

The logo for Plan Bay Area 2040 is a blue square with the text "Plan Bay Area 2040" in white. "Plan" is on the top line, "Bay Area" is on the second line, and "2040" is on the third line in a larger font.

TO: Regional Planning Committee  
FR: Pedro Galvao, ABAG and Vikrant Sood, MTC  
RE: Equity Framework for Plan Bay Area 2040

DATE: February 3, 2016

### **Summary**

This memorandum presents staff recommendations for communities of concern (CoCs) and the equity measures to be used as part of the Plan Bay Area 2040 Equity Analysis. To develop these recommendations, staff has been meeting on a monthly basis since June with stakeholders and local jurisdictions through the Regional Equity Working Group (REWG). This memo provides context on the Plan's overall equity framework, discusses the Bay Area's current demographic trends, and proposes a new set of equity measures as well as an updated definition of communities of concern. This framework was adopted by the MTC Commission on January 27<sup>th</sup>, 2016.

### **Context and Overall Equity Framework**

MTC has conducted an equity analysis for the last four Regional Transportation Plans (RTPs) in compliance with federal civil rights and environmental justice laws. For each RTP, MTC used the following steps to conduct the equity analysis:

1. Identify equity measures that reflect key issues faced by vulnerable and disadvantaged communities in the region (typically a subset of the Performance Targets);
2. Define these potential disadvantaged communities based on a communities of concern (CoCs) framework that takes into account factors such as race, income, and disability, among others;
3. Conduct an assessment during the project performance analysis phase, using the equity measures, to identify potential benefits and burdens of proposed projects on CoCs;
4. Conduct an assessment during the scenario analysis phase, using the equity measures, to identify potential benefits and burdens of scenario alternatives on CoCs, and to inform the selection of a preferred alternative; and
5. Include an assessment of benefits and burdens for the preferred alternative in the final report, and conduct a supplemental analysis of minority status to comply with federal civil rights law.

For each RTP update, the equity measures are developed with input from key stakeholders. For Plan Bay Area (PBA) 2013, the combined Sustainable Communities Strategy (SCS) and RTP, MTC and ABAG formed a Regional Equity Working Group (REWG) to provide this input. MTC and ABAG created a REWG for Plan Bay Area 2040 as well which began meeting in June and will continue to meet until fall 2016.

## Overall Equity Framework

The 2013 PBA equity analysis included three components, listed below. Staff is proposing to retain this overall framework for the Plan Bay Area 2040 equity analysis. The three components include:

- A. A *Title VI* analysis of PBA investments that use federal and state funds to determine whether there are any disparate impacts of distribution of these funds on populations of different race, color or national origin;
- B. An *environmental justice* analysis of PBA investments to determine whether there are any disproportionately high and adverse impacts on low-income and minority populations or CoCs; and
- C. An *equity analysis* that assesses the distribution of benefits and burdens of PBA 2040 on CoCs in comparison to the rest of the region.

## Equity Measures

To support the project performance and scenario analysis processes, staff recommends using the six Performance Targets listed below as equity measures (see Attachment A for the most recent list of adopted/proposed Performance Targets). The equity report will include a region-wide population-based analysis of benefits and burdens of the preferred alternative on CoCs based on these equity measures.

Staff recommends using the following Performance Targets as equity measures for PBA 2040 project performance and scenario analysis:

1. *Healthy and Safe Communities* Target #3 – will measure health benefits and burdens associated with air quality, road safety and physical inactivity (will also include a sub-analysis for low-income neighborhoods<sup>1</sup>);
2. *Equitable Access* Target #5 – will measure the share of lower-income residents' household income consumed by transportation and housing;
3. *Equitable Access* Target #6 – will measure the share of affordable housing in Priority Development Areas (PDAs), Transit-Priority Areas (TPAs), or high-opportunity areas<sup>2</sup>;
4. *Equitable Access* Target #7 – will measure the share of low- and moderate-income renters in PDAs that are at an increased risk of displacement;
5. *Economic Vitality* Target # 8 – will measure the share of jobs that are accessible by auto and transit in congested conditions (will also include a sub-analysis for lower-income communities); and
6. *Economic Vitality* Target #9 – will measure the current share of middle-wage jobs in the region and project the share of jobs in predominantly middle-wage industries in 2040.

In addition to an analysis based on the equity measures listed above, the equity report will summarize key demographic and socio-economic trends, including the following topics:

- *Poverty in the Suburbs* – will measure trends in the share of lower-income households that

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<sup>1</sup> Census tracts with a concentration of households that earn less than 200% of federal poverty line

<sup>2</sup> See the Fair Housing and Equity Assessment report, ABAG, 2015, for a definition of high-opportunity areas

reside in suburban or inland jurisdictions, as defined by Plan Bay Area 2040, and offer a discussion of its implications for the region;

- *Concentration of Poverty* – will measure trends in the share of low-income households that reside in neighborhoods that have a high concentration<sup>3</sup> of poverty;
- *Proximity to Services and Amenities* – will measure trends in the share of lower-income households that live in neighborhoods with a high walk score<sup>4</sup>;
- *Proximity to Opportunity Areas* – will measure trends in the share of lower-income households that live in high-opportunity areas; and
- *Exposure to Contamination and Pollutants* – will measure trends in the share of lower-income households exposed to air contaminants (diesel particulate matter and fine particulates (PM2.5))<sup>5</sup>.

### Communities of Concern and Plan Bay Area 2013

MTC defined “communities of concern” for the RTPs adopted in 1999, 2003 and 2007 as areas with a concentration of *either 70% minority or 30% low-income households*. For PBA 2013, CoCs were defined either as census tracts with a concentration of 70% minority population AND 30% low-income households OR as census tracts that have a concentration of 4 or more of the disadvantage factors listed in Table 1 below. The concentration threshold for each disadvantage factor was based on its current share of the region’s population plus half a standard deviation above the regional mean.

**Table 1: Communities of Concern Framework for Plan Bay Area 2013**

<i>Disadvantage Factor</i>	<i>% Regional Population<sup>6</sup></i>	<i>Concentration Threshold</i>
1. Minority	54%	70%
2. Low Income (<200% Federal Poverty Level - FPL)	23%	30%
3. Limited English Proficiency	9%	20%
4. Zero-Vehicle Household	9%	10%
5. Seniors 75 Years and Over	6%	10%
6. People with Disability	18%	25%
7. Single-Parent Family	14%	20%
8. Severely Cost-Burdened Renters	10%	15%
<i>Definition</i> – census tracts that have a concentration of BOTH minority AND low-income households, OR that have a concentration of 4 or more factors listed above.		

Using the eight factors, concentration thresholds and definition in Table 1, PBA 2013 identified 305 out of a total of 1,405 census tracts in the region as CoCs. See Attachment B for a map of PBA 2013 CoCs. PBA 2013 used additional factors and a revised definition of COCs to respond

<sup>3</sup> Census tracts with more than 40% low-income households; see Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment, Chetty, Hendren, and Katz, Harvard University and NBER, May 2015

<sup>4</sup> Walk score is calculated by MTC and is based on access to a range of amenities and services including parks, schools, grocery stores, primary care facilities, transit stations, jobs and libraries, among other, subject to data availability

<sup>5</sup> See Communities Air Risk Evaluation Program, Bay Area Air Quality Management District at: <http://www.baaqmd.gov/plans-and-climate/community-air-risk-evaluation-care-program>, and the California Environmental Protection Agency (CalEPA), California Communities Environmental Health Screening Tool: CalEnviroScreen at: <http://oehha.ca.gov/ej/ces2.html>

<sup>6</sup> 2005-2009 American Community Survey and 2000 Census

to the changing demographics in the Bay Area. The region is far more racially diverse than in previous decades. This trend has continued since the plan was adopted in 2013<sup>7</sup> (see updated data Table 2). Between 2000 and 2013, while the total population in the region increased by 7%, both the Asian and Latino populations increased by more than 30%, while the White population decreased by 10% and the African-American population by 8%.

**Table 2: Racial Composition of Bay Area Population 2000-2013<sup>8</sup>**

Race	2000		2013		Change	
	#	%	#	%	#	%
White	3,392,204	50%	3,047,321	42%	(344,883)	(10%)
Black or African American	497,205	7%	456,896	6%	(40,039)	(8%)
Asian	1,278,515	19%	1,704,791	23%	426,276	33%
Hispanic (any race)	1,315,175	19%	1,711,158	24%	395,983	30%
Total Population	6,783,760	-	7,257,501	-	473,741	7%

While the region became racially more diverse, it also became poorer. Between 2000 and 2013, the share of households living at 200% of Federal Poverty Level increased from 23% (or around 560,000 households) to 25% (or around 650,000 households)<sup>9</sup> an increase of over 15%. Consequently, between 2000 and 2013, the share of census tracts with a concentration of minority households (defined by PBA 2013 as 70% or more minority households per tract) increased from 23% to 32% and the share of tracts with a concentration of low-income households (defined as 30% or more low-income household per tract) increased from 23% to 35%<sup>10</sup>.

**Table 3: Census Tracts with Concentration of Low-Income and Minority Households**

Criteria	2000		2013	
	#	%	#	%
70% or more Minority Households	324	23%	498	32%
30% or more Low-Income Households	323	23%	547	35%
Both Minority and Low-Income	186	13%	311	20%
Total Census Tracts	1,405	-	1,581	-

Since the Bay Area is experiencing a rise in the share and number of both minority and low-income households, both race and income are important measures of disadvantage. Staff recommends the inclusion of all census tracts that have concentrations of both low-income and minority households as the starting point for defining CoCs for PBA 2040 Equity Analysis. Based on REWG feedback, staff also recommends retaining the remaining six disadvantage factors (#3 to #8 in Table 1) in the CoC framework, and keeping the thresholds of significance the same as in 2013. In addition to updating the data to 2009-2013 American Community Survey (Plan Bay Area 2013 used data from the 2005-2009 ACS), the REWG is proposing one change to the definition of CoCs. See Table 4 below for the proposed new definition of CoCs.

<sup>7</sup> PBA 2013 used the 2005-2009 American Community Survey

<sup>8</sup> Bay Area Census: <http://www.bayareacensus.ca.gov/> and 2009-2013 American Community Survey

<sup>9</sup> Using 200% below federal poverty line threshold, Bay Area Census and 2009-2013 American Community Survey

<sup>10</sup> 2009-2013 American Community Survey and 2000 Census

**Table 4: Proposed Communities of Concern Framework for Plan Bay Area 2040**

<i>Disadvantage Factor</i>	<i>% Regional Population</i>	<i>Concentration Threshold</i>
1. Minority	58%	70%
2. Low Income (<200% Federal Poverty Level - FPL)	25%	30%
3. Limited English Proficiency	9%	20%
4. Zero-Vehicle Household	10%	10%
5. Seniors 75 Years and Over	6%	10%
6. People with Disability	9%	25%
7. Single-Parent Family	14%	20%
8. Severely Rent-Burdened Household	11%	15%
<p><i>Definition</i> – census tracts that have a concentration of BOTH minority AND low-income households, OR that have a concentration of 3 or more of the remaining 6 factors (#3 to #8) but only IF they also have a concentration of low-income households.</p>		

**Attachments**

1. Plan Bay Area 2040 Goals and Performance Targets Plan Bay Area 2013 Communities of Concern Map
2. Plan Bay Area 2013 Communities of Concern Map
3. Plan Bay Area 2040 Proposed Communities of Concern Map
4. Comparison Map of Plan Bay Area 2013 and 2040 Proposed Communities of Concern Boundaries