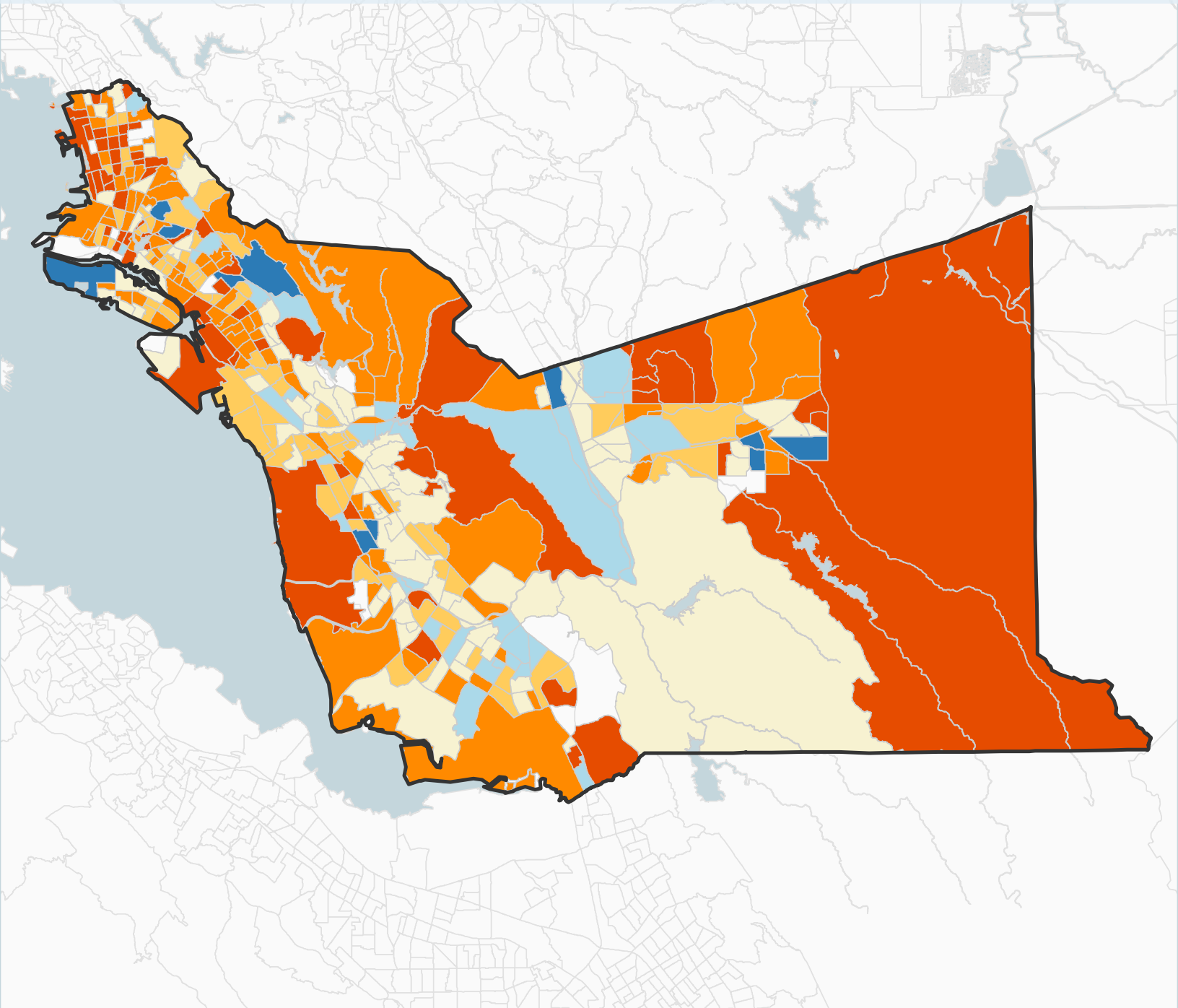
Rising Housing Costs and Re-Segregation in Alameda County



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EXECUTIVE SUMMARY

This report finds that increases in housing prices in Alameda County were correlated with shifts in where low-income people of color lived between 2000 and 2015. It also provides evidence that these shifts contributed 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 Alameda 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, as housing prices rose, some flatland areas of Oakland and Berkeley lost thousands of low-income Black households, while experiencing modest increases in low-income Latinx and Asian households (and in some cases, high-income White households). Meanwhile, low-income Black, Asian and Latinx populations grew significantly in southern Alameda County cities such as San Leandro, Hayward, and the unincorporated communities of Ashland and Cherryland.

- Many Alameda County neighborhoods saw substantial increases in median rents; one in five neighborhoods saw an increase of over 30% in median rent paid (inflation-adjusted dollars). In the Bay Area, a 30% tract-level increase in median rent paid (inflation-adjusted) 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.

- Upon moving, a substantial share of low-income people of all races left not only Alameda County but the region altogether; nearly 40% of low-income Black and White Alameda County residents who moved in 2015 left the Bay Area.

- Low-income households who made any kind of move in 2015—whether they stayed within the 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 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.

