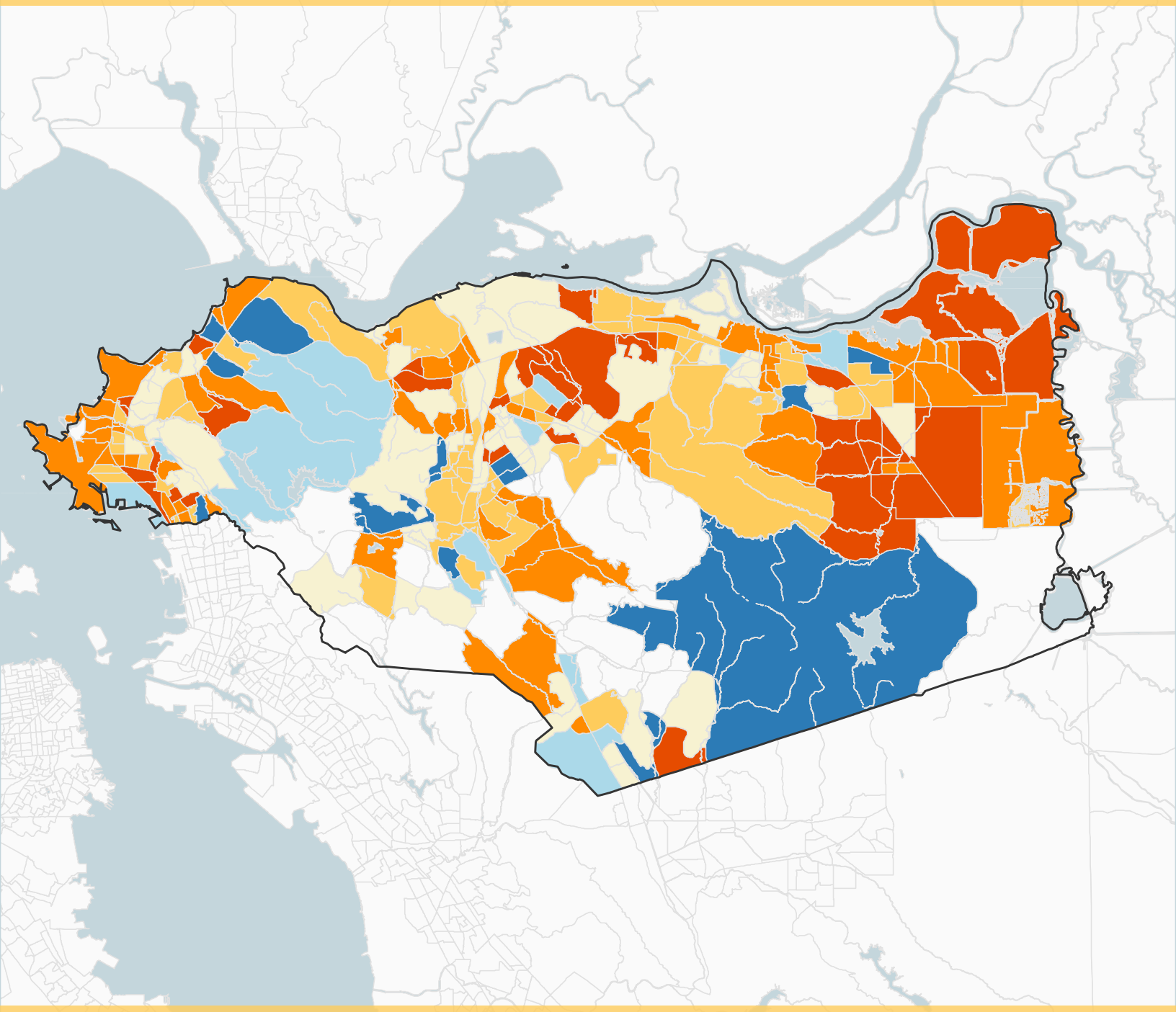
Rising Housing Costs and Re-Segregation in Contra Costa County



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EXECUTIVE SUMMARY

This report finds that increases in housing prices in Contra Costa County were correlated with shifts in where low-income people of color lived between 2000 and 2015. It also provides evidence that these shifts were contributing to new concentrations of poverty and racial segregation in the county and perpetuating racial disparities in access to high-resource neighborhoods. By focusing explicitly on the racial and economic dimensions of neighborhood change in relationship to increases in housing prices, this report builds upon existing research on displacement, segregation, and the persistent legacies of urban disinvestment and exclusion.

This report concludes that Contra Costa County and the region need policies and investments that support housing affordability and stability for low-income people of color, while also increasing their access to high-resource neighborhoods. To be successful, these policies and investments must account for both the legacies of racial segregation and recent patterns of re-segregation.

Key Findings

- Between 2000 and 2015, Contra Costa County experienced a 55% increase in low-income households of color—substantially higher than the regional average. The geography of this growth varied among racial groups. For example, Richmond's low-income Black population decreased while its low-income Latinx population grew. Meanwhile, many parts of Antioch and Pittsburg saw large increases in low-income Asian, Black, and Latinx households.

- Rents rose across the county between 2000 and 2015, with (inflation-adjusted) median rent paid increasing more than 30% in parts of Brentwood, Concord, Richmond, Pittsburg, and Hercules over the 15-year period. In the Bay Area, a 30% tract-level increase in median rent paid (in inflation-adjusted dollars) was associated with a 21% decrease in low-income households of color. There was no significant relationship between rent increases and losses of low-income White households, indicating that communities of color were particularly vulnerable to the impact of rapid rent increases.

- More than 75% of low-income Latinx and Black people who moved in 2015 stayed within Contra Costa County. When compared to their counterparts across the region, these movers were much more likely to remain in their county of origin.

- Extremely low-income households who made any kind of move in 2015—whether they stayed in Contra Costa County or left it— ended up paying a higher share of their income on rent than those who did not move.

- Large increases in the number of low-income people of color living in areas of the county that became newly segregated and high-poverty between 2000 and 2015 suggest that rising housing costs and migration patterns contributed to new concentrations of segregation and poverty in the county. The number of segregated, high-poverty tracts in the county more than doubled during this period.

- By 2015, approximately half of low-income Black and Latinx households in the county lived in segregated, high-poverty tracts—approximately triple the rate of low-income Asian and White households, and a steep increase from 2000. Families in these types of neighborhoods typically face greater barriers to economic mobility are more likely to suffer adverse health outcomes.

- At the end of the 2000-2015 period, disparities in access to higher resource neighborhoods were more pronounced between racial groups than between income groups of the same race. For example, in 2015, low-income White households were 14 times more likely to live in higher resource neighborhoods than moderate and high-income Black households.

INTRODUCTION

Between 2000 and 2015, thanks in part to rising housing prices, Contra Costa County experienced significant and uneven shifts in the neighborhoods where its low-income residents of color lived.[1] Some of these shifts were involuntary moves that result from eviction, foreclosure, large rent increases, uninhabitable housing conditions or other reasons that are beyond a household's control, otherwise known as "displacement."[2] Research has shown that involuntary moves have adverse and destabilizing effects across many aspects of everyday life.[3]

Shifts in where low-income people of color live also have broader consequences for racial and economic inequality because where we live matters. Neighborhood-level factors such as poverty rates, schools, social capital, and exposure to environmental pollution have powerful and independent effects on child development, economic mobility, and health outcomes.[4]

Focusing on housing price and demographic changes between 2000 and 2015, this report documents which neighborhoods in Contra Costa County saw increases and decreases among low-income people of color, and describes how these patterns related to concurrent changes in local rental housing prices.[5] Examining how county-level trends played out at the neighborhood scale also provides a basis for understanding how these trends may be reproducing patterns of segregation and unequal access to high-resource neighborhoods that have defined the county's racial and economic geography for decades.

Finally, documenting neighborhood-level trends is meaningful because people are physically and emotionally tied to places through social networks, community organizations, and local commercial and cultural institutions.[6] The neighborhood is also the scale at which people experience displacement pressures and demographic change.[7]

Definition of Terms

- ***Income categories*** are defined relative to the regional Area Median Income (AMI) for the nine-county Bay Area. "Low-Income" is defined as less than 80% of AMI, unless noted otherwise.

- This report combines U.S. Census ***definitions for race and ethnicity*** in the following way:
  - ***White:*** Non-Hispanic White
  - ***Latinx:*** Hispanic or Latino of any race
  - ***Black:*** Non-Hispanic Black or African American
  - ***Asian:*** Non-Hispanic Asian
  - ***People of Color (POC):*** All who are not non-Hispanic White (including people who identify as "some other race" or "two or more races")

  *Given the uncertainty in tract-level estimates for racial and ethnic groups not included in the Black, Asian or Latinx categories, this report only analyzes these racial groups in the aggregate POC category. For household-level data, race refers to that of the householder (the person who answered the census).

- This report uses ***census tracts as proxies for neighborhoods***. Tracts in Contra Costa County typically contain between 2,000 and 8,500 people

  **See the appendix for more detail on definitions and methodology*

DEMOGRAPHIC TRANSFORMATION

As shown in Table 1, Contra Costa County experienced major racial and economic shifts between 2000 and 2015. Latinx households increased across all income levels and represented 60% of growth among households of color. The number of extremely low-income households grew 40% overall, most substantially for Latinx (111%) and Asian (89%). Although the percentage increase in extremely low-income Black households was smaller (49%), the increase was high in comparison to changes in other parts of the Bay Area. As shown in Table 2, the number of low-income Black households grew six times faster in the county than in the region. Contra Costa County also saw a larger increase of low-income people of color than the Bay Area as a whole.[8] Meanwhile, the county's White population declined in all income categories except for the lowest one.

Households from different income and racial groups were not evenly distributed across the county in 2000, nor did they increase or decrease uniformly across all neighborhoods by 2015. County-level changes were often concentrated in just a few neighborhoods, and in some cases local demographic trends were the opposite of county-level trends.

