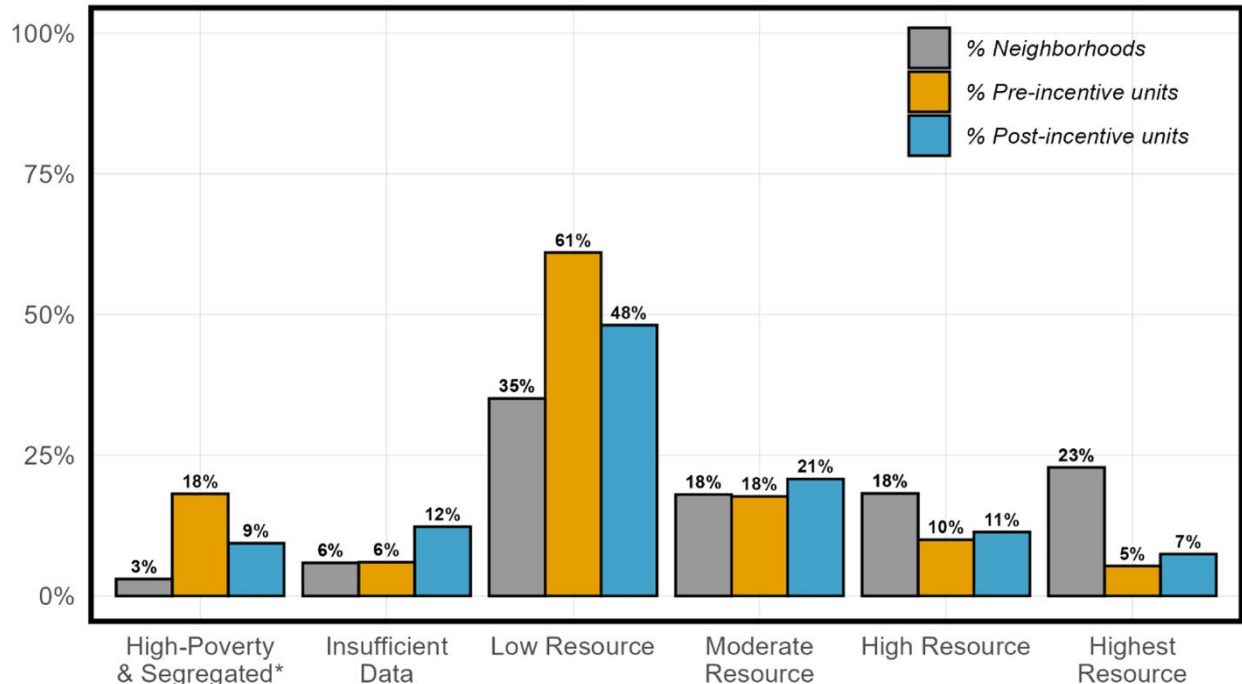
Additional details for the 9% and 4% programs are provided below.

9% program: According to analysis by CTCAC and HCD's research partners, the share of affordable homes in 9% LIHTC large family developments in High and Highest Resource areas modestly increased from 15 percent of all funded affordable homes in the four years prior to introduction of incentives to 18 percent since introduction of incentives in 2019, as shown in Figure 2.

Figure 2

9% LIHTC-Financed Affordable Units in Large-Family Developments by Level of Neighborhood Resources

Pre-incentive: 2015-2018; Post-incentive: 2019-2024



*Sources: CHPC Preservation Database; and Draft 2026 CTCAC/HCD Opportunity Map. Note: *Neighborhoods that meet the High-Poverty & Segregated definition are also assessed in terms of neighborhood resources.*

Figure 2 also shows a modest decrease in the affordable housing for low-income families funded in Low Resource areas. Since 2019, the share of affordable homes in large-family developments in Low Resource areas financed with 9% LIHTCs decreased from 61 percent to 48 percent (compared to the four years prior), a drop of 13 percentage points as can be seen in Table 1.