- As housing prices rose between 2000 and 2015, the share of low-income Black households in Alameda County living in high-poverty, segregated areas rose from 50% to 58%—a much higher percentage than low-income households of other racial groups. Families in these types of neighborhoods typically face greater barriers to economic mobility and 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, low-income White households were seven 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, Alameda 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] Life expectancy can vary substantially between neighborhoods in the same county; for example, life expectancy in Piedmont is approximately 10 years longer than in Cherryland (an unincorporated area north of Hayward).[5]

Focusing on housing price and demographic changes between 2000 and 2015, this report documents which neighborhoods in Alameda 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.[6] 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.[7] The neighborhood is also the scale at which people experience displacement pressures and demographic change.[8]

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 Alameda County typically contain between 3,000 and 5,500 people

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

DEMOGRAPHIC TRANSFORMATION

Between 2000 and 2015, Alameda County saw growth among its lowest and highest-income households, while losing significant numbers of moderate-income households (Table 1). The racial composition of the county's low-income population also changed. The county gained over 29,000 low-income Latinx and Asian households, while low-income White households decreased by nearly 15,000 and low-income Black households by over 1,900. As shown in Table 2, these county-specific trends largely mirror regional ones. However, in comparison to Alameda County, the Bay Area overall saw even larger increases in its low-income Latinx and Asian populations and a small increase of low-income Black households, as opposed to a decrease.[9]

However, 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 changes were the opposite of county-level trends.

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 during this period.

While the county as a whole lost more than 1,900 low-income Black households between 2000 and 2015 (a 4% decrease), these losses were concentrated in the flatlands of Oakland and Berkeley. Disinvestment in these neighborhoods during the 20th century paved the way for today's processes of gentrification and displacement. Beginning in the 1930s, many of these areas were

Table 1. Demographic Changes in Alameda 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	10%	-9%	-18%	-19%	-7%
Latinx	66%	51%	33%	12%	22%
Asian	41%	34%	32%	24%	84%
White	-4%	-12%	-25%	-25%	-2%
All POC	29%	18%	12%	4%	46%
All Races	17%	5%	-5%	-10%	18%

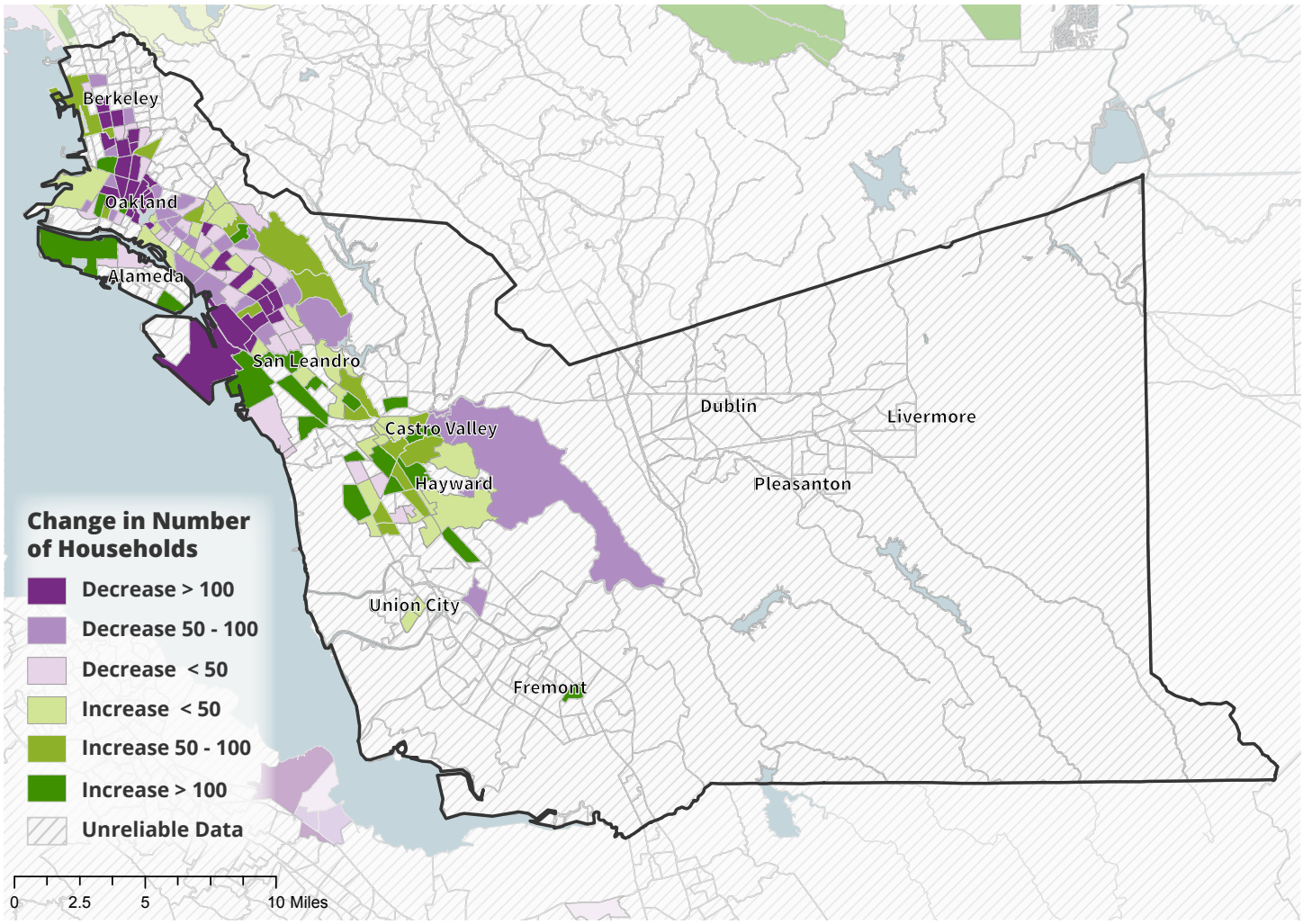
Source: U.S. Census 2000 (Table P151), ACS 2011-2015 (Table B19001)

