URBAN DISPLACEMENT PROJECT
UNIVERSITY OF CALIFORNIA BERKELEY

Sensitive Communities in California
Project Description

Introduction

This document outlines the Urban Displacement Project's methodology for developing a map of sensitive communities, based on relevant literature, data analysis, and extensive stakeholder engagement of academics, advocates, and policymakers.

Areas identified as sensitive contain populations that could be particularly susceptible to displacement in the face of exacerbated market-based pressures at the neighborhood-level. This methodology not only assesses vulnerability through the use of static demographic characteristics, but also analyzes dynamics over time, to enable improved targeting of equity-oriented components of production-oriented housing legislation.

The final map is meant to serve as a reference point for jurisdictions as they designate sensitive communities, based on specific legislation and local context. All data is publicly available through the United States Census Bureau and final code can be accessed on GitHub.

Any questions about the methods used can be directed to: info@urbandisplacement.org.

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Developing a Sensitive Communities Methodology

The project team sought to identify key indicators of community vulnerability and sensitivity in the face of potential displacement pressures. This involved both conducting an extensive review of literature and methodologies relevant to the study of neighborhood change and vulnerability, and engaging key stakeholders from across the state on project design and implementation.

Stakeholder Engagement

In designing our outreach process, the project team first assembled a group of key stakeholders, who represented three broad constituencies: **academics** specializing in the study of housing, displacement, and gentrification; **equity advocates** active on issues of community development, housing, and land use throughout the state; and **policymakers** and advocate co-sponsors who have proposed zoning reform legislation in Sacramento. Engagement was conducted in two phases. In the initial phase, stakeholders shared their policy goals with our team, and provided ideas of potential indicators of community sensitivity. In the second phase, the project team provided preliminary maps for stakeholder review and collected their feedback for refinement of the sensitive communities methodology and map.

Data

In designing our methodology, the project team chose to rely exclusively on data made publicly available through the United States Census Bureau. Census tracts are used as the unit of analysis and approximations of neighborhoods throughout the state.[1] Tract-level data is sourced specifically from the American Community Survey (ACS), 2017 and 2012, 5-year estimates. [2]

In order to avoid flagging sparsely populated communities, tracts with population less than 500 people have been excluded from the analysis. Of the state's 8057 census tracts, 68 were eliminated due to low population density. Additionally, tracts where the margin of error on tenure data was greater than 60% of the estimate were dropped. 231 tracts were eliminated due to poor data quality.

[1] Considering the size of some rural census tracts, the project team experimented with using block groups as approximations for rural communities. This method was abandoned, however, due to poor data quality at the block group level.

[2] The project team acknowledges that many tracts do not align with neighborhood boundaries as they are understood locally. It was appropriate to use census tracts in this mapping exercise, however, in order to 1) produce a statewide map and 2) design a methodology that relied exclusively on publicly available data and that could be updated frequently and easily by state officials.

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Designating Sensitive Communities

A tract was flagged as a sensitive community if it was both deemed **vulnerable** and experiencing **market-based displacement pressure**, the metrics for which are summarized in the table below.

MEASURE	INDICATOR	RATIONALE/ASSUMPTION
Above County Median VLI Population (required)		
Share of Very-Low Income Households	% Very Low Income (<50% AMI) > 20%[3]	Income at the tract-level is often used to define community vulnerability. In order to identify communities at greatest risk, this methodology uses share residents who are Very Low Income (Annual Income <50% of the County Median Income).[4] A 20% threshold for VLI is required for all sensitive communities. Using this cutoff, this methodology not only flags communities with substantial shares of vulnerable residents, but also areas where a smaller group of vulnerable residents may be "holding out" amidst processes of gentrification and displacement.
AND Resident Vulnerability (2 of 3)		
Share of Renters	% renter occupied units > 40%	High share renter at the tract-level is frequently used as a criterion for susceptibility to neighborhood change as renters are most vulnerable to being displaced by rising housing prices.[5]
Share of Severely Rent Burdened Very Low-Income Renters	% severely rent burdened (above 50% of income spent on rent) very low-income renters (<50% AMI) > county median % severely rent-burdened very low-income renters	Rent burden represents displacement risk because those who are already spending a larger share of their income on rent have less buffer to absorb price increases. In order to avoid capturing higher income residents who may be rent-burdened but have greater residual income, this methodology has focused on very low-income renters' burden. [6]

[3] Tracts with a college student population greater than 20% were excluded from designations.
[4] Bates, Lisa K. (2013). "Gentrification and Displacement Study: Implementing an Equitable Inclusive Development Strategy in the Context of Gentrification". Chapple, Karen & Zuk, Miriam. (2016). "Forewarned: The Use of Neighborhood Early Warning Systems for Gentrification and Displacement."
[5] Ibid.
[6] Chapple, Karen & Zuk, Miriam. (2016). "Forewarned: The Use of Neighborhood Early Warning Systems for Gentrification and Displacement". Urban Displacement Project and the California Housing Partnership. (2019). "Rising Housing Costs and Re-segregation in the San Francisco Bay Area."

High Share People of Color	>50% people of color [7]	This criterion seeks to operationalize racially discriminate effects in housing such as segregation, redlining, and long-term market divestment.[8] A 50% threshold is set based on UDP's interpretation of the literature and stakeholder feedback.
AND		
Market-based Displacement Pressures (1 of 2 for cities over 400,000 residents[9]; 2 of 2 for cities with fewer than 400,000 residents)[10] [11]		
Hot Market Rent Change (2012-2017 (ACS))	% Change in rent 2012-2017 > median % change in rent 2012-2017 for county *or* % change in extralocal[12] rent 2012-2017> county median % change in rent 2012-2017	Our research in the Bay Area and other neighborhood analyses suggest that tract-level rent increases are associated with residential displacement, particularly of a tract's most vulnerable residents.[13]
Rent Gap	Difference between local rent and surrounding rent > county median difference, & is positive (rent is less expensive in tract than in nearby tracts).	Differences in rent between a community and surrounding areas may serve as pressure for landlords to rent out to higher paying tenants, thus representing a displacement pressure for existing, lower-income tenants.[14]

[7] Note that for census tracts in large cities (>400,000 people) that are above the 95th percentile for their county in share POC, or have >90% POC, they do not need to meet the VLI requirement, but just 3 of 4 vulnerability criteria, and 1 of 2 displacement pressures (VLI requirement is waived).
[8] Rothstein, R. (2017). "The color of law: A forgotten history of how our government segregated America." Redlining and Gentrification - Resources, <https://www.urbandisplacement.org/redlining>.
[9] As of 2019, California cities with greater than 400 residents include: Fresno, Los Angeles, San Francisco, San Diego, San Jose, Sacramento, Oakland, & San Francisco.
[10] In large cities, for those tracts for which 60% of the border touches sensitive communities, if vulnerability criteria are met (see above), tract will be considered sensitive even if displacement pressure criteria are not met (see above).
[11] The methodology is differentiated between large metros and other areas based on the assumption that in areas like San Francisco and Los Angeles, underlying displacement pressures are more acute.
[12] To account for nearby market pressures, this methodology produces extra local rent measures that compare local and nearby changes and gaps in rent prices. Rent change refers to the difference between the 2012 and 2017 ACS median rent in the focal tract, as well as in the surrounding area. Rent gaps refer to the difference between the focal and nearby median rent in the 2017 5-year ACS median rent estimates. These extra local variables are produced using a spatial weights matrix with an inverse distance decay parameter. In other words, the methodology focuses on relatively proximate median rent where closer rent values have more effect on the local area than rents that are further away.
[13] Chapple, Karen & Zuk, Miriam. (2016). "Forewarned: The Use of Neighborhood Early Warning Systems for Gentrification and Displacement." Freeman, L. (2005). "Displacement or Succession?: Residential Mobility in Gentrifying Neighborhoods." Urban Affairs Review, 40(4), 463–491. Urban Displacement Project and the California Housing Partnership. (2019). "Rising Housing Costs and Re-segregation in the San Francisco Bay Area."
[14] Smith, N. (1987). "Gentrification and the Rent Gap." *Annals of the Association of American Geographers. 77*(3), 462-465.

Additional Layers Displayed

Tier 2: Vulnerable Tracts

In addition to the sensitive communities designation, the final map also displays tracts meeting vulnerability criteria (see first portion of the table above) that do not display signs of displacement pressure.

Bus

Relevant to the policy application language in SB 50, this layer shows areas within ¼ mile of high-quality bus corridors.

Rail

Relevant to the policy application language in SB 50, this layer shows areas within ½ mile of fixed rail or ferry.[15]

[15] This ½ mile rail/ferry buffer includes both a) a ¼ mile buffer where allowable height could be increased to 55 feet, and b) a buffer between ¼ - ½ mile where allowable height could be increased to 45 feet, per bill language as of November 19, 2019.

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About the Authors

The Urban Displacement Project (UDP) is a research and action initiative of UC Berkeley. UDP conducts community-centered, data-driven, applied research toward more equitable and inclusive futures for cities. Our research aims to understand and describe the nature of gentrification and displacement, and also to generate knowledge on how policy interventions and investment can respond and support more equitable development. Learn more at urbandisplacement.org.

Research oversight was provided by UDP Faculty Director Dr. Karen Chapple and by UDP Program Director Anna Cash. Data analysis and maps were produced by UDP postdoctoral scholar, Dr. Timothy Thomas. Learn more about Dr. Thomas's work at https://timathomas.github.io/. Research support was provided by UDP graduate student researcher, Carson Hartmann.

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Sensitive Communities by Region

	# of Sensitive Communities	Share of Tracts that are Sensitive Communities
Bay Area Region	472	31%
Capital and Northern Region	117	28%
Central Coast Region	61	17%
Central Valley Region	175	33%
Inland Empire Region	158	22%
Los Angeles Region	841	36%
Orange County Region	92	16%
Rural Areas	113	11%
San Diego Region	157	26%