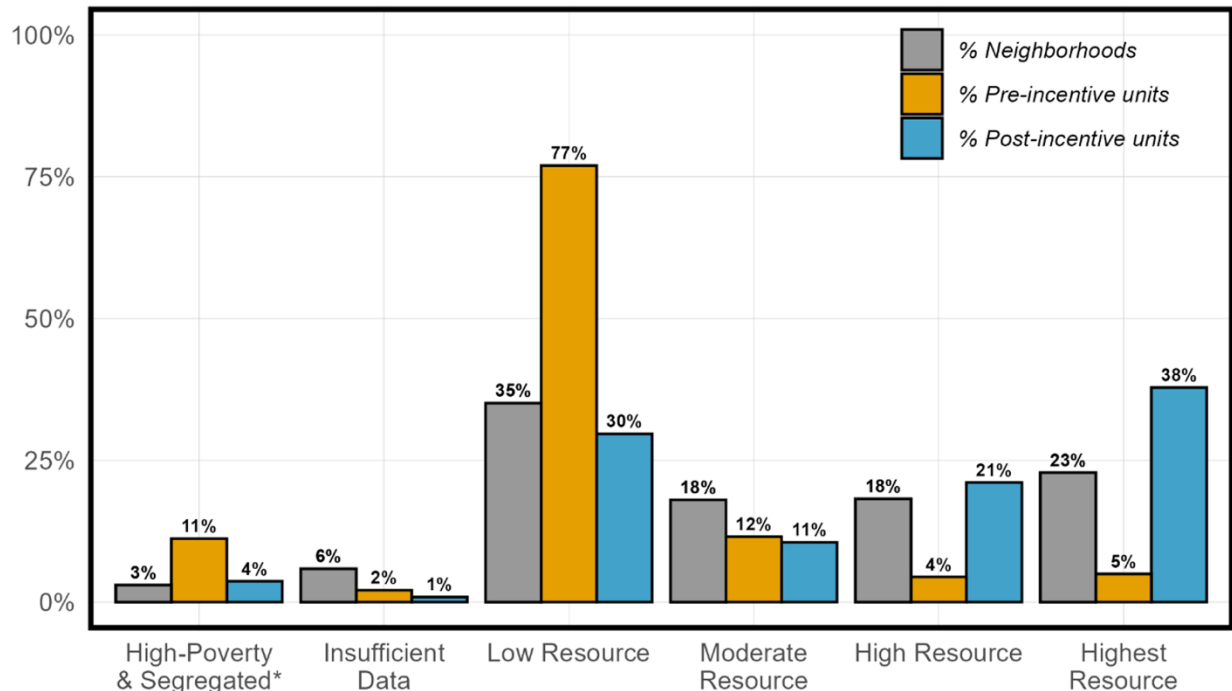
4% Program: The share of affordable homes in 4% LIHTC large family developments in High and Highest Resource areas substantially increased from 9 percent of all funded affordable homes in the four years prior to introduction of incentives¹ to 59 percent since introduction of incentives in 2021, as shown in Figure 3.

¹ This share is lower than the share for the entire history of the 4% program (28 percent in High and Highest Resource areas) prior to introduction of incentives.

Figure 3

4% LIHTC-Financed Affordable Units in Large-Family Developments by Level of Neighborhood Resources

Pre-incentive: 2017-2020; Post-incentive: 2021-2024



*Sources: CHPC Preservation Database; and Draft 2026 CTCAC/HCD Opportunity Map. Note: *Neighborhoods that meet the High-Poverty & Segregated definition are also assessed in terms of neighborhood resources.*

Low Resource neighborhoods have continued to receive a share of affordable homes roughly proportional to their share of the state’s neighborhoods (35 percent versus 30 percent). High Poverty & Segregated neighborhoods have also continued to receive a proportional share of funded affordable homes (3 percent versus 4 percent).

In July 2022, CDLAC established a “soft cap” on the number of applicants that can receive a critical point in the scoring system for being in High and Highest Resource areas. The intention of the soft cap was to ensure that projects in lower resource neighborhoods still have a pathway to receive funding – which, as described above, has been the case so far. HCD, CTCAC, and CDLAC will continue to monitor the distribution of affordable homes for families relative to the Opportunity Map categories.

Opportunity methodology

1. How does the Opportunity Map assess neighborhoods?

The Opportunity Map scores neighborhoods across eight economic and educational indicators relative to other neighborhoods in the same region. These indicators were selected because they have been shown by research to be associated with economic, educational, and health outcomes for low-income families—particularly long-term outcomes for children:

| Economic Indicators | |
|------------------------------|---|
| Above 200 Percent of Poverty | Percentage of population with income above 200% of federal poverty line |
| Adult Education | Percentage of adults with a bachelor's degree or above |
| Employment | Percentage of adults aged 20-64 who are employed in the civilian labor force or in the armed forces |
| Median Home Value | Value of owner-occupied units |
| Education Indicators | |
| Math proficiency | Percentage of 4th graders who meet or exceed math proficiency standards |
| Reading proficiency | Percentage of 4th graders who meet or exceed literacy standards |
| High school graduation rate | Percentage of high school cohort that graduated on time |
| Student poverty rate | Percentage of students not receiving free or reduced-price lunch |

The Opportunity Map also reflects local environmental conditions by using a subset of data from the CalEnviroScreen 4.0 tool to identify the geographies that have the highest potential – defined here as ranking in the highest 5% of regional environmental burden – to expose vulnerable populations to nearby health and safety threats.