Neighborhood-level analysis of demographic changes between 2000 and 2015 shows that increases in low-income people of color during the 15-year period were concentrated in the eastern part of the county. Cities such as Antioch, Pittsburg and Bay Point grew rapidly in the early 2000s, as lower and middle-income households sought affordable homeownership and jobs in the area's growing construction and service sectors. When the housing bubble burst later in the decade and the

Table 1. Demographic Changes in Contra Costa County, 2000-2015

	Extremely Low (0-30% AMI)	Very Low (30-50% AMI)	Low (50-80% AMI)	Moderate (80-120% AMI)	High (>120% AMI)
Black	49%	11%	4%	-4%	4%
Latinx	111%	99%	58%	45%	62%
Asian	89%	66%	45%	35%	94%
White	12%	-2%	-16%	-21%	-4%
All POC	75%	61%	37%	26%	57%
All Races	40%	23%	4%	-5%	12%

Source: U.S. Census 2000 (Table P151), ACS 2011-2015 (Table B19001)

Table 2. Change in Low-Income Households (<80% AMI) by Race in Contra Costa County, 2000-2015[43]

	Change	Pct. Change	*Pct Change (Bay Area-wide)*
Black	4,100	24%	*4%*
Latinx	17,400	83%	*60%*
Asian	6,600	64%	*44%*
White	-3,500	-4%	*-9%*
All POC	29,600	55%	*36%*
All Races	26,100	*20%*	*11%*

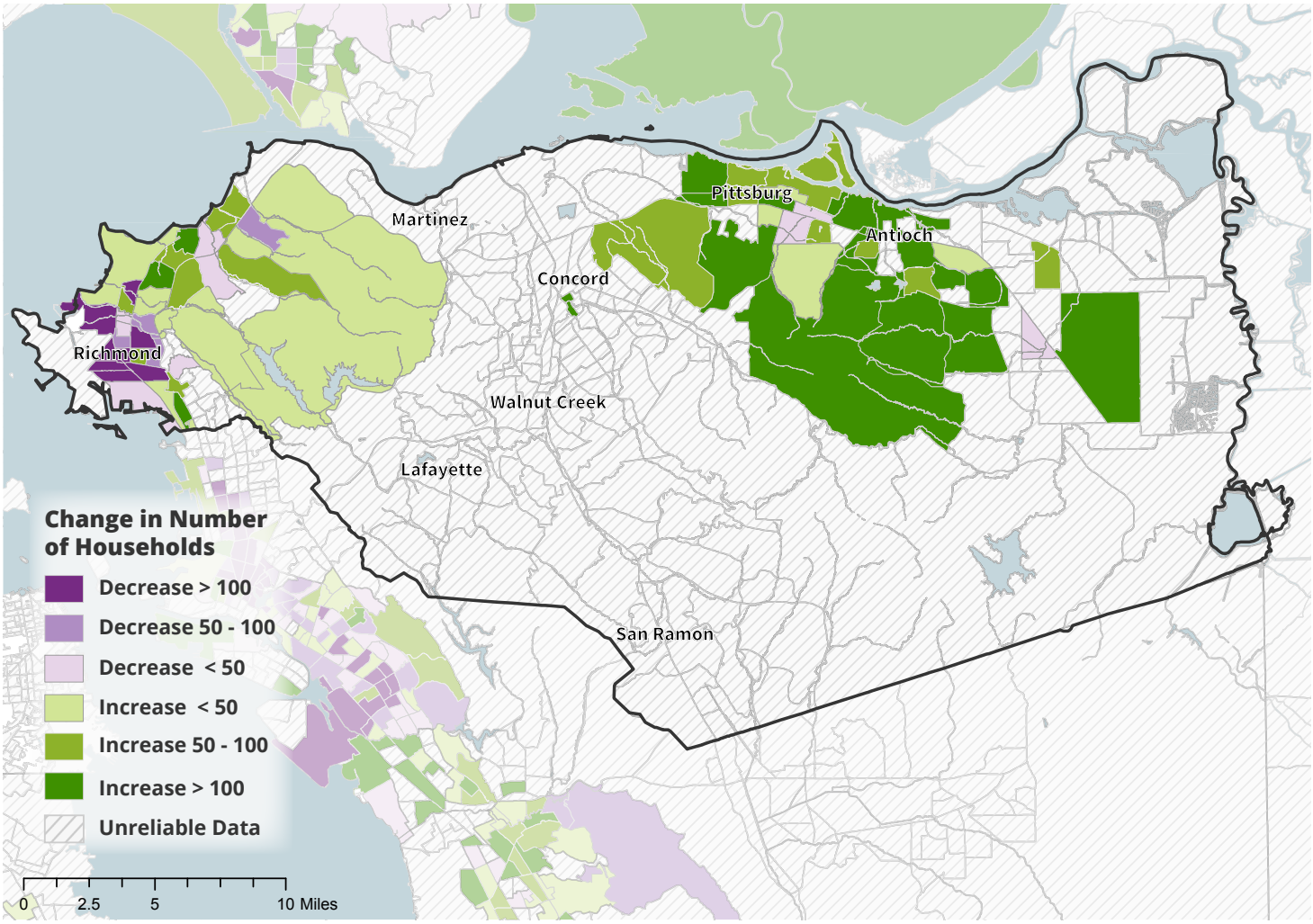
Source: U.S. Census 2000 (Table P151), ACS 2011-2015 (Table B19001)

local economy collapsed, these cities experienced some of the highest foreclosure rates in the region.[9] Poverty rates rose, property tax revenues for cities declined, and new concentrations of low-income residents at the outer edge of the Bay Area faced challenged in accessing needed social services and transportation.[10]

The following maps show how demographic changes played out at the neighborhood level between 2000 and 2015. Map 1 shows tract-level changes in the number of low-income Black households between 2000 and 2015.

This map shows two trends: decreases in low-income Black households in historically Black neighborhoods in Richmond and simultaneous, concentrated increases in the county's eastern cities, such as Antioch and Pittsburg. During World War II, Richmond's Black population grew rapidly, as migrants from the South found employment in the city's shipyards. After the war, the city's Black population continued to grow, but explicit segregation in federal housing policies and exclusionary practices in nearby suburban developments left the city's Black residents with limited housing options in increasingly-disinvested neighborhoods.[11] But between 2000 and 2015, the Iron Triangle neighborhood in Richmond, historically one of the most impoverished parts of the city, saw the greatest decrease in low-income Black households of any tract in the county.[12] Many neighborhoods in central and North Richmond have high rates of renters, low-income households,

Map 1. Change in Low-Income (<80% AMI) Black Households (2000-2015)



Source: U.S. Census 2000 (Table P151B), ACS 2011-2015 (Table B19001B)

people of color, and residents without a college degree; these characteristics have made residents especially vulnerable to ongoing gentrification and displacement pressures.[13]

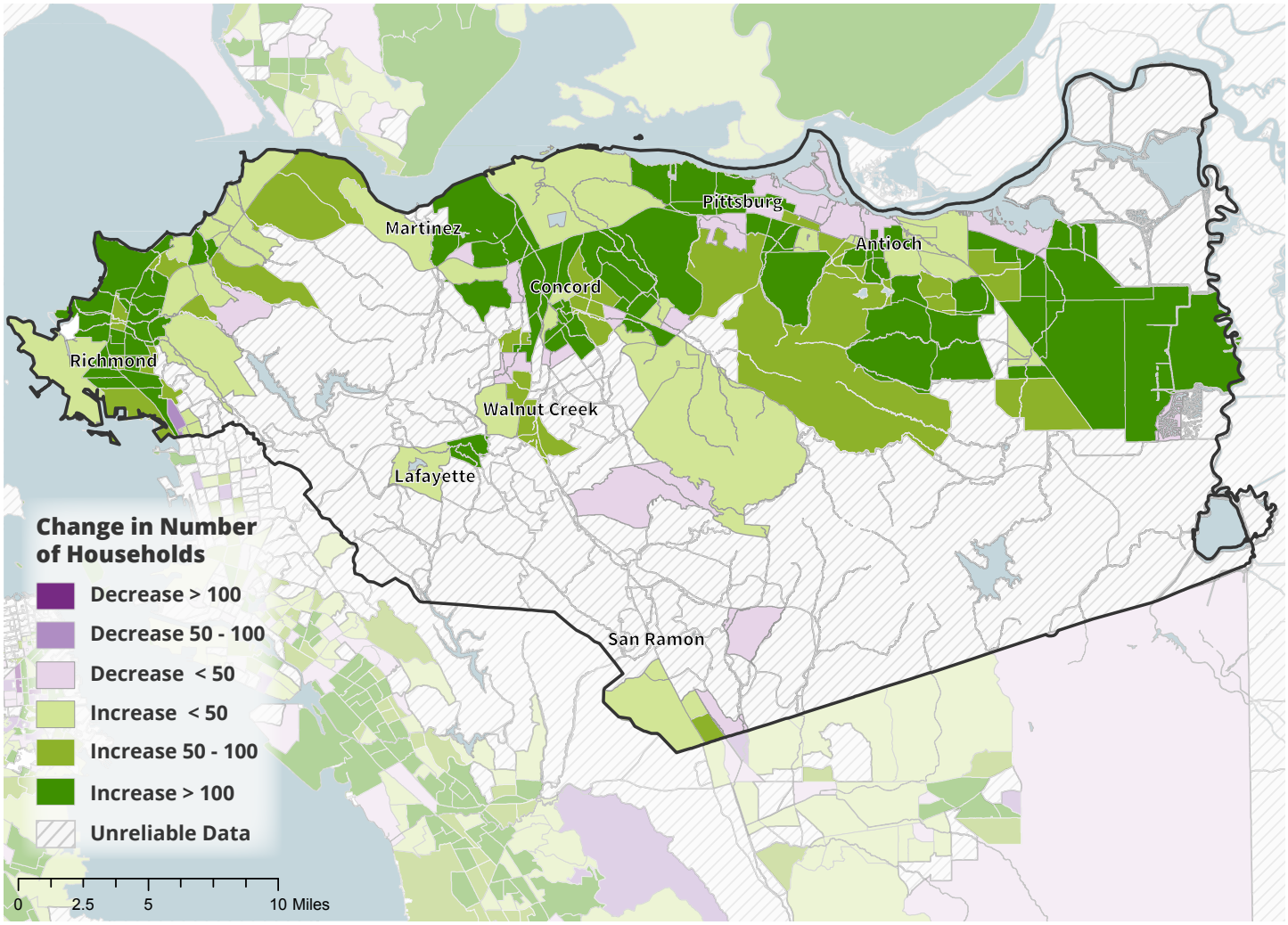
The data behind these maps does not track individual households, so it is not possible to determine whether low-income Black households are moving from the western parts of the county to its eastern cities. However, the map does reflect a broader migration of Black households from the inner part of the Bay Area to its outer edge.[14]

Map 2 and Map 3 show changes in low-income Latinx and Asian households, respectively, between 2000 and 2015.

Between 2000 and 2015, the number of low-income Latinx households in Contra Costa County increased by over 17,000 or by 84%.[15] As shown in Map 2, these increases happened in both the eastern and western portions of the County. In fact, in many of the Richmond tracts where the low-income Black population fell, the low-income Latinx population grew. Meanwhile, only a few tracts saw decreases in low-income Latinx households, including in higher-income areas in the central and southern parts of the county, as well as along the waterfront in Pittsburg and Antioch.

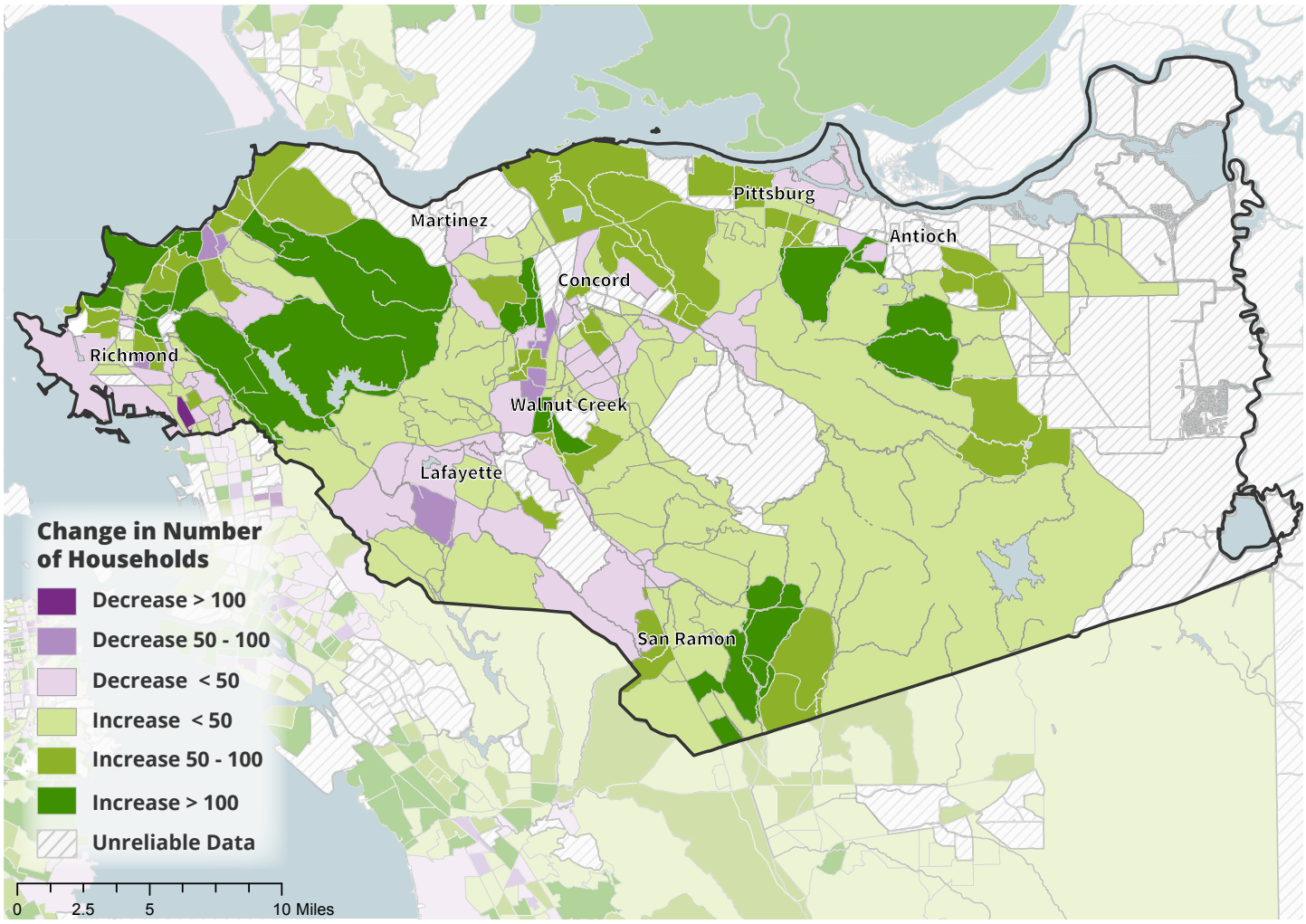
Areas that saw the largest increases in low-income Latinx households were in Pittsburg, Bay Point, and Concord. The census tract with the largest

Map 2. Change in Low-Income (<80% AMI) Latinx Households (2000-2015)



Source: U.S. Census 2000 (Table P151H), ACS 2011-2015 (Table B19001H)

Map 3. Change in Low-Income (<80% AMI) Asian Households (2000-2015)



Source: U.S. Census 2000 (Table P151D), ACS 2011-2015 (Table B19001D)

absolute increase was in Concord's Monument Corridor, where the number of low-income Latinx households jumped from around 400 to over 900. Renters in this community, however, are at risk of displacement, due to high rent burdens, a large immigrant population, property disinvestment, and increased real estate speculation.[16] Immigrant renters, particularly undocumented or mixed-status families, are often more vulnerable to displacement through harassment and inadequate maintenance due to fear of retaliation for reporting violations.[17]

The number of low-income Asian households in the county grew by more than 6,600 households (64%). Map 3 shows that areas of growth and loss for this group were less concentrated than for low-income Latinx and Black households. The largest increases were in cities and unincorporated areas of western Contra Costa County—such as San Pablo, El Sobrante, East Richmond Heights—as well as in parts of San Ramon and Concord. Decreases were in El Cerrito, Richmond, Lafayette, and parts of Concord. Of the 20 Bay Area cities with the highest increase in poverty rates among Asians from 2000 to 2014, seven were in Contra Costa County, including Pleasant Hill, Bay Point, and Pittsburg.[18]

An interactive version of these maps, with customizable combinations of household race and income and tract-level data, is available online at [online at http://www.urbandisplacement.org/rentchangemap](http://www.urbandisplacement.org/rentchangemap).

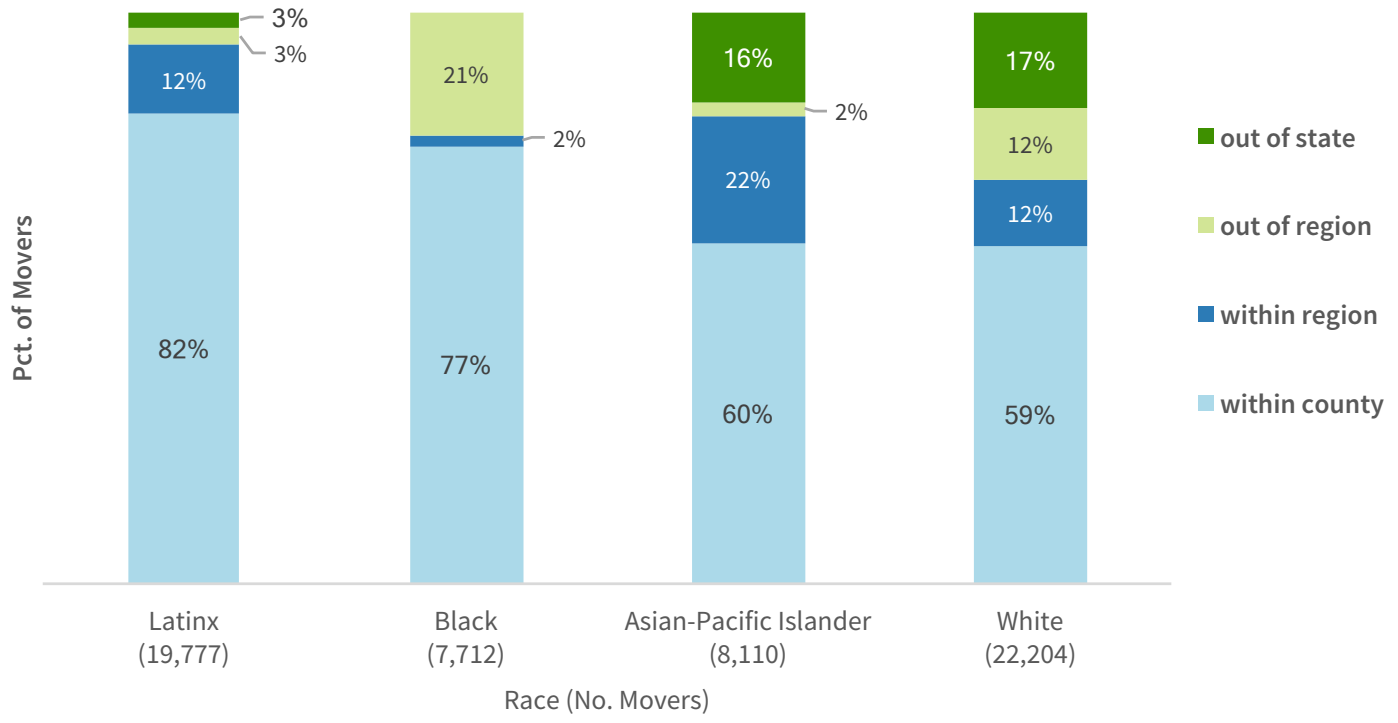
WHERE ALAMEDA COUNTY RESIDENTS MOVE

Understanding where low-income people in Contra Costa County are moving provides a fuller picture of ongoing displacement and migration patterns.[19] Figure 1 shows mover destinations for the approximately 55,000 low-income people (both renters and owners) who originated in Contra Costa County and moved in 2015. The vast majority of low-income Black and Latinx movers stayed within the county, while most Asian-Pacific Islander[20] movers left the county. Low-income Black and Latinx movers from Contra Costa County were much more likely to remain in their county of origin when they moved, in comparison to their counterparts from other Bay Area counties.[21] Only 2% of low-income Black movers left the county for other parts of the region and no low-income Black people in the sample moved out of state. By contrast, in the Bay Area overall, 12% of low-income Black movers left their county of origin for other parts of the region, and 21% left the state.

Extremely low-income renter households who moved in 2015 experienced much higher rent burdens than those who did not move (Table 3). In other words, any kind of move was associated with incurring higher and more burdensome rents for this group. This increase in rent burden could have been a result of more affordably priced homes and into market rate apartments, as well as a loss of income that may have precipitated the move in the first place. Among low- and very low-income people, this difference in rent burden between movers and non-movers was less pronounced.

Figure 2 shows that destinations for moderate- and high-income movers originating in Contra Costa County in 2015 were mostly similar to their low-income counterparts, with some differences. For example, moderate- and high-income Latinx movers were less likely (69%) to remain within the county than low-income Latinx movers (82%).

Figure 1. Destination of Low-Income Movers by Race (2015)



Source: IPUMS-USA, University of Minnesota, 2015

In addition, a higher percentage of moderate and high-income movers originating in Contra Costa County stayed within their county of origin relative to the regional average, while a lower share left the region.

