

Multifamily Housing Notice 23-3

April 27, 2023

To: Developers, Sponsors, and Local Housing Contacts

From: Alvin Lawson, Director, Multifamily Operations

Re: *2023 Community of Opportunity Designations*

The Department is releasing a draft map of the 2023 Community of Opportunity (COO) designations for public comment.

The Communities of Opportunity designation on the Maryland Qualified Allocation Plan (QAP) Comprehensive Opportunity Maps are based on a "Composite Opportunity Index" developed by DHCD. The Composite Opportunity Index uses publicly available data based on three major factors: community health, economic opportunity, and educational opportunity. To be designated a Community of Opportunity and mapped as such to the Maryland QAP Comprehensive Opportunity Maps, the community must have a Composite Opportunity Index that is above the statewide average.

The three major indicators that comprise the Composite Opportunity Index are:

- *Community Health*: The community health indicator represents the wealth and quality of life in a community relative to the State average. The community health indicator has six (6) components, as follows:
 - Estimated median income of a household obtained from the U.S. Census Bureau American Community Survey (ACS) 2016-2020, five-year estimate. Household income is positively correlated with community health. Higher household incomes support a more diversified economic base and enhance the tax basis and services of its local government.
 - Estimated percent of all households that own a home (a proxy for homeownership rate) obtained from the U.S. Census Bureau American Community Survey (ACS) 2016-2020, five-year estimate. A higher homeownership rate indicates the economic stability of a community, which is positively correlated with community health.

- Estimated median value of an owner-occupied home obtained from the U.S. Census Bureau American Community Survey (ACS) 2016-2020, five-year estimate. This statistic indicates the strength of a community's real estate market relative to the average statewide market condition and is highly correlated with community health.
- Estimated percent change in the number of people between the periods of 2011-2015 and 2016-2020 obtained from the U.S. Census Bureau American Community Survey (ACS) A component of population growth is the number of people relocating to a community, so this measures the quality of life in a community and is positively correlated with community health.
- Estimated percent of all people that are living in poverty obtained from the U.S. Census American Community Survey (ACS) 2016-2020, five-year estimate. The poverty rate highlights the detrimental impact of concentrated poverty on quality of life in a community. This variable is inversely correlated with community health.
- Estimated percent of housing units that were vacant obtained from the U.S. Census American Community Survey (ACS) 2016-2020 community profile. An elevated property vacancy rate negatively impacts community health. Vacant property is often correlated with higher crime and depreciation of property values in a community.
- ***Economic Opportunity:*** Economic opportunity measures the extent to which a community provides employment opportunity and mobility to its residents. Employment opportunity is measured by the following variables:
 - Estimated percent of people age 16 years or older who were unemployed, obtained from the U.S. Census American Community Survey (ACS) 2016-2020, five-year estimate. This variable, which measures employment opportunity in a community, is inversely related with economic opportunity.
 - Estimated average travel time to work in minutes obtained from the U.S. Census American Community Survey (ACS) 2016-2020, five-year estimate. The commute time measures proximity to regional employment opportunities and is inversely related with economic opportunity.
- ***Educational Opportunity:*** Educational opportunity measures the outcomes of student performance and educational attainment in the community. This indicator is measured by the following variables:
 - Estimated percent of people with some college or an Associate's degree, degree obtained from the U.S. Census American Community Survey (ACS) 2016-2020, five-year estimate. This variable is positively related to educational opportunity.

- Estimated percent of people with some high school, but no diploma, obtained from the U.S. Census American Community Survey (ACS) 2016-2020, five-year estimate. This variable is inversely related with educational opportunity.

A link to the map can be found below:

<https://maryland.maps.arcgis.com/apps/webappviewer/index.html?id=d8c6ccd0c88f48429c628bdab1a66165>

Please provide us with your comments and input on the draft COO designations. Comments are due by no later than Wednesday, May 24, 2023. The COO designations will be finalized and adopted with the next revision of the QAP.

To assist with this effort, a dedicated email has been created to which you may submit your comments:

dhcd.qap@maryland.gov

If you have any questions, please email alvin.lawson@maryland.gov.

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<http://dhcd.maryland.gov/HousingDevelopment/Pages/About.aspx>

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<http://dhcd.maryland.gov/HousingDevelopment/Pages/MFLibrary.aspx>