A neighborhood's opportunity score is determined by how many economic and education indicators fall above the median (50th percentile) tract or block group value within each region. Each indicator that falls above the regional median adds 1 point from an overall score. A point is subtracted when a tract ranks in the highest 5% of environmental burden within its surrounding region.

Using this method, the final scores are divided into four primary categories:

- 9 or 8 = “Highest Resource”
- 7 or 6 = “High Resource”
- 5 or 4 = “Moderate Resource”
- 3 or lower = “Low Resource”

2. How has the approach to assessing rural areas evolved over time?

The approach to assessing rural areas in the Opportunity Map has evolved over time in large part due to stakeholder feedback. Each of these changes was made in an effort to increase the accuracy of the assessment, often in the context of data challenges which present difficult tradeoffs (e.g., assessing at the block group level allows for a finer-grained analysis but introduces more data reliability challenges). A timeline of these changes is provided below, beginning with the first version of the map in 2018:

- 2018: Rural areas were assessed the same as non-rural areas (at the tract level, with data reliability thresholds) but relative to other rural areas in the same county, as opposed to relative to the metropolitan region (which can include multiple counties) with non-rural areas.
- 2019: Some exclusions are added which relate primarily to rural areas, including areas with very high prisoner populations and areas with low population density.
- 2020: Rural areas are assessed at the block group level² instead of at the tract level given the size of some rural tracts and to provide a finer-grained assessment. The population density floor is modified and areas near military bases where it is not possible to develop non-military affordable housing are excluded.
- 2021: No changes related entirely or primarily to rural areas.
- 2022: No changes related entirely or primarily to rural areas.
- 2023: No changes related entirely or primarily to rural areas.
- 2024: The population density floor is raised in an effort to exclude the most sparsely populated rural block groups from being assigned to a resource

² The one exception to this rule is for environmental burden data due to CalEnviroScreen data only being available at the census tract level, not at the block group level. For rural areas, the county-level environmental burden percentile rank is calculated at the census tract level and then assigned to each of the block groups within a given rural census tract. In rural counties with fewer than 20 tracts, the environmental burden indicator is calculated at a state level, and tracts and the block groups they contain are identified as having high environmental burden if they rank in the top 5% of the state.

category. Transitioning to a threshold-based methodology requires a change to the data reliability threshold.

- 2025: No proposed changes specific to rural areas. One change related to addressing instability in annual map updates – to use a three-year rolling average for education indicators, which improved map stability in both rural and non-rural areas.
- 2026: No proposed changes specific to rural areas.

High-Poverty & Racially Segregated areas methodology

1. How are high-poverty and racially segregated areas defined?

A high-poverty and segregated area overlay identifies areas that meet standards for both concentrated poverty and racial segregation. Concentrated poverty is defined as tracts with at least 30% of the population falling under the federal poverty line. Racial segregation is defined as tracts with a racial/ethnic Location Quotient of higher than 1.25 for Black, Hispanic, Asian, or all people of color in comparison to the county. The Location Quotient is a small-area measure of relative segregation calculated at the residential census tract level that represents how much more segregated an area (e.g., a census tract or block group) is relative to the larger area (in this case, the county).

2. Why is the methodology for identifying high-poverty and racial segregated places a separate mapping layer rather than a filter?

The 2026 Opportunity Map identifies high poverty and segregated areas using an overlay. In previous iterations of the map prior to 2024, these areas were "filtered" out from the pool of tracts across the state and were not given opportunity scores. The revised approach allows stakeholders to see both whether a tract is in a High-Poverty & Segregated area as well as its underlying opportunity score and indicator values. The purpose of this change is to increase transparency by communicating the underlying opportunity-related characteristics of segregated areas of concentrated poverty. Under the filter method, stakeholders raised concerns that gentrifying neighborhoods could be caught in the filter if they successfully preserve affordable housing and prevent displacement of high poverty households and people of color. The research partner's analysis found that the vast majority of segregated areas of poverty were low resource, but in rare cases, gentrifying, moderate-to-high resource neighborhoods were caught in the filter. The overlay approach allows state housing agencies to make explicit policy decisions about how to treat neighborhoods that are both segregated and high poverty, in accordance with their AFFH strategies.