

*Shorebank Enterprise Pacific --
NMTC and CDFI Block Group Mapping*

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*Prepared
for*



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By

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I. Project Summary

The goal of this project was to identify rural economic distress at a scale smaller than census tracts. Currently, economic distress can be identified at the census tract level through designations made by the CDFI fund. The CDFI fund designates census tracts as “hot zones” and “eligible investment areas”. A “hot zone” can be an “economic development” or “housing” hot zone or both. The CDFI fund also designates census tracts eligible for the NMTC program.

A concern with the CDFI designations was that, in rural areas, a single census tract may encompass a very large land area having sub-areas with a variety of different demographic characteristics. Pockets of economic distress within a census tract could be “masked” if the census tract was otherwise healthy. To the end of unmasking some of these pockets, this project examined the same demographic characteristics at the block group level that the CDFI fund used at the census tract level to designate economic distress. The project was then able to uncover block groups showing characteristics of economic distress. More powerful, the project was able to isolate block groups with characteristics of economic distress that were parts of census tracts which were otherwise considered healthy. These are the areas of economic distress missed when analysis is done only at the census tract level.

II. Methodology/Project Steps

1) *Determine geographic scope of project*

A list of counties in Oregon and Washington was supplied by Shorebank Enterprise Pacific. Analysis was restricted to census tracts and block groups within these counties. Geographic files for the project were created by “clipping” national files to the geographic area made up of these counties.

Counties Included in the Analysis:

State	County
Oregon	Benton
Oregon	Clatsop
Oregon	Columbia
Oregon	Coos
Oregon	Curry
Oregon	Douglas
Oregon	Jackson
Oregon	Josephine
Oregon	Lane
Oregon	Lincoln
Oregon	Linn
Oregon	Marion
Oregon	Polk
Oregon	Tillamook
Oregon	Washington
Oregon	Yamhill
Washington	Clallam
Washington	Cowlitz
Washington	Grays Harbor
Washington	Jefferson
Washington	Lewis
Washington	Mason
Washington	Pacific
Washington	Thurston
Washington	Wahkiakum

2) *Perform a scorecard analysis at the block group level*

A scorecard analysis was created and applied to the block groups. The scorecard analysis was implemented by testing for three relevant demographic characteristics for the CDFI and NMTC programs at the block group level. The presence of these demographic characteristics was the scorecard criteria. Criteria were supplied by Shorebank Enterprise Pacific.

The criteria used for median income differed between the CDFI and NMTC programs, so a separate scorecard was created for each program. Criteria for each program are listed below. Census 2000 data, provided by Claritas, was used for this analysis.

Each program had three criteria, each worth 1 point. If a block group met all three criteria, it would score 3 points and be considered an area with a high level of economic distress. A block group that met none of the 3 criteria would score 0 points and would be considered an area with no, or little, economic distress. Block group scores between 0-3 were computed and then thematically mapped. CDFI scores were mapped from light yellow (0) to dark brown (3). NMTC scores were mapped from light yellow (0) to dark blue (3).

CDFI Scorecard Criteria

- 1) **Poverty**—block groups with a poverty rate greater than 20%.
Calculation: $\text{If } (2000 \text{ Population, Below Poverty} / 2000 \text{ Population for Whom Poverty Status is Known}) > 20\%$, score 1 point.
*332/1878 selected.
- 2) **Unemployment**—block groups with unemployment greater than 150% of national unemployment. National unemployment in 2000 was 5.77%, so unemployment greater than 8.655% was used as the 150% benchmark.
Calculation: $\text{If } (2000 \% \text{ of Civilian Labor Force Unemployed}) > 8.655\%$, score 1 point.
*553/1878 selected.
- 3) **Median Income**—block groups with median household income less than 80% of the state median household income. 2000 Median Household Income of \$46,157 used for Washington and \$41,417 for Oregon.
Calculation: $\text{If } 2000 \text{ Median Household Income} < 80\% \text{ of State's Median Household Income}$, score 1 point.
*636/1878 selected.

NMTC Scorecard Criteria

- 1) **Poverty**—same as CDFI.
- 2) **Unemployment**—same as CDFI.
- 3) **Median Income**—block groups with median family income less than 80% of the state median family income. 2000 Median Family Income of \$56,120 used for Washington and \$50,141 for Oregon.
Calculation: $\text{If } 2000 \text{ Median Family Income} < 80\% \text{ of State's Median Family Income}$, score 1 point.
Note: an alternate median income test was done for block groups where median family income is >80% but less than 85% of the statewide median

income, and population between 1980 and 2000 decreased by 10% during the twenty year period. 0 block groups fit this criteria, so this criteria was not included in the scorecard.

*632/1878 selected.

3) Designate census tracts eligible for CDFI and NMTC programs

Census tracts eligible for CDFI and NMTC programs are designated in outline form on the maps produced. Eligibility for CDFI and NMTC programs was determined by downloading a table of eligible census tracts from:

<http://cdfifund.gov/mapping/mapping.asp>

Four types of eligibility were tested for:

- 1) **CDFI Eligible**-- used **HZ_Qual field** from the CDFI table. This field indicates whether a particular tract qualifies under Hot Zone criteria (as either a Housing Hot Zone or Economic Development Hot Zone).
*108 tracts selected.
- 2) **NMTC Eligible**-- used **NMTCQUAL field** from the CDFI table. This field indicates whether or not a tract qualifies as a Low-Income Community for the New Markets Tax Credit Program.
*195 tracts selected.
- 3) **NMTC Adjacent Eligible** – MetroEdge calculated eligibility. Census tracts were selected that were not NMTC eligible, but were adjacent to NMTC eligible tracts and had a population less than 2000 (Census 2000 population data used).
*11 tracts selected.
- 4) **NMTC 80-85% Eligible**-- MetroEdge calculated eligibility. Census tracts were selected where median family income is >80% but less than 85% of the statewide median income, and population between 1980 and 2000 decreased by 10% during the twenty year period.
*0 tracts selected, so this eligibility was not included in the maps.

In the CDFI series of maps, only CDFI Eligible census tracts are designated. In the NMTC series of maps, NMTC Eligible and NMTC Adjacent Eligible census tracts are designated.

4) Incorporate available overlays

Overlays were included to get a sense of areas eligible for economic incentives and other special consideration.

Overlays included:

- 1) **HUB Zones**-- used the lists of eligible census tracts from SBA's HUB Zone websites for Washington and Oregon
- 2) **Economic Distress Zones**—used the Oregon Economic and Community Development Department's online list of distressed cities or areas and the list of distressed counties from the Washington State Department of Community, Trade, and Economic Development

Medically underserved areas were researched, but were not included but were not included due to difficulties in determining the areas eligible.

5) *Include additional data*

Additional data was included in the maps to provide a better sense of place and delineation of area.

Additional data included in the maps:

- 1) Major Roads (ESRI)
- 2) Indian Reservations (ESRI, subset of Federal Land dataset)
- 3) Place boundaries (Claritas)
- 4) State boundaries (Claritas)

III. Results/Next Steps

Two sets of maps were produced for this project. One set showed showed block groups and census tracts against CDFI criteria, and the second set showed block groups and census tracts against NMTC criteria.

The maps revealed several cases where a census tract did not show economic distress, but analysis at the smaller block group level did reveal economic distress. Uncovering these “masked” areas was the major goal of the project. A sample map is provided for illustrative purposes.

Next steps include training Shorebank Enterprise Pacific on the software and the analysis so they can make full use of it locally.

Sample Output:

