

An EB-5 Targeted Employment Area (TEA) Analysis of Census Tract 133.17 in San Diego County, CA

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I. Introduction

Impact DataSource calculated census tract unemployment rates to determine if the area around La Media Rd & Santa Luna St, Chula Vista, CA 91913, which is entirely within Census Tract 133.17 (2020 census tract boundaries) in San Diego County, CA, is eligible for the minimum investment threshold as a high unemployment Targeted Employment Area (TEA) for EB-5 program purposes based on the EB-5 Reform and Integrity Act of 2022. Impact DataSource has determined that Census Tract 133.17 in San Diego County, CA, meets the requirements to be eligible as a high unemployment TEA based on the EB-5 Reform and Integrity Act of 2022¹.

Regarding high unemployment TEAs, the EB-5 Reform Act of 2022 contains this language:

IN GENERAL.—The Secretary of Homeland Security, or a designee of the Secretary who is an employee of the Department of Homeland Security, may designate, as a high unemployment area, a census tract, or contiguous census tracts, in which the weighted average of the unemployment rate for the census tracts, based on the labor force employment measure for each applicable census tract and any adjacent tract included under subclause (III), is not less than 150 percent of the national average unemployment rate.

In making a designation under subclause (I), the Secretary of Homeland Security may include a census tract directly adjacent to a census tract or contiguous census tracts described in that subclause².

The determination of TEA eligibility in this report is based on two separate methods that use ACS and/or BLS data³:

Method 1 (ACS): analyzing the most recent data from the American Community Survey (ACS) produced by the U.S. Census Bureau, Employment Status for the Population 16 Years and Over ACS 5-year estimates (ACS 16-20). It should be noted that ACS 16-20 is the first ACS data released to use 2020 census tract boundaries (replacing the 2010 census tract boundaries).

¹ Impact DataSource has prepared this analysis based on a reasonable interpretation of the EB-5 Reform and Integrity Act of 2022 that is in-line with the general EB-5 industry consensus of how USCIS will determine TEA-eligibility. However, based on the language in the EB-5 Reform and Integrity Act of 2022, Impact DataSource can provide no guarantee of how USCIS will interpret the designation requirements for TEAs. As of the date of this analysis, USCIS has not provided their interpretation of the EB-5 Reform and Integrity Act of 2022.

² <https://rules.house.gov/sites/democrats.rules.house.gov/files/BILLS-117HR2471SA-RCP-117-35.pdf>

³ All unemployment data is subject to revision or change. New ACS data (17-21) is scheduled to be released in mid-December 2022. Calendar year BLS LAUS county-level data for 2022 is scheduled to be finalized in mid-April 2023.

- USCIS has historically considered ACS data to be “reliable and verifiable”.⁴
- To maintain internal consistency for this method, the TEA result is compared to the relevant high unemployment rate from ACS 16-20 of 8.1% (150% of the ACS 16-20 national unemployment rate of 5.4%).

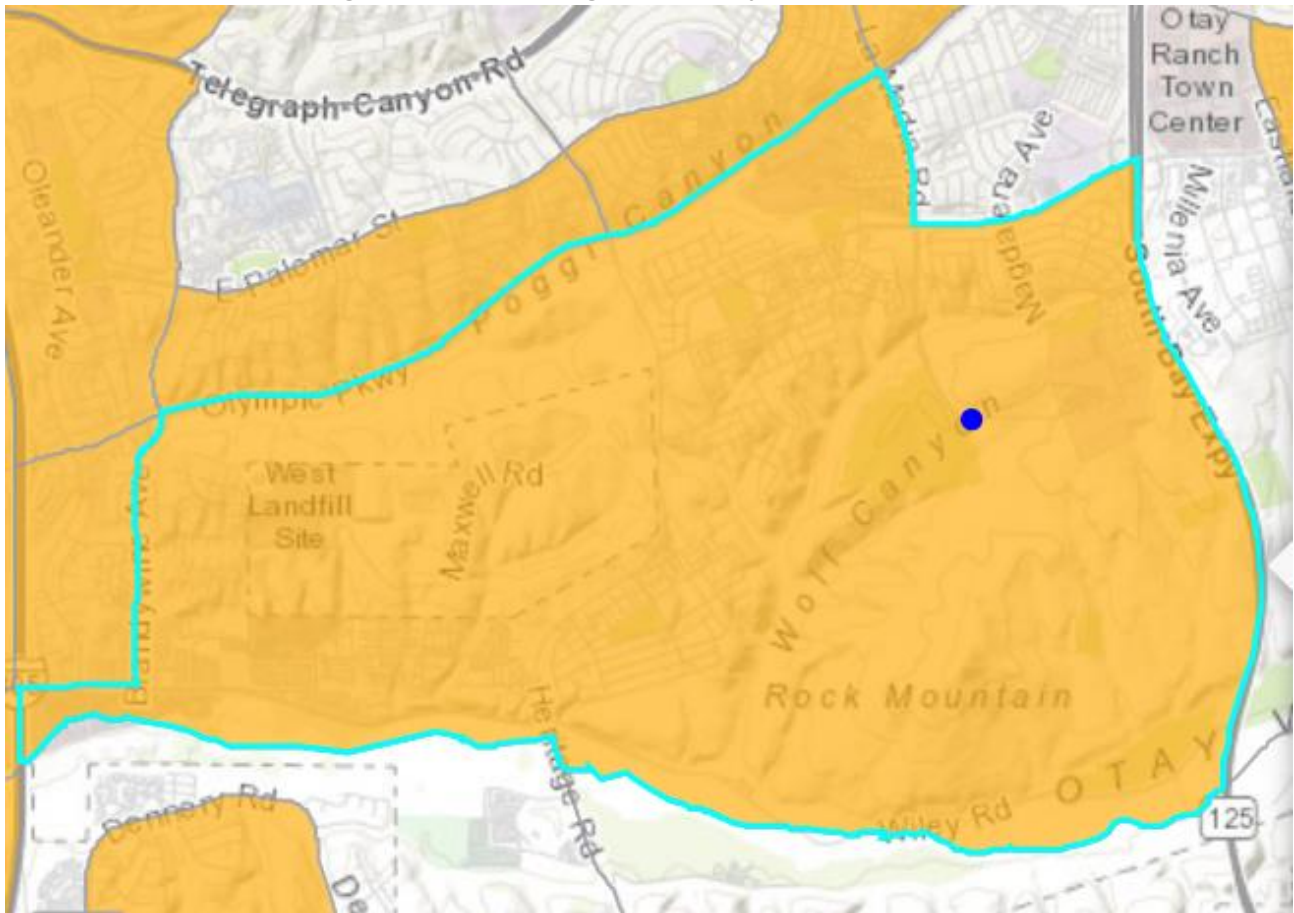
Method 2 (Census-Share for Calendar Year 2021): utilizing the census-share disaggregation methodology with ACS 16-20 data (described above) and county-level BLS LAUS data from Calendar Year 2021 (the most recent calendar year data available as of the date of this analysis).

- USCIS has historically considered ACS data and BLS data to be “reliable and verifiable”.⁴
- To maintain internal consistency, the TEA result is compared to the relevant high unemployment rate from BLS LAUS Calendar Year 2021 of 8.0% (150% of the BLS CY 2021 national unemployment rate of 5.3%).

Image 1 below shows the proposed TEA.

⁴ For example, the preamble to the now vacated Final Rule of the EB-5 Immigrant Investor Program Modernization, notes that “DHS believes that the unemployment data provided to the public by both ACS and BLS qualify as reliable and verifiable data for petitioners to reference” in order to demonstrate TEA eligibility, and “regardless of which reliable and verifiable data petitioners choose to present to DHS, the data should be internally consistent...[I]f petitioners rely on ACS data to determine the unemployment rate for the requested TEA, they should also rely on ACS data to determine the national unemployment rate to which the TEA is compared.”

Image 1: Proposed Targeted Employment Area



Census Tract of project (133.17) is indicated by turquoise outline. Location of project is indicated by blue dot

II. TEA Method I: ACS 16-20

National Average Rate Threshold for ACS 16-20

The image below shows the national labor force data for ACS 16-20⁵.

Image 2: ACS 16-20 for United States

American Community Survey

B23025 | EMPLOYMENT STATUS FOR THE POPULATION 16 YEARS AND OVER

2020: ACS 5-Year Estimates Detailed Tables | Universe: Population 16 Years and Over

Notes | Geos | Years | Topics | Surveys | Codes | Hide | Transp

	United States
Label	Estimate
✓ Total:	261,649,873
✓ In labor force:	165,902,838
✓ Civilian labor force:	164,759,496
Employed	155,888,980
Unemployed	8,870,516
Armed Forces	1,143,342
Not in labor force	95,747,035

The following table demonstrates the summary of the civilian labor force data for ACS 16-20 for the United States and corresponding 150% threshold calculation.

Table 1: ACS 16-20 for United States

National Labor Force Data from ACS 16-20 and Calculation of Corresponding 150% National Threshold Rate				
	Civilian Labor Force	Employed	Unemployed	UE Rate
National (Civilian)	164,759,496	155,888,980	8,870,516	5.4%
			150% of National Rate	8.1%

All unemployment rate calculations rounded to one decimal place

⁵ ACS data available at <https://data.census.gov/cedsci/>. Enter B23025 in the "I'm looking for..." box, select B23025: EMPLOYMENT STATUS FOR THE POPULATION 16 YEARS AND OVER, select 2020: ACS 5-Year Estimates Detailed Tables in the "Product" drop-down menu.

The table below summarizes the labor force data⁶ for the TEA shown in the map Section I.

Table 2: Proposed TEA based on ACS 16-20

Unemployment Estimates for Selected Census Tract(s) in San Diego County, CA Based on ACS 16-20				
Census Tract	Civilian Labor Force	Employed	Unemployed	UE Rate
Tract 133.17	6,866	6,214	652	9.5%
Combined Area	6,866	6,214	652	9.5%

In summary, Census Tract 133.17 in San Diego County, CA, is eligible as a high unemployment TEA using the most recent labor force data available from ACS as of the date of this analysis. Based on the data and calculations above, Census Tract 133.17 has an unemployment rate of 9.5%, which exceeds the required threshold for ACS 16-20 of 8.1%.

⁶ ACS data available at <https://data.census.gov/cedsci/>. Enter B23025 in the "I'm looking for..." box, select B23025: EMPLOYMENT STATUS FOR THE POPULATION 16 YEARS AND OVER, select 2020: ACS 5-Year Estimates Detailed Tables in the "Product" drop-down menu, and then select the appropriate geographies.

III. TEA Method II: Census-Share (Calendar Year 2021)

National Average Rate Threshold for Calendar Year 2021 (CY2021)


The snapshot below shows the national unemployment rate for CY2021 based on BLS.⁷

Image 3: BLS for United States – CY2021

Data extracted on: March 31, 2022 (1:56:37 PM)

Labor Force Statistics from the Current Population Survey

Series Id: LNU04000000
 Not Seasonally Adjusted
Series title: (Unadj) Unemployment Rate
Labor force status: Unemployment rate
Type of data: Percent or rate
Age: 16 years and over

Download:  [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2021	6.8	6.6	6.2	5.7	5.5	6.1	5.7	5.3	4.6	4.3	3.9	3.7	5.3

The following table demonstrates the summary of the unemployment rate for CY2021 from BLS and corresponding 150% threshold calculation. Based on BLS CY2021, the relevant high unemployment rate for TEAs based on the census-share method is 8.0% (150% of the 2021 BLS national annual average civilian unemployment rate of 5.3%).

⁷ <https://data.bls.gov/timeseries/LNU04000000>

Table 3: CY2021 for United States – BLS

National Unemployment Rate - CY2021 - BLS and Calculation of Corresponding 150% National Threshold Rate	
	UE Rate
National (CY2021)	5.3%
150% of National Rate	8.0%

150% unemployment rate calculation rounded to one decimal place

Census-share Methodology

The census-share disaggregation method is a standard U.S. Department of Labor, BLS procedure used to calculate unemployment rates for small sub-county areas. This method utilizes ACS 16-20⁸ data in conjunction with Labor Force Data by County, 2021 Annual Averages⁹ (BLS CY2021) produced by the U.S. Bureau of Labor Statistics (BLS) Local Area Unemployment Statistics (LAUS).

The census-share calculations rely on ACS 16-20 to determine the proportion of county employment and county unemployment existing in specific census tract(s). The calculations also rely on the 2021 BLS annual average civilian employment and unemployment data for the county. These datasets were used to estimate the Calendar Year 2021 census tract unemployment rates, as follows.

The proportion of county employment and the proportion of county unemployment existing in a specific census tract are calculated with the following formulae:

$$\begin{aligned}
 \textit{Employment Factor} &= \frac{\textit{Census Tract Employment}}{\textit{County Employment}} \\
 \textit{Unemployment Factor} &= \frac{\textit{Census Tract Unemployment}}{\textit{County Unemployment}}
 \end{aligned}$$

The above calculations utilize county and census tract-level data from ACS 2016-2020.

Next, the above factors are applied to the 2021 BLS annual average employment and unemployment data for the county in order to obtain the 2021 employment and unemployment figures for the census tract:

$$\begin{aligned}
 &2021 \textit{ Census Tract Employment} \\
 &= \textit{Employment Factor} \times 2021 \textit{ BLS Annual Average County Employment}
 \end{aligned}$$

⁸ Data set available at <https://data.census.gov/cedsci/>.

⁹ <https://www.bls.gov/lau/laucnty21.txt>

2021 Census Tract Unemployment

$$= \text{Unemployment Factor} \times \text{2021 BLS Annual Average County Unemployment}$$

Finally, the census tract unemployment rate is calculated using the following formula:

$$\text{2021 Census Tract Unemployment Rate} = \frac{\text{2021 Census Tract Unemployment}}{\text{2021 Census Tract Labor Force}}$$

where

2021 Census Tract Labor Force

$$= \text{2021 Census Tract Employment} + \text{2021 Census Tract Unemployment}$$

The table below summarizes the unemployment rate data for the relevant census tract(s) based on the census-share methodology described above.

Table 4: CY2021 for Proposed TEA – Census-Share

Unemployment Estimates for Selected Census Tract(s) in San Diego County, CA Based on Census-Share Calculations Utilizing BLS CY2021 and ACS 16-20				
Census Tract	Civilian			UE Rate
	Labor Force	Employed	Unemployed	
Tract 133.17	6,268	5,645	623	9.9%
Combined Area	6,268	5,645	623	9.9%

In summary, Census Tract 133.17 in San Diego County, CA, is eligible as a high unemployment TEA utilizing the census-share method based on the most recent labor force data available from ACS and calendar year data from BLS LAUS as of the date of this analysis. Based on the census-share method as described above, Census Tract 133.17 has an unemployment rate of 9.9%, which exceeds the required threshold of 8.0% for the Calendar Year 2021 time period.