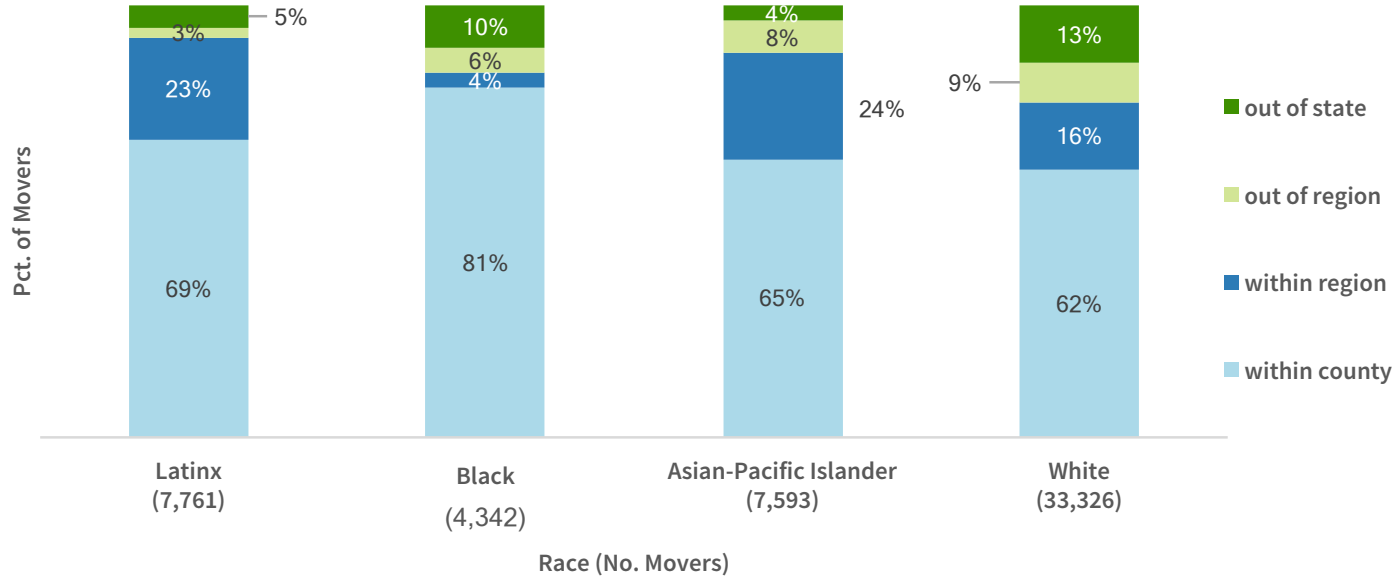
An interactive map providing a more detailed picture of destinations for Contra Costa County movers in 2015, with customizable combinations of income and race, is available online at http://www.urbandisplacement.org/migrationmap.

Table 3. Average Rent-to-Income Ratio by Move Status and Households Income (2015)

	Did not Move	Moved Within County	Moved Within Region	Left Region
Extremely Low (0-30% AMI)	66%	79%	78%	81%
Very Low (30-50% AMI)	43%	45%	42%	41%
Low (50-80% AMI)	30%	30%	34%	31%

Source: IPUMS-USA, University of Minnesota, 2015

Figure 2. Destination of Moderate and High Income Movers by Race (2015)



Source: IPUMS-USA, University of Minnesota, 2015

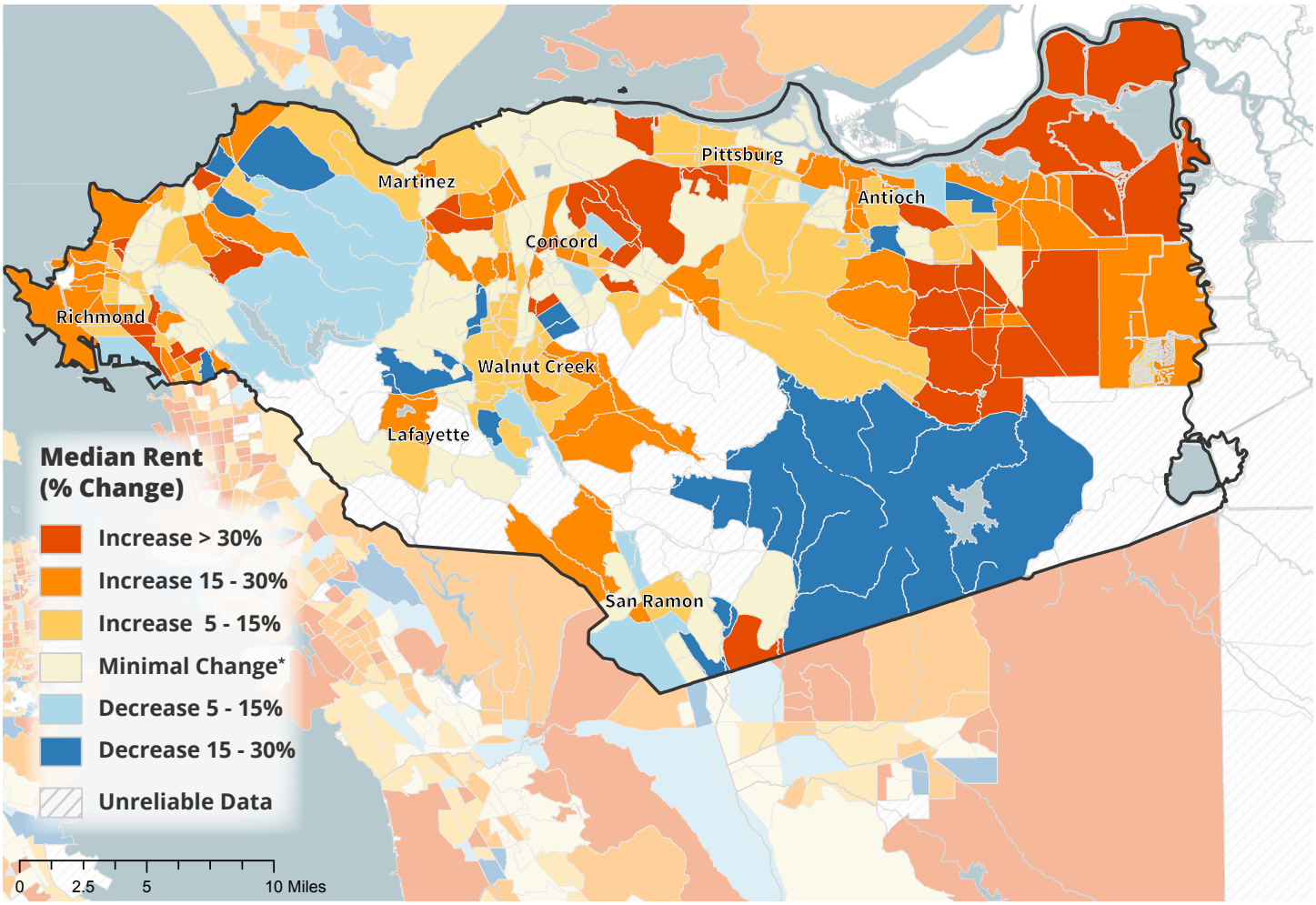
RISING RENTS AND DEMOGRAPHIC CHANGE

Rents rose in most of the county's urbanized areas between 2000 and 2015, as shown in Map 4.[22] The most dramatic increases were in the easternmost part of the county around Brentwood; some tracts there saw increases of over 50% in median rent paid (inflation-adjusted dollars). Rents also rose more than 30% in parts of Concord, Richmond, Pittsburg, San Pablo and Hercules (due to data limitations, these figures likely underestimates).[23] In tracts where there were increases of over 30%,[24] the average median rent paid across tracts was $1,005 in 2000 (in unadjusted 2000 dollars) and $2,128 in 2015. By 2018, the median asking rent for a two-bedroom unit in Contra Costa County was $2,250. A person would need to earn $43 per hour–around $90,000 annually–to afford this rent.[25]

In the nine-county Bay Area, a 30% tract-level increase in median rent paid (in inflation-adjusted dollars) was associated with a 21% decrease in low-income households of color. There was no significant relationship between rent increases and losses of low-income White households.[26] These findings highlight the particular vulnerability of low-income communities of color to rent increases in the Bay Area.

An interactive map showing tract-level median rents in 2000 and 2015 is available online at http://www.urbandisplacement.org/rentchangemap.

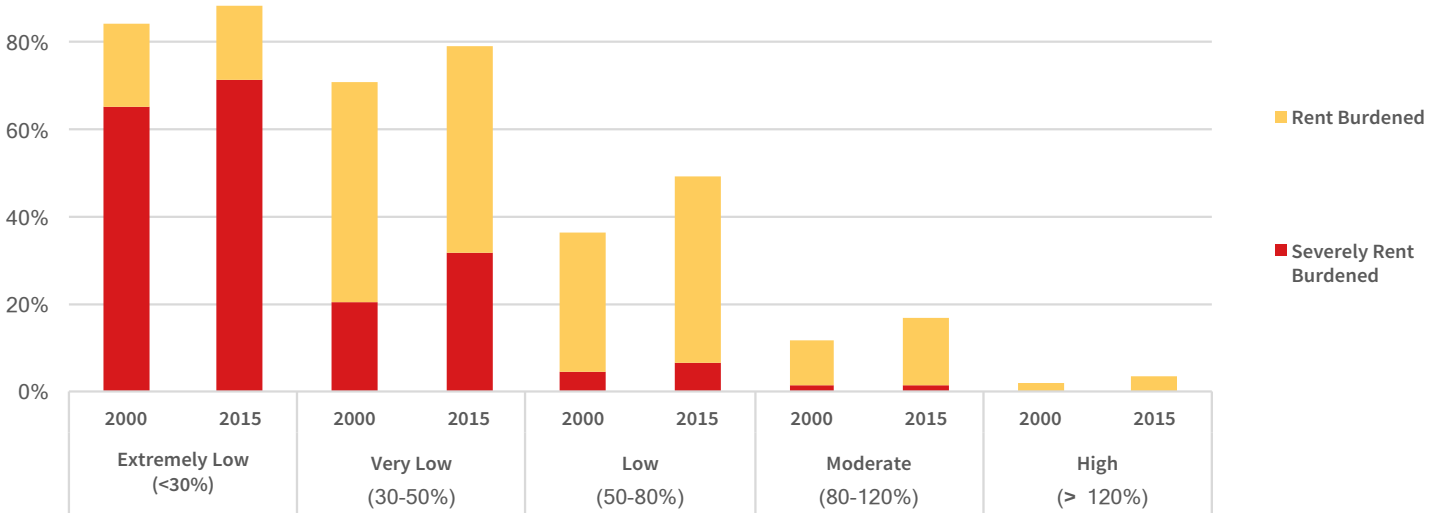
Map 4. Percent Change in Inflation-Adjusted Median Rent Paid (2000-2015)



Source: U.S. Census 2000 (Table H063), ACS 2011-2015 (Table B25064)

Rising Rent Burdens

Figure 3. Rising Rent Burdens by Household Income Category (2000-2015)



Source: IPUMS-USA, University of Minnesota, 2015

Across the county, low-income renters' incomes did not keep up with rising housing costs between 2000 and 2015, leading to increasing rent burdens. Households are considered rent-burdened when they pay over 30% of their income on rent, and severely rent-burdened if this ratio exceeds 50%. Research has shown that severely rent-burdened low-income households spend significantly less on essentials such as food, health care, and transportation than those who are not rent-burdened.[27] High rent burden is also associated with greater displacement risk.[28]

Figure 3 shows how rent burden changed for renter households of different income groups in Contra Costa County between 2000 and 2015.

Although rent burden increased across all household income groups, it rose most dramatically for low- and very low-income households. Further, in both 2000 and 2015, the lowest income renters were by far the most likely to experience severe rent burden, with over 70% spending more than half their income on rent in 2015. Meanwhile, severe rent burden for moderate and high-income

Table 4. Average Rent-to-Income Ratio by Race and Income (2015)

	Asian-Pacific Islander	Black	Latinx	White	All Races
Extremely Low	66%	73%	66%	70%	69%
Very Low	43%	44%	38%	49%	44%
Low	28%	29%	28%	33%	30%
Moderate	22%	23%	21%	25%	24%
High	16%	19%	22%	17%	18%
All Incomes	36%	49%	41%	38%	40%

Source: IPUMS-USA, University of Minnesota, 2015

households was minimal in both 2000 and 2015. As previously noted, extremely low-income residents of Contra Costa County who moved in 2015 experienced higher rent burdens than those who did not move.

Table 4 shows the average rent-to-income ratio in Contra Costa County in 2015 for different race and household income categories.

This data shows that households of similar incomes experience broadly similar rent burdens across racial groups. However, the average rent burden for racial groups as a whole varied substantially due to different income distributions within racial groups. For example, Black households are overrepresented in lower income categories, so their average rent burden was substantially higher than the county average. Across all races and income, renter households in Contra Costa County spent an average of 40% of their incomes on housing in 2015. These trends are generally similar to those of the Bay Area overall.

IMPLICATIONS FOR SEGREGATION AND ACCESS TO OPPORTUNITY

The first sections of this report establish that the racial and economic geography of the county changed between 2000 and 2015 and that some neighborhoods in Contra Costa County experienced losses of low-income households of color during this period, while others saw substantial increases.

But what do we know about the neighborhoods where these changes were happening? Are shifts in where low-income people of color live in the county affecting their access to resource-rich neighborhoods that give them a better chance at educational success, good health, and upward mobility? Or are old patterns of segregation and neighborhood disadvantage simply being reproduced in new areas?

The analysis below describes how the geography of racially-segregated, high-poverty neighborhoods expanded into new parts of the county between 2000 and 2015, and demonstrates that the increase in low-income households of color was concentrated in these neighborhoods. Entrenched racial disparities in access to higher resource areas also persisted, despite significant shifts in the neighborhoods where low-income people of color lived during the 15-year period.[29]

Segregation and Concentrated Poverty

Racial segregation has been a defining feature of the U.S. urban landscape for centuries and became entrenched in especially consequential ways after World War II. Through both legal and extralegal forms of discrimination and exclusion, African-Americans and other people of color were both denied access to emerging high-resource areas—in both urban and suburban neighborhoods—and redlined so that their communities did not have equal access to financial services and other resources.[30] Over time, the twin legacies of exclusion and disinvestment produced a racially segregated geography of opportunity that persists in every metropolitan area across the country. Recent work on the Bay Area has highlighted how this geography has increased vulnerability to displacement[31] and is also in the process of reconfiguring due to increases in poverty and people of color at the outer edges of the region.[32]

Map 5 shows the census tracts that were both high poverty and racially segregated in Contra Costa County in 2000 and 2015. Tracts were considered high poverty if more than 20 percent of their population was living below the federal poverty line, and racially segregated if at least one non-White group was overrepresented in the tract relative to their share of the region's population by over 50%. Nearly all tracts in the county that were high poverty in 2015 were also racially segregated, according to these definitions.[33]

In 2015, more than 15 percent of tracts in Contra Costa County met the previously-described definition of being segregated and high poverty (32 of 206) and this number was more than double the figure from 2000. As shown in Map 5, the areas of the county that were segregated and high poverty in 2000 and remained so in 2015 were in Richmond and a few tracts in Pittsburgh and Antioch. New areas of racial segregation and poverty emerged in the Monument Corridor in Concord, home to a growing Latin American immigrant community, and in the eastern cities of Pittsburg, Antioch, and Bay

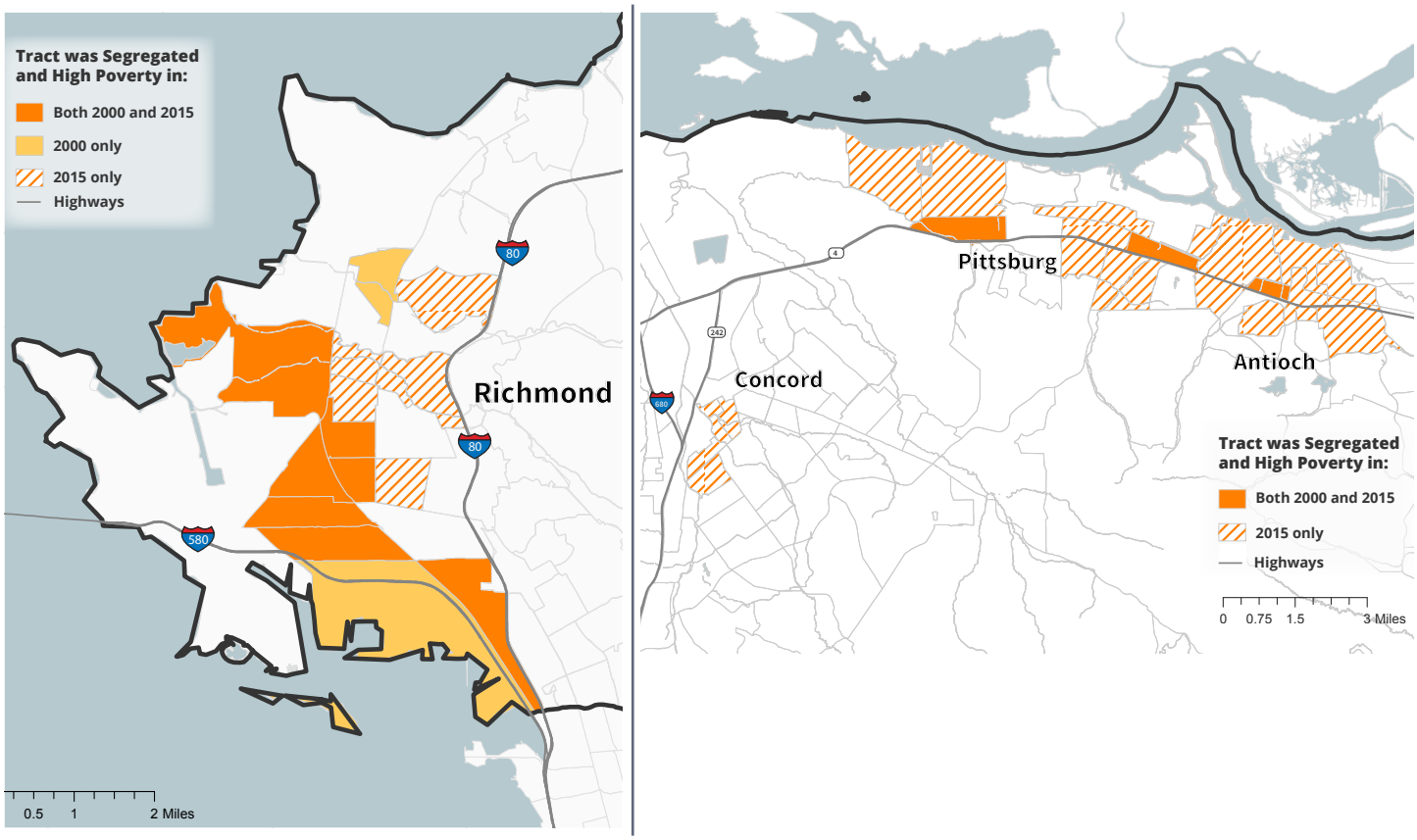
Point. As previously noted, these areas experienced large increases in low-income people of color between 2000 and 2015.

Only two tracts that were segregated and high poverty in 2000 no longer met this definition in 2015. These tracts were located in Marina Bay (Richmond) and in nearby San Pablo—areas experiencing or at risk of gentrification and displacement.[34] The remainder of the county, including many of the affluent cities in its central, southern, and far eastern parts, had no high-poverty, segregated tracts in either 2000 or 2015.

Figure 4 shows the share of low-income households for different racial groups living in segregated, high-poverty tracts in 2000 and 2015.
Low-income Black households were already more likely than their low-income Latinx, Asian and White counterparts to live in high-poverty, segregated neighborhoods in 2000—and some of this disparity increased by 2015. However, by 2015, low-income Latinx households in the county were nearly as likely as low-income Black households to live in these kinds of neighborhoods. Approximately half of low-income Black and Latinx households lived in segregated, high-poverty tracts in Contra Costa County in 2015, around triple the rate for low-income Asian and White households.

Figure 4 also shows that most of the rise in the share of low-income people of color living in segregated, high-poverty areas during the 15-year period was a result of living in—or moving to—tracts that became segregated and high-poverty by 2015. These tracts include the aforementioned

Map 5. Changing Landscape of Segregation and Poverty in Contra Costa County



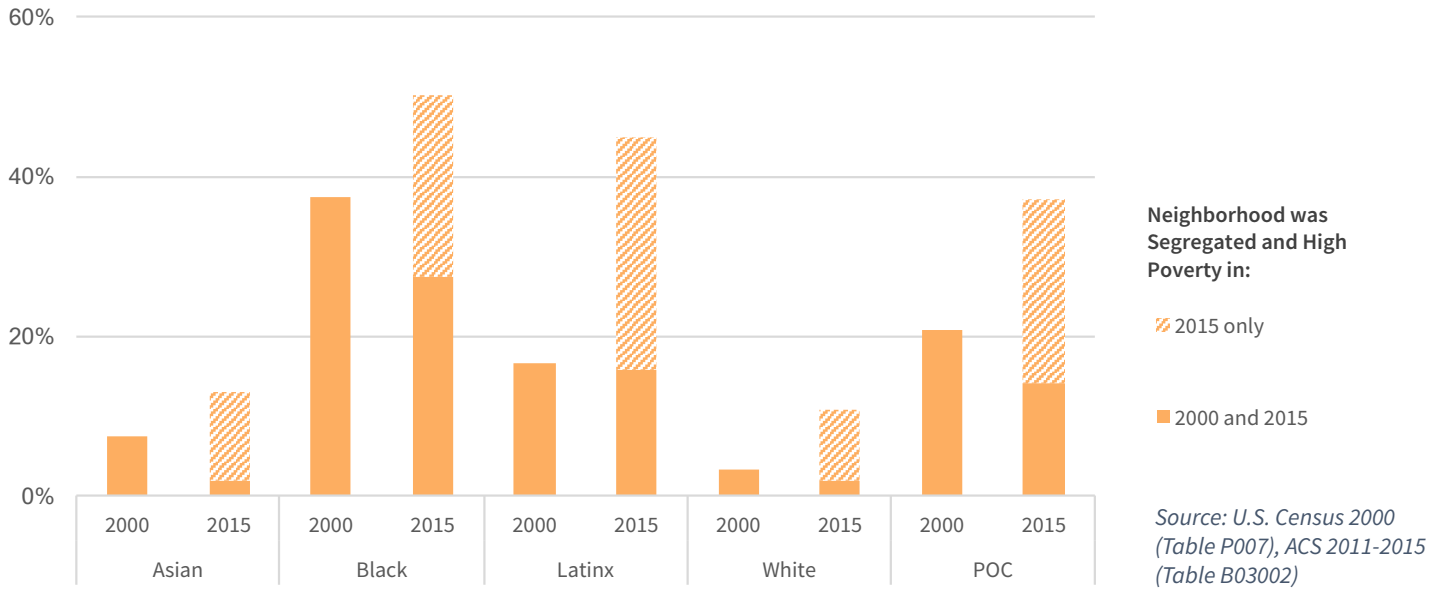
Source: U.S. Census 2000 (Table P007), ACS 2011-2015 (Table B03002)

clusters around the Monument Corridor and in the eastern part of the county, both of which saw large increases in low-income households of color.

The increase in the percentage of low-income people of color living in segregated, high-poverty tracts was more extreme in Contra Costa County than in the region as a whole, likely reflecting both in-migration of low-income people of color from outside the county and income losses in the existing population. For example, while the share of low-income Latinx households living in these types of neighborhoods was about the same for the county and region in 2000 (16%), the county share nearly tripled by 2015, while the regional share less than doubled.

Even segregated, high-poverty areas of Contra Costa County were not immune to rent increases. Although many of these tracts had below-average median rents in 2000, they experienced above-average rent increases over the following 15 years. Notably, many of the newly-segregated tracts saw well below-average increases in median rents. These relatively smaller increases may explain the large increases of low-income people of color in these neighborhoods. In any case, these findings indicate continued vulnerability to displacement for low-income people of color, even in segregated and high-poverty neighborhoods, due to rising rents.

Figure 4. Share of Low-Income Households Living in Segregated, High-Poverty Tracts (2000 and 2015)



Source: U.S. Census 2000 (Table P007), ACS 2011-2015 (Table B03002)

Access to Opportunity

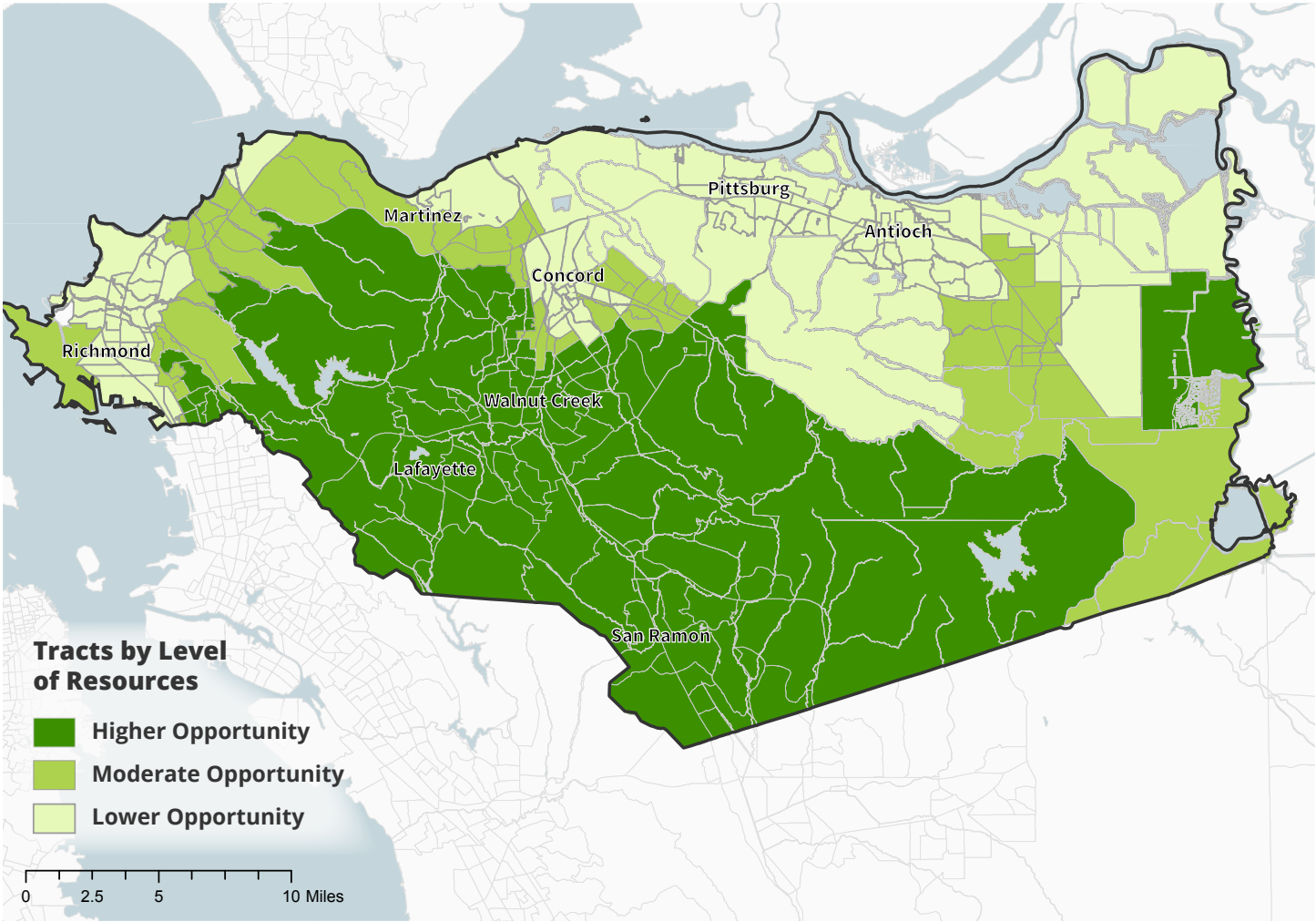
Racial disparities are also apparent in the concentration of resources and opportunity in particular parts of Contra Costa County. In 2017, the State of California adopted "opportunity maps" for each region in California to inform new incentives to locate affordable housing for low-income families in higher resourced neighborhoods, whose characteristics are most predictive of educational success, economic mobility, and good health for both children and adults. This map categorizes each tract based on its composite opportunity score and then compares it to other tracts in the region. The portion of the Bay Area opportunity map that covers Contra Costa County is shown in Map 6.[35]

This map shows that Contra Costa County's lower resource tracts are concentrated in Richmond, as well as the eastern part of the county. Its higher resource tracts are clustered in more affluent suburban cities in the southern parts of the county, with moderate-resource tracts sandwiched between the two.

Figure 5 shows where households of different races and incomes lived in 2015 relative to this opportunity map.

These data show disparities in access to higher resource areas by both race and income. However, differences in access between races were much starker than differences between income groups of the same race. For example, only 3% of moderate and high-income Black households lived in higher-resource neighborhoods in 2015—only slightly higher than the share of low-income Black households living in these areas. However, low-income White households in Contra Costa County were 14 times more likely to live in higher resource tracts in 2015 than moderate and high-income Black households. Access to opportunity for Latinx households in 2015 closely resembled that of Black households, and Asian households' access to higher resource neighborhoods was similar to that of White households.

Map 6. Level of Tract Resources, Contra Costa County (2015)

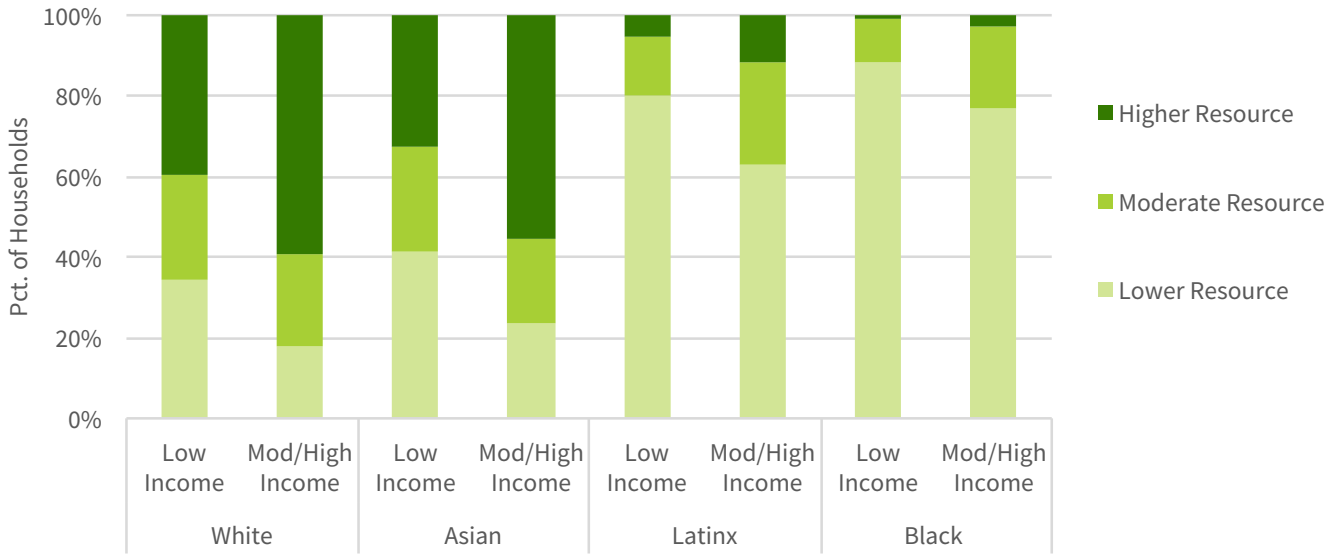


Source: California Fair Housing Task Force, 2017

In-migration patterns among different racial groups in Contra Costa County appear to be perpetuating disparities in access to opportunity by race. Figure 6 shows the breakdown by race of in-movers in 2015 for tracts with different levels of resources.[36]

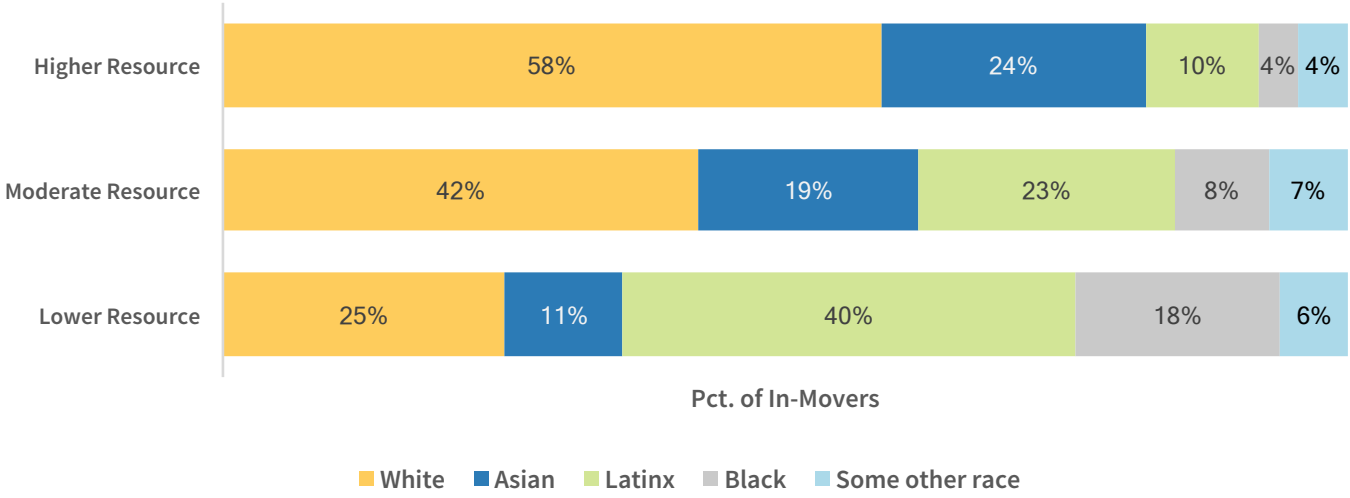
In 2015, Black and Latinx households represented a far higher share of in-movers in lower resource tracts than in higher resource ones. Meanwhile, the opposite was true for White and Asian households: they represented a much higher share of movers in higher and moderate resource tracts than in lower resource ones. This pattern within the county is similar to the Bay Area as a whole.

Figure 5. Level of Neighborhood Resources by Race and Income (2015)



Source: California Fair Housing Task Force, 2017, U.S. Census 2000 (Table P151), ACS 2011-2015 (Table B19001)

Figure 6. Racial characteristics of In-Movers by Neighborhood Type (2015)



Source: California Fair Housing Task Force, 2017, ACS 2011-2015 (Table B07004)

The Need for Solutions that Account for Neighborhood Context

The massive increase of low-income people of color in Contra Costa County, particularly in newly high-poverty and segregated communities in its eastern cities, contributed to significant changes in Contra Costa County's racial and economic geography between 2000 and 2015. Rising rents have played a role in these local demographic changes; renters need to earn $43 per hour to afford the median asking rent for a two-bedroom apartment in the county today.[37] However, the county appears to be retaining and gaining more low-income people of color than the region as a whole. During the period from 2000 to 2015, Black and Latinx residents in the county became increasingly likely to live in segregated, high-poverty neighborhoods.

These findings highlight the urgent need to increase access to affordable housing and stabilize communities throughout Contra Costa County. They also point to a need for policies and investments that reduce unequal access to high-resource neighborhoods for low-income people of color by accounting for local context and responding to enduring patterns of racial and economic segregation. For example, different sets of policies and investments are needed to: a) stabilize areas where rents are rising fastest and low-income people of color may be at risk of displacement, especially as these neighborhoods experience an influx of investments, b) ensure economic opportunities and institutional supports for those living in high-poverty, segregated neighborhoods, and c) create new opportunities for low-income people of color to live in higher resource areas where they have historically been excluded. These place-conscious strategies are critical for preserving and expanding the important place low-income communities of color have in Contra Costa County's landscape, and for increasing their long-term economic prospects in the region.

ENDNOTES

1 Although not every household move is an example of displacement, low-income households often move for reasons beyond their control. Data on migration patterns and demographic changes in Contra Costa County neighborhoods are useful indicators of potential displacement, given the scale of housing price changes increases over the last 15 years. The Census data used for this report does not track individual households, but rather reports on a cross-section of randomly surveyed households. Therefore, the Census cannot tell us definitively if changes between 2000 and 2015 were the result of out-migration, in-migration, birth and death rates, or income changes within the existing population. Further, if a household that left a Census tract was replaced with a demographically-similar one, the Census would not register this replacement as a change. For this reason, we describe these demographic changes as potential indicators of displacement, rather than precise estimates.

2 "Pushed Out: Displacement Today and its Lasting Impacts," Urban Displacement Project, accessed August 15, 2018, http://urbandisplacement.org/pushedout.

3 Kimberly Skobba and Ed Goetz, "Mobility Decisions of Very Low-Income Households," *Cityscape* 15, no. 2 (2013); Justine Marcus and Miriam Zuk, "Displacement in San Mateo County, California: Consequences for Housing, Neighborhoods, Quality of Life, and Health," *Institute for Governmental Studies* (May 2017).

4 Raj Chetty, Nathaniel Hendren, and Lawrence F. Katz, "The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment," *American Economic Review* 106, No. 4, (April 2016): 855-902; Lisa Sanbonmatsu et al., *Moving to Opportunity for Fair Housing Demonstration Program: Final Impacts Evaluation* (U.S. Department of Housing and Urban Development, Office of Policy Development & Research, November 2011); "City Maps," Robert Wood Johnson Foundation, accessed August 8, 2018, http://www.rwjf.org/en/library/features/Commission/resources/city-maps.html.

5 The years 2000 and 2015 came at somewhat different points in the real estate cycle. The year 2000 was a peak and 2015 may have been just after the midpoint of the current cycle, since prices in the Bay Area are still rising in 2018. The use of 2015 data means that the change estimates since 2000 are potentially conservative; more recent data from a similarly high point in the real estate cycle would likely show more dramatic changes in rental housing prices and neighborhood demographics. Bay Area Real Estate Market Cycles," Paragon Real Estate Group, accessed September 3, 2018, https://paragonpublic.blob.core.windows.net/public-assets/hosted_files/SF-Real-Estate-Cycles-Article_Condensed-Version.pdf.

6 Derek Hyra, "The back-to-the-city movement: Neighbourhood redevelopment and processes of political and cultural displacement," *Urban Studies* 52, no. 10 (August 2015): 1753 – 1773; Mindy Thompson Fullilove, *Root Shock* (New York: New Village Press, 2016).

7 Causa Justa: Just Cause, "Development without Displacement: Resisting Gentrification in the Bay Area" (2014).

8 California's demographic profile changed substantially during this period as well. The state's Latinx and Asian populations increased by 275% and 375% during this period, respectively, while its Black population grew by 79% and its White population grew by 22%.

9 Elizabeth Kneebone and Alan Berube, *Confronting Suburban Poverty in America* (Washington: Brookings Institution Press, 2013).

10 Matthew Soursourian, *Suburbanization of Poverty in the Bay Area* (Federal Reserve Bank of San Francisco, January 2012).

11 Richard Rothstein, *The Color of Law: A Forgotten History of How our Government Segregated America*. (New York: Liveright Publishing Corporation, 2017).

12 Defined as Contra Costa census tract 3760.

13 Contra Costad 2015 for moderate- seem to be mostly receiving new low-income people of color. less urbane uble) share income AsiaFor more on the Iron Triangle and neighborhood change in Richmond, see Eli Moore, Samir Gambhir, and Phuong Tseng, *Belonging and Community Health in Richmond: An Analysis of Changing Demographics and Housing*, Haas Institute for a Fair and Inclusive Society (February 2015), https://haasinstitute.berkeley.edu/sites/default/files/HaasInstituteReport_Belonging%20%26%20Community%20Health%20in%20Richmond.pdf.

14 Tony Roshan Samara, *Race, Inequality, and the Resegregation of the Bay Area*, Urban Habitat (November 2016). http://urbanhabitat.org/sites/default/files/UH%20Policy%20Brief2016.pdf.

15 This figure is likely an underestimate, due to the Census' undercounting of immigrants, particularly undocumented ones. Mary Romero, "Ethnographic Evaluation of Behavioral Causes of Census Undercount of Undocumented Immigrants and Salvadorans in the Mission District of San Francisco," U.S. Census Bureau (1992), https://www.census.gov/srd/papers/pdf/ev92-18.pdf.

16 Contra Costa census tract 3362.02 saw the greatest increase of low-income Latinx households. For more context on the Monument Corridor and renter vulnerability there, see Celia Chen et al., *Signs of Speculation in the Monument Corridor*, Center for Community Innovation (June 2015), http://www.urbandisplacement.org/sites/default/files/concord_final.pdf; and East Bay Alliance for a Sustainable Economy (EBASE), Central County Regional Group (CCRG) of First 5 Contra Costa, and Raise the Roof (RTR), *The Housing Crisis Hits Home in Concord* (2018), http://workingeastbay.org/wp-content/uploads/2018/07/Housing-Crisis-Hits-Home-in-Concord-7-2018.pdf.

17 Kriston Capps, "In California, Landlords Threaten Immigrant Tenants with Deportations," *City Lab,* April 5, 2017, https://www.citylab.com/equity/2017/04/landlords-are-threatening-immigrant-tenants-with-ice-deportations/521370/.

18 Samara, *Race, Inequality, and the Resegregation of the Bay Area.*

19 For confidentiality reasons, the ACS Public Use Microdata Sample (PUMS) used in this analysis is not available at the tract level. This data tracks a person's county of origin and their destination by Public Use Microdata Area (PUMA), a sub-county geography containing around 100,000 people. For more information on PUMS data, see the appendix.

20 PUMS uses the racial category "Asian-Pacific Islander" rather than separating the two, as in the tract-level census/ACS data.

21 Research has shown that information gaps and a range of destabilizing factors often influence the housing location outcomes of very low-income households in particular—and that many remain in similar, nearby neighborhoods when they move as a result. See for example: Stefanie DeLuca, Philip Garboden and Peter Rosenblatt, "Segregating Shelter: How Housing Policies Shape the Residential Locations of Low Income Minority Families," *Annals of the American Academy of Political and Social Science*, no. 647 (2013): 268-299; and Skobba and Goetz, "Mobility Decisions of Very Low-Income Households."

22 Rents in this report are calculated "gross rent," which includes both contract rent and estimated utility payments. 2000 rents were

inflated to 2015 values, using median gross rent as reported in the census. This estimate represents the self-reported rents of all census respondents, rather than the asking rents of units currently on the market, which are typically significantly higher.

23 Census data on median rent paid represents the middle rent paid by all renters in the tract, including longer-term tenants living in rent controlled units, residents of subsidized units or those receiving rent vouchers—as well as newly arrived tenants in vacancy decontrolled apartments or new luxury units. In this analysis, median rent values for 2000 were also inflated to 2015 dollars to adjust for the lower purchasing power in that year. Further, "2015" median rents in this report aggregate from the 2011-2015 period in order to ensure data reliability at the tract level, so median rents for 2015 do not represent actual 2015 values. Finally, as previously noted, 2015 was somewhere in the middle of the current housing market cycle, as opposed to 2000, which was the peak of that cycle. For all of these reasons, the percent changes in tract-level median rents included in this report likely underestimate the level of rent increases.

24 44 tracts out of 207 tracts in Contra Costa County saw median inflation-adjusted rent paid grow by over 30% between 2000 and 2015

25 California Housing Partnership, *Contra Costa County Needs Report* (2018), https://1p08d91kd0c03rlxhmhtydpr-wpengine.netdna-ssl.com/wp-content/uploads/2018/04/Contra-Costa-2018-HNR.pdf.

26 This statistic comes from a regression analysis. For more details, see the appendix.

* The "minimal change" category in the map encompasses change in median rent between negative and positive 5%. This threshold was based on an examination of the underlying data distribution and the goal of highlighting areas in the county where rent changes were smaller.

27 Joint Center for Housing Studies of Harvard University, *America's Rental Housing- Expanding Options For Diverse And Growing Demand* (2015), http://www.jchs.harvard.edu/sites/default/files/americas_rental_housing_2015_web.pdf

28 Joint Center for Housing Studies, *America's Rental Housing.*

29 75% of today's exclusionary areas in the East Bay were rated "best" or "still desirable" in HOLC's redlining maps. See http://urbandisplacement.org/redlining for more information on these relationships.

30 Rothstein, *The Color of Law.*

31 "Redlining and Gentrification," Urban Displacement Project.

32 Samara, *Race, Inequality, and the Resegregation of the Bay Area.*

33 This definition was based on a review of literature on segregation and poverty indicators, adapted to the specific Bay Area context. See the appendix for further explanation.

34 "San Francisco Map," Urban Displacement Project, accessed August 10, 2018, http://www.urbandisplacement.org/map/sf

35 The "Lower Resource" and "Higher Resource" tracts in Map 5 combine those designated as Low Resource and High Segregation & Poverty, and the High Resource and Highest Resource, respectively, in the opportunity maps the State uses. For more background on these maps and how they were developed, see: California Fair Housing Taskforce, "Revised Opportunity Mapping Methodology," accessed August 10, 2018, https://www.treasurer.ca.gov/ctcac/opportunity/methodology.pdf.

36 The census data used for this analysis neither provides where the in-movers originated, nor their income.

37 California Housing Partnership, *Contra Costa County Needs Report.*

38 "State and Federal Income, Rent, and Loan/Value Limits," California Department of Housing and Community Development, accessed August 10, 2018, http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml

39 "State and Federal Income, Rent, and Loan/Value Limits;" "Income Limits," U.S. Department of Housing and Urban Development, accessed August 24, 2018, https://www.huduser.gov/portal/datasets/il.html.

40 California Fair Housing Taskforce, "Revised Opportunity Mapping Methodology" https://www.treasurer.ca.gov/ctcac/opportunity/methodology.pdf

41 Understanding Neighborhood Effects of Concentrated Poverty," U.S. Department of Housing and Urban Development, Office of Policy Development & Research (Winter 2011).

42 As reported in California Housing Partnership, *Contra Costa County Needs Report.*

43 These are estimates of demographic change. Unlike the 2000 census, the ACS is a sample of the overall population; there are margins of error associated with the 2015 estimates. The numbers presented in Table 2 are rounded to the nearest hundred in recognition of this uncertainty.

APPENDIX - METHODOLOGY

Data Sources

This study primarily relies on tract-level data from the 2000 U.S. Census and the 2011 – 2015 5-year sample from the American Community Survey. For tract-level estimates used in this report, "2015" refers to 5-year aggregate (2011 to 2015). This increases the sample size and improves the reliability of the data at this small geography but may lead to lower estimates than what might be expected in terms of rents and demographic changes, since it encompasses preceding years.

Census tracts permit a detailed analysis of demographics transformations and housing trends over 15 years at a very local scale. However, the tract-level datasets did not contain data needed for analyses of mover destinations and rent burden. In these cases, we used the Census' Public Use Microdata Sample (PUMS), a person-level sample available at the sub-county level (also known as a "PUMA"). Within analyses based on PUMS data, "2015" refers to that year only, since it draws on the 1-year sample. Finally, we used the opportunity map data from the California Fair Housing Task Force.

Definitions

For the purposes of this study, "the region" refers to the 9-county Bay Area: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma counties. These counties are linked economically, politically, and through transportation infrastructure. There has also been substantial migration between the nine counties, as shown in this report. Income categories are defined relative to the region because part of this study involves comparing trends across counties within the Bay Area. We use an interpolated Area Median Income (AMI) for the nine counties. This means that AMI in this report is lower than county-derived median incomes in wealthier counties like San Mateo or Santa Clara, and higher than county-derived medians in lower-income counties like Solano County. This regional approach also allows for consistent comparisons when looking at migration between counties. For 2000, regional AMI was $62,528; in 2015, it was $81,366.

We define income categories in 2000 and 2015 relative to the median income for the respective year in order to reflect incomes for that period. We interpolated the income data to estimate the number of households in each income category. The interpolation process made it difficult to report uncertainty in the 2015 income data. For this reason, we rounded demographic change estimates to the nearest hundred when reporting absolute instead of relative values.

In general, the study uses the term "low-income" to refer households earning under 80 percent of AMI in a given year. Although tract-level Census data does not allow incomes to be adjusted for household size, PUMS data does allow for this adjustment. In analyzing the PUMS data, we used the household size-adjusted income limits provided by the California Housing and Community Development and calculated a population-weighted average of the nine counties.[38] In both cases, the income brackets are as follows: Extremely Low Income (under 30% AMI), Very Low Income (30-50% AMI), Low Income (50-80%), Moderate Income (80-120%) and High Income (above 120%). This follows definitions used by state and federal housing agencies.[39]

This study combines the U.S. Census definitions of race and ethnicity, such that each racial category refers to non-Hispanic members of that group. In other words, "White" here refers to "non-Hispanic white" and so on. We use the gender-inclusive term Latinx in place of the census category of "Hispanic or Latino of any race." "People of color" include all people who are not non-Hispanic Whites. One distinction between the census/ACS and PUMS is the categorization of Asians and Pacific Islanders. PUMS data uses the category of "Asian-Pacific Islander" while the Census and ACS groups Pacific Islanders with Hawaiians and puts Asians in their own category. For purposes of this study, Pacific Islanders are included in the "Asian-Pacific Islander" category when analyzing the PUMS migration and rent burden data but included in the larger "all people of color" category for the Census tract-level summary data. Finally, for household-level metrics, race refers to that of the householder (the person who answered the census).

Segregation and Poverty

Studies within academic and policy spheres have defined racial segregation and poverty within neighborhoods in different ways. Here we used location quotient as measure of racial segregation, as it allowed for a relative comparison across multiple racial groups. The location quotient is a ratio of the population of a given group within a tract to its share of the total Bay Area population. For example, the California Fair Housing Task Force used location quotients to measure racial segregation within the state, defining a neighborhood as segregated if the location quotient for Black, Latinx, Asian or all people of color was greater than 1.25 relative to the county.[40] In other words, if any of these groups was 25% more concentrated in the tract relative to the state, the tract was considered segregated. We initially applied the 1.25 threshold but found it to be too low of a threshold, in some cases, to capture concentrations of non-White groups in the Bay Area. To be conservative in labeling neighborhoods segregated, we used the more stringent ratio of 1.5.

We defined a tract as high-poverty if over 20% of the population lives below the federal poverty line. Research has shown that the effects of poverty concentration begin to emerge at 20%, and this threshold is generally used as a shorthand for "high-poverty" neighborhoods in both policy and academic circles (other common terms include "extreme poverty" for tracts with more than 40% of the population below the federal poverty line).[41] In addition, the high cost of living in the Bay Area means that the federal poverty line is an especially high bar for poverty; according to the Public Policy Institute of California (PPIC), the poverty rate for Contra Costa County increases from 11.3% to 17.1% when accounting for the cost of living using the California Poverty Measure.[42]

Regression

To understand whether rent increases were associated with demographic change at the local level–particularly the loss of low-income people of color–we conducted a linear regression using tract-level data from 2000 and 2015 for the 9-county region. We controlled for a variety of demographic and built environment variables to isolate the effect of rent on demographic change. The control variables we included are: proportion of adult population with a college degree (2000), proportion of POC households with severe rent burden (2000), proportion of population over 65 years old (2000), proportion of housing units built before 1939 (2000), Location quotient for POC (2000), # of housing units built (2000-2015), # affordable housing units built (2000-2015), # households of color (2000), population density (2000), population change (2000-2015), proportion of all households that are renter (2000), proportion of population living in poverty (2000), proportion of households with children (2000), proportion of limited-English proficiency (2000), median rent (2000), percent unemployed (2000), percent change of high-income households (> 120% AMI), foreclosure rate (2006-2013), # affordable housing units (2000).

We clustered error at the city level to account for similarities among tracts in the same jurisdiction–potentially due to specific housing policies–and evaluated potential multicollinearity among independent variables using a variance inflation factor.

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