Table 2. Change in Low-Income Households (<80% AMI) by Race in Alameda County, 2000-2015 [10]

	Change (estimated)	Pct. Change	*Pct Change (Bay Area-wide)*
Black	-1,900	-4%	*4%*
Latinx	16,200	48%	*60%*
Asian	13,000	36%	*44%*
White	-14,800	-15%	*-9%*
All POC	26,900	20%	*36%*
All Races	12,100	*5%*	*11%*

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

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



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

subject to redlining—the federal government's "racialized system of investment" that guided banks on whether to make home loans based on a neighborhood's perceived riskiness—which resulted in denial of financial services and other forms of investment in majority-Black and immigrant communities.[11] This practice, combined with White suburbanization and urban renewal in the post-war era, exacerbated segregation and inequality in Alameda County and contributed to depressed property values and rents in predominantly Black neighborhoods.[12] More recently, predatory lending and the subsequent foreclosure crisis of the mid-2000s eliminated many of the homeownership gains that Black households had made in the Oakland flatlands.[13]

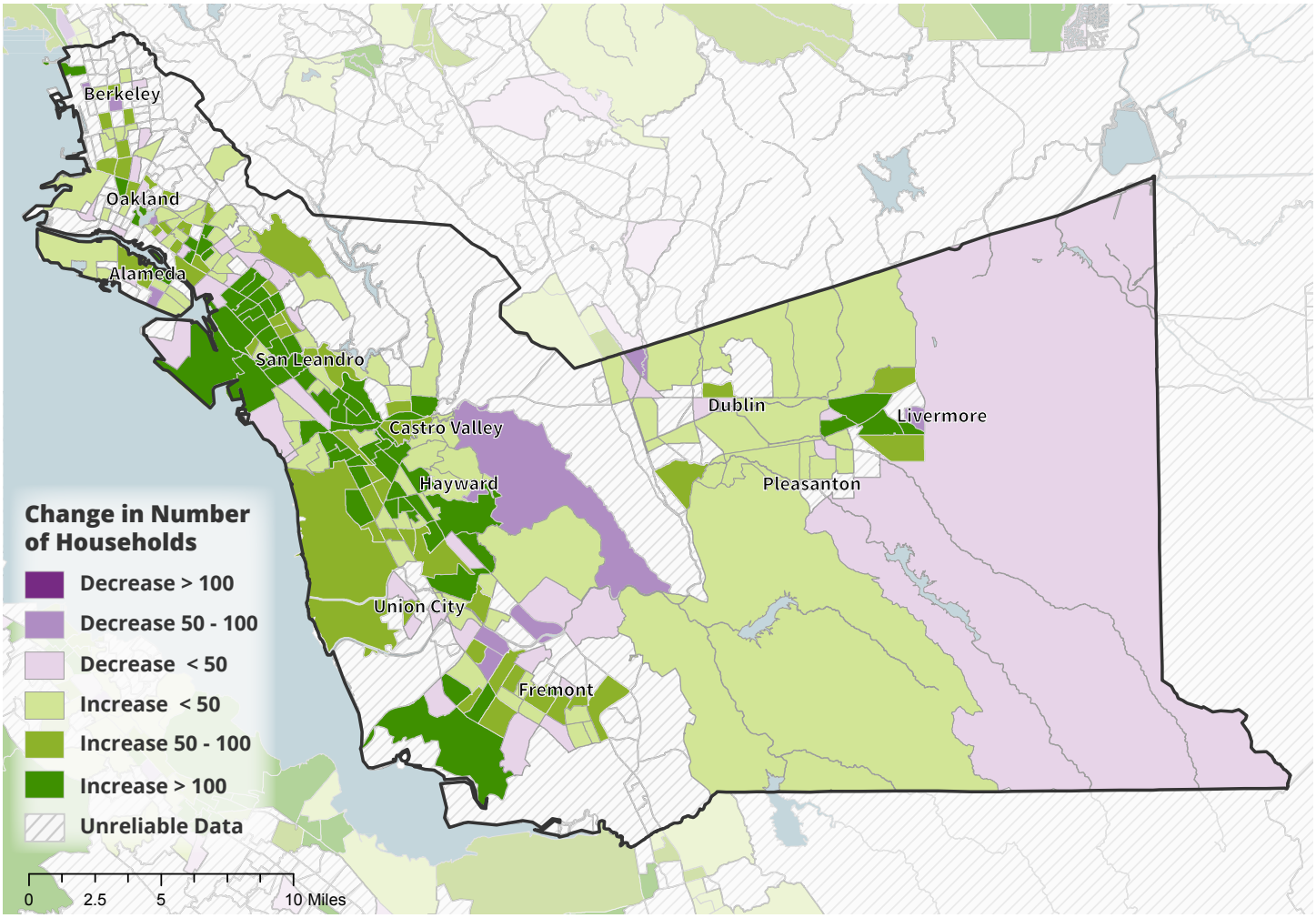
This history is apparent in the Longfellow neighborhood in North Oakland, which lost more low-income Black households than any other in Alameda County: 400 households, or a 30% decrease between 2000 and 2015.[14] Many neighborhoods in North Oakland and Berkeley that lost low-income Black residents also saw increases in high-income White households—one indicator of the process of residential gentrification. East Oakland also lost hundreds of low-income Black households while San Leandro, Hayward, and unincorporated Ashland saw large increases. The suburban cities in the southern and eastern ends of the county—such as Fremont, Pleasanton, Dublin, and Livermore—have long been home to only a small number of Black households due to their history of exclusion and discrimination,[15] and their numbers in these areas remained too small in 2015 to generate reliable estimates.

