CONNECTICUT
HOUSING FINANCE
AUTHORITY

*The Key To Affordable Housing*

# Low-Income Housing Tax Credit Program

## Opportunity Characteristics Guideline

# 2018

## *Opportunity Characteristics Guideline*

CHFA utilizes Opportunity Characteristics described herein to identify Opportunity Areas for purposes related to the State of Connecticut's Low-Income Housing Tax Credit (LIHTC) Qualified Allocation Plan (QAP).

## **Determination Metrics**

The following five data-based metrics describe the criteria used for the determination of the 2018 Opportunity Characteristics:

1. **Affordable Housing Appeals Listing**
   *Data Source:  CT Department of Housing; 2017 Affordable Housing Appeals List*

   The Affordable Housing Appeals List demonstrates the level of affordable housing per municipality.  Determining non-exempt municipalities is calculated by dividing the number of government assisted housing units by the total housing units of the municipality.  Government assisted housing is defined as the following:
   - Assisted housing units or housing receiving financial assistance under any governmental program for the construction or substantial rehabilitation of low and moderate income housing that was occupied or under construction by the end date of the report period for compilation of a given year's list;
   - Rental housing occupied by persons receiving rental assistance under C.G.S. Chapter 138a (State Rental Assistance/RAP) or Section 142f of Title 42 of the U.S. Code (Section 8);
   - Ownership housing or housing currently financed by the Connecticut Housing  Finance Authority and/or the U.S. Department of Agriculture; and
   - Deed-restricted properties or properties with deeds containing covenants or restrictions that require such dwelling unit(s) be sold or rented at or below prices that will preserve the unit(s) as affordable housing as defined in C.G.S. Section 8-39a for persons or families whose incomes are less than or equal to 80% of the area median income.

   Only municipalities that are non-exempt (have less than 10% of their housing stock defined as government assisted) qualify to receive Opportunity Characteristics points.

2. **Performing School Districts**
   *Data Source:  GreatSchools 2016 District Ratings*

GreatSchools is a national, independent nonprofit organization providing elementary, middle, and high school information for public, private, and charter schools. The GreatSchools Rating is on a 1-10 scale, where 10 is the highest and 1 is the lowest. Ratings are broken down into three categories: ratings 1-3 signal that the school is "below average," 4-7 indicate "average," and 8-10 are "above average."

In Connecticut, the GreatSchools Rating is an average of how well students at a given school do on each grade and subject test. For each test, ratings are assigned based on how well students perform relative to all other students in the state, and these ratings are averaged into an overall rating of 1 to 10. The distribution of the GreatSchools Rating in a given state looks like a bell curve, with higher numbers of schools getting ratings in the "average" category, and fewer schools getting ratings in the "above average" or "below average" categories.

Only municipalities that rate "average" or "above average" per the GreatSchool District Rating qualify as an Opportunity Area. For municipalities without a district rating, CHFA has used the district's high school rating.

3. **Percent of People in Poverty**
   *Data Source: US Census Bureau, American Community Survey 2012 – 2016 5-Year Estimates*

   The average Percent of Individuals in Poverty for all ages and municipalities in Connecticut is 10.4%. The 2018 CHFA Opportunity Areas target municipalities that are below the average poverty levels. Only municipalities with a Percentage of Individuals in Poverty that is less than the state average of 10.4% qualify as an Opportunity Area.

4. **Jobs to Population Ratio**
   *Data Sources: 2015 US Census Bureau, Longitudinal Employer-Household Dynamics Survey and the US Census Bureau; American Community Survey 2012 – 2016 5-Year Estimates*

   The "Jobs to Population Ratio" demonstrates the number of jobs per 100 people that are located in a municipality. The Jobs to Population Ratio is calculated by dividing the total number of jobs located within a municipality (2015 US Census Longitudinal Employer-Household Dynamics) by the estimated population of that municipality (American Community Survey 2012 – 2016 5-Year Estimates). (Number of Jobs in Municipality)/(Population of Municipality) = Jobs to Population Ratio.

   For example: "A-Town" has a population of 2,000 people and 1,000 jobs.
   The ratio calculation would be:
   1,000 / 2,000 = 50% Jobs to Population Ratio

In "A-Town" there are 50 jobs for every 100 people.

The Jobs to Population Ratio for the State of Connecticut stands at 46%. Only municipalities that have a Jobs to Population ratio above the state's average qualify as an Opportunity Area.

5. **Proximity to a State Community College**
   *Data Source: The Connecticut State Colleges & Universities (CSCU)*

   Connecticut has a number of affordable State Community Colleges that offer students an opportunity to earn a higher education degree, certificate, and/or job training. The CHFA Opportunity Areas target municipalities that are within a reasonable distance (not more than 10 miles) from a community college:
   - Asnuntuck Community College
   - Capital Community College
   - Gateway Community College
   - Housatonic Community College
   - Manchester Community College
   - Middlesex Community College
   - Naugatuck Valley Community College
   - Northwestern Connecticut Community College
   - Norwalk Community College
   - Quinebaug Valley Community College
   - Three Rivers Community College
   - Tunxis Community College

   Only municipalities that are within 10 miles of one of the State's Community Colleges qualify as an Opportunity Area.

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A Locational Guide Map utilizing these Opportunity Characteristics is available on the CHFA website for ease of self-scoring by clicking HERE.

This same mapping tool will be used by CHFA in the rating and ranking process for all development proposals to determine the points awards (if any) under the Opportunity Characteristics category.