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

Alameda County saw an overall increase of approximately 16,000 low-income Latinx households between 2000 and 2015, representing a 47% increase.[16] This growth was concentrated in Fruitvale—a long-established center of Latinx and immigrant life in Oakland—and further east in Oakland, extending towards San Leandro, unincorporated Ashland and Cherryland, Hayward and parts of Fremont and Newark (Map 2). One tract in the unincorporated area of Ashland gained 450 low-income Latinx households.[17] Despite this overall increase, portions of Fremont, Union City, and Oakland saw decreases in low-income Latinx households.

Research has also shown that residents in many of the places where the low-income Latinx population grew have poor health outcomes and few tenant protections. Three East Oakland ZIP codes where the low-income Latinx population grew led Alameda County in child lead poisoning cases. Lead poisoning is linked to older and substandard housing and disproportionately affects Black and Latinx children. Households with high rent burden are more likely to live in substandard, older housing and are often less willing to complain about substandard conditions.[18] In addition, the low-income Latinx population grew in many

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



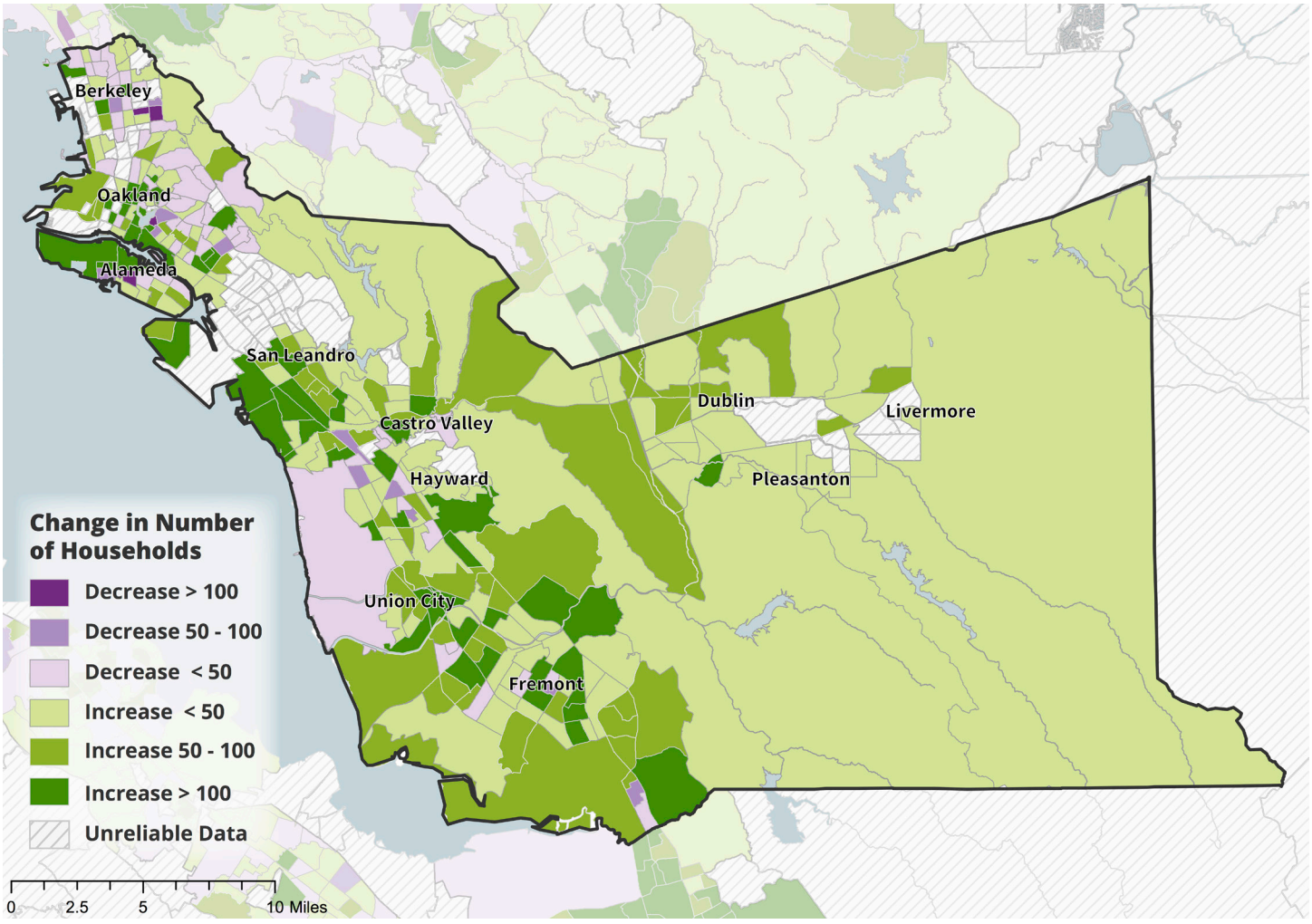
Source: U.S. Census 2000 (Table P151H), ACS 2011-2015 (Table B19001H)

unincorporated areas, which do not have tenant protections such as rent stabilization or just cause eviction laws.[19] Latinx 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.[20]

Finally, Alameda County's low-income Asian population grew by 13,000 households between 2000 and 2015, representing a 46% increase. Increases were concentrated in Downtown Oakland and Chinatown, the western edge of Alameda, and the county's southern suburbs of San Leandro, Hayward, Union City, and Fremont. Despite growth in these areas, Downtown Oakland and Chinatown have experienced strong gentrification and displacement pressures in recent years; monolingual senior renters in Chinatown, who rely most on the benefits of a walkable cultural enclave, are especially vulnerable to these pressures.[21] The increases shown in the southern part of Alameda County resemble those of the low-income Latinx population, although they were smaller and less geographically-concentrated. At the same time, pockets of Oakland, Hayward, and Berkeley saw losses in low-income Asian population. Many census tracts in East Oakland had small Asian populations in 2015, leading to unreliable estimates of demographic change.

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

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



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

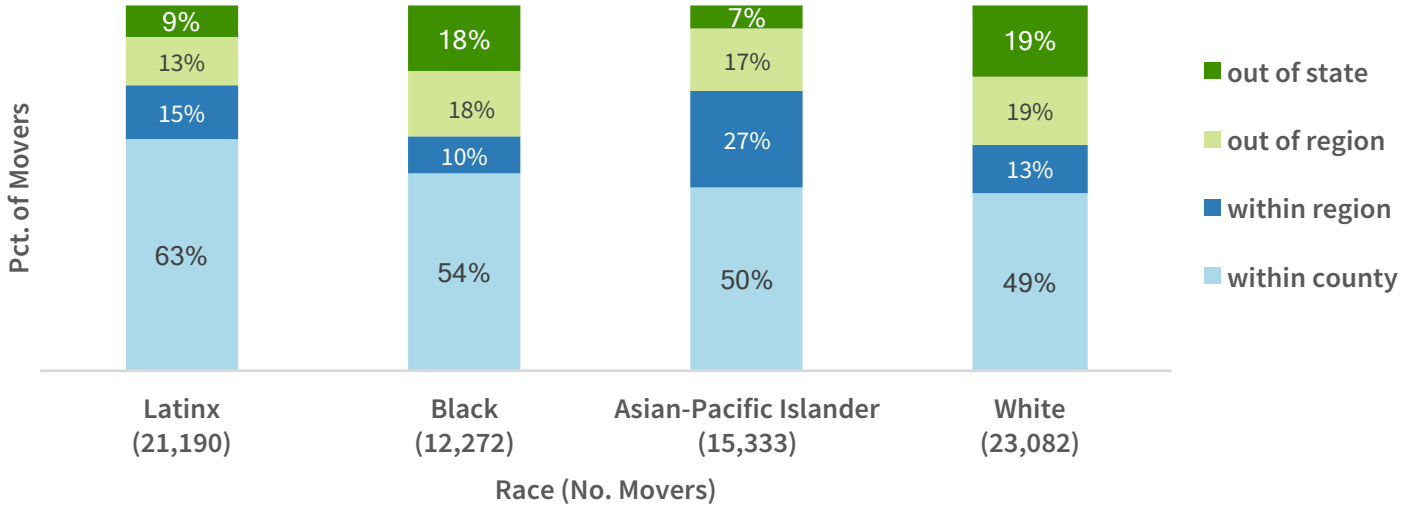
WHERE ALAMEDA COUNTY RESIDENTS MOVE

Understanding where low-income people in Alameda County are moving to provides a fuller picture of ongoing displacement and migration patterns.[22] Figure 1 shows destinations for the approximately 70,000 low-income people (both renters and owners) who originated in Alameda County and moved in 2015. Low-income people of all races were more likely to remain in the county than not, but a significant share left Alameda County, the Bay Area, or California.[23] For example, nearly 40% of low-income Black residents from Alameda County who moved in 2015 left the Bay Area for other parts of the state and country. Meanwhile, low-income Latinx and Asian-Pacific Islander[24] movers were more likely than their Black and White counterparts to stay within the county and the Bay Area.

Destinations within the Bay Area varied among different racial groups, with low-income Black movers going primarily to Stockton and parts of Contra Costa County, low-income Latinx movers going to Tracy, San Jose, and cities in San Mateo County, and low-income Asian movers going primarily to parts of Santa Clara and Solano counties. These patterns reflect the out-migration of low-income people of color from the inner to the outer part of the region, contributing to new areas of racial segregation.[25] In general, the rate at which low-income Alameda County movers left the region for other parts of the state or country was similar to their counterparts across the rest of the Bay Area.

As shown in Table 3, low-income renters who moved in 2015 experienced higher rent burdens than those who did not move. For example, extremely low-income renter households paid 68% of their income on rent if they did not move, but 85% if they moved out of the county to another part of the Bay Area, and 80% if they left the region. In other words, any kind of move was associated with incurring higher and more burdensome rents. This increase in rent burden could have been a result of moving out of rent-controlled (or

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



Source: IPUMS-USA, University of Minnesota, 2015

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)	68%	75%	85%	80%
Very Low (30-50% AMI)	42%	46%	57%	49%
Low (50-80% AMI)	29%	33%	38%	34%

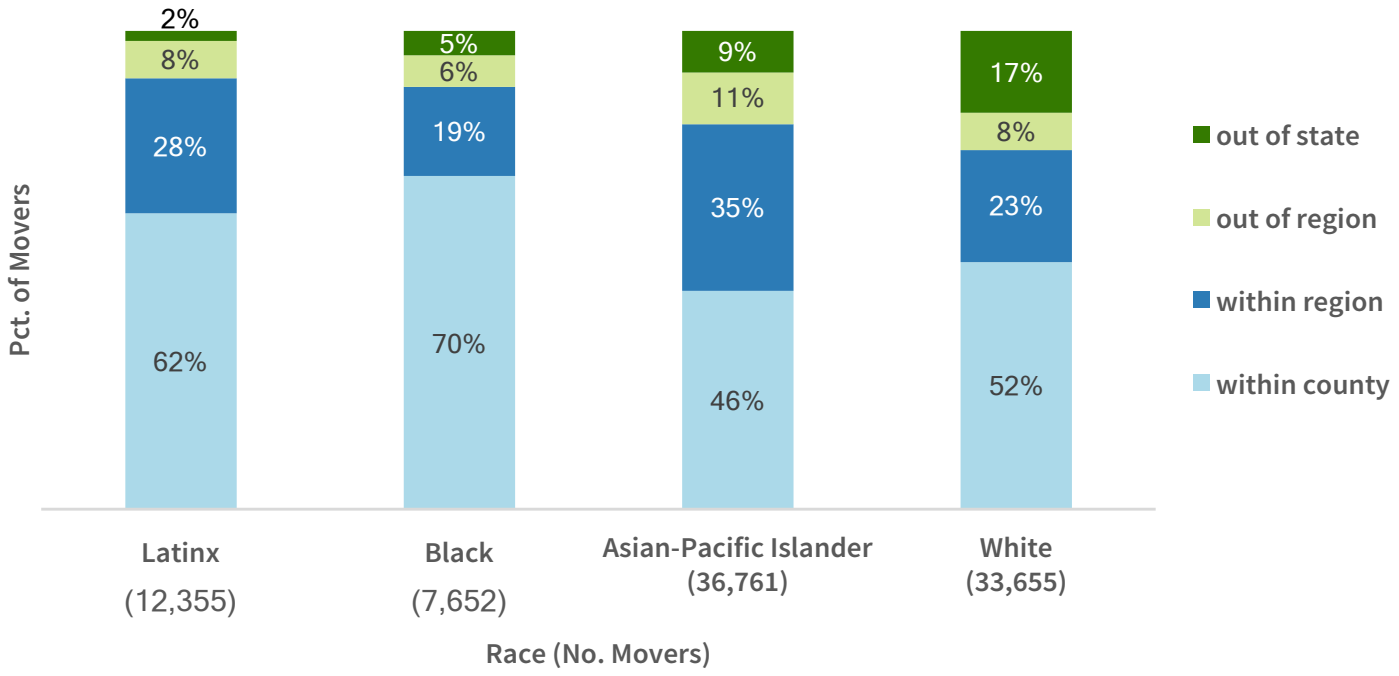
Source: IPUMS-USA, University of Minnesota, 2015

otherwise affordable) homes and into market-rate apartments, as well as loss of income that may have precipitated the move.

Figure 2 shows that destinations for moderate and high-income movers originating in Alameda County in 2015 were mostly similar to their low-income counterparts, with some notable differences. For example, a higher share of moderate and high-income movers left the county for other parts of the Bay Area, but a smaller share of them left the region than did low-income movers. Among Black and Latinx movers, those with low incomes were two to three times more likely to leave the Bay Area than those with moderate and high incomes.

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

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



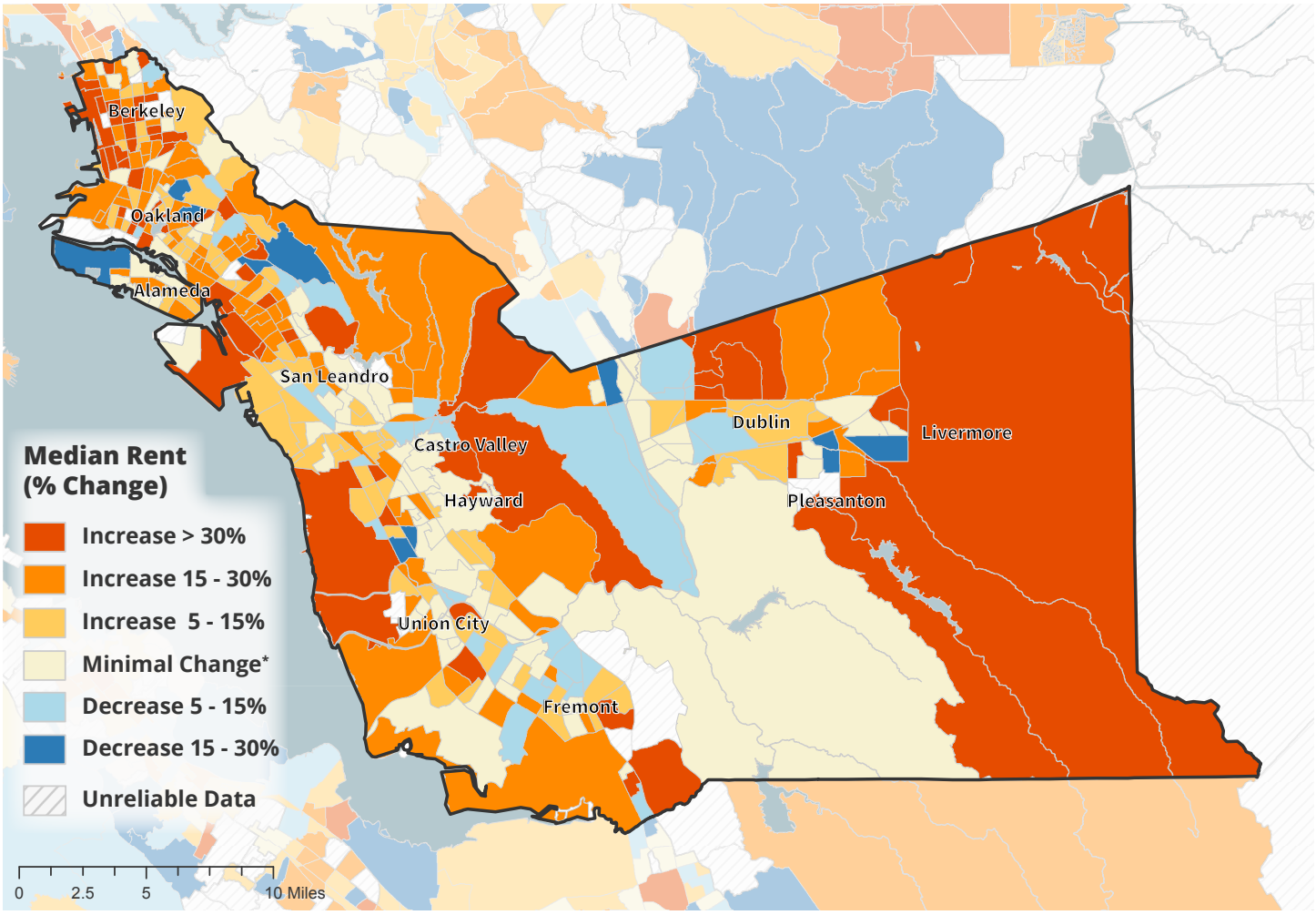
Source: IPUMS-USA, University of Minnesota, 2015

RISING RENTS AND DEMOGRAPHIC CHANGE

Rents rose in almost every neighborhood in Alameda County between 2000 and 2015, as shown in Map 4.[26] Many tracts in the flatlands of Oakland and Berkeley saw increases of well over 30% in median rent paid (inflation-adjusted dollars). West Berkeley, Downtown Oakland, and the neighborhoods around the Coliseum and Mills College in East Oakland saw increases of over 50% (due to data limitations, these figures are likely underestimates).[27] In tracts where there were increases of at least 30%,[28] the average median rent paid across tracts was $850 in 2000 (in unadjusted 2000 dollars) and $1,771 in 2015. By 2018, the median asking rent for a two-bedroom unit in Alameda County was $2,553. A person would need to earn $49 per hour—over $100,000 annually—to afford this rent.[29]

Many of the neighborhoods that experienced the largest increases in rental housing costs also saw significant losses of low-income households of color, as described earlier in this report. 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

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



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

relationship between rent increases and losses of low-income White households.[30] 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.

Rising Rent Burdens

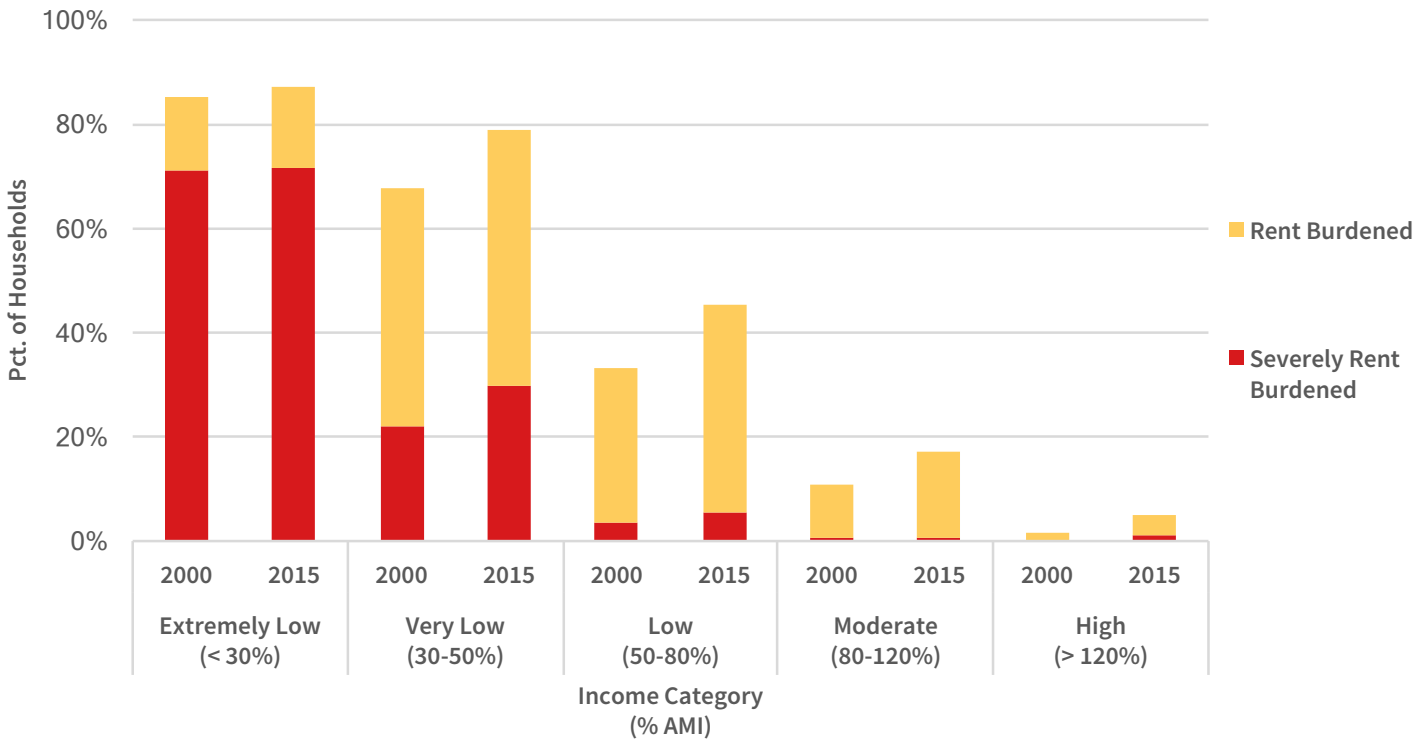
Across the county, low-income renters' incomes did not keep up with rising housing costs between 2000 and 2015, leading to increasing rent burdens. Households are considered rent-burdened when they pay over 30% of their income on rent, and severely rent-burdened if this ratio exceeds 50%. Research has shown that severely rent-burdened low-income households spend much less on essentials such as food, health care, and transportation than their low-income counterparts who are not rent-burdened.[31] High rent burden is also associated with greater displacement risk.[32]

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

Although rent burden increased across all income groups, it rose most substantially for low- and very low-income households. In both 2000 and 2015, extremely low-income renters were by far the most likely to experience severe rent burden, with nearly three quarters spending more than half their income on rent. Meanwhile, severe rent burden was low in both 2000 and 2015 for moderate- and high-income households.

Table 4 shows the average rent-to-income ratio in Alameda County in 2015 for different race and household income categories. This table shows that

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



Source: IPUMS-USA, University of Minnesota, 2015

households of similar incomes experience similar rent burdens across racial groups. However, the average rent burden for racial groups as a whole varied due to different income distributions within these racial groups. For example, Black households are overrepresented in lower income categories, so the overall rent burden for Black households is much higher than the county average. Across all races and income categories, renter households in Alameda County spent an average of 40% of their incomes on housing in 2015.

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

	Asian-Pacific Islander	Black	Latinx	White	All Races
Extremely Low	66%	68%	72%	75%	70%
Very Low	42%	40%	40%	46%	43%
Low	30%	29%	28%	32%	30%
Moderate	22%	22%	22%	24%	23%
High	15%	16%	21%	17%	17%
All Incomes	38%	47%	42%	37%	40%

Source: IPUMS-USA, University of Minnesota, 2015

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 Alameda County experienced substantial losses of low-income households of color during this period, while others saw large 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.[33]

Segregation and Concentrated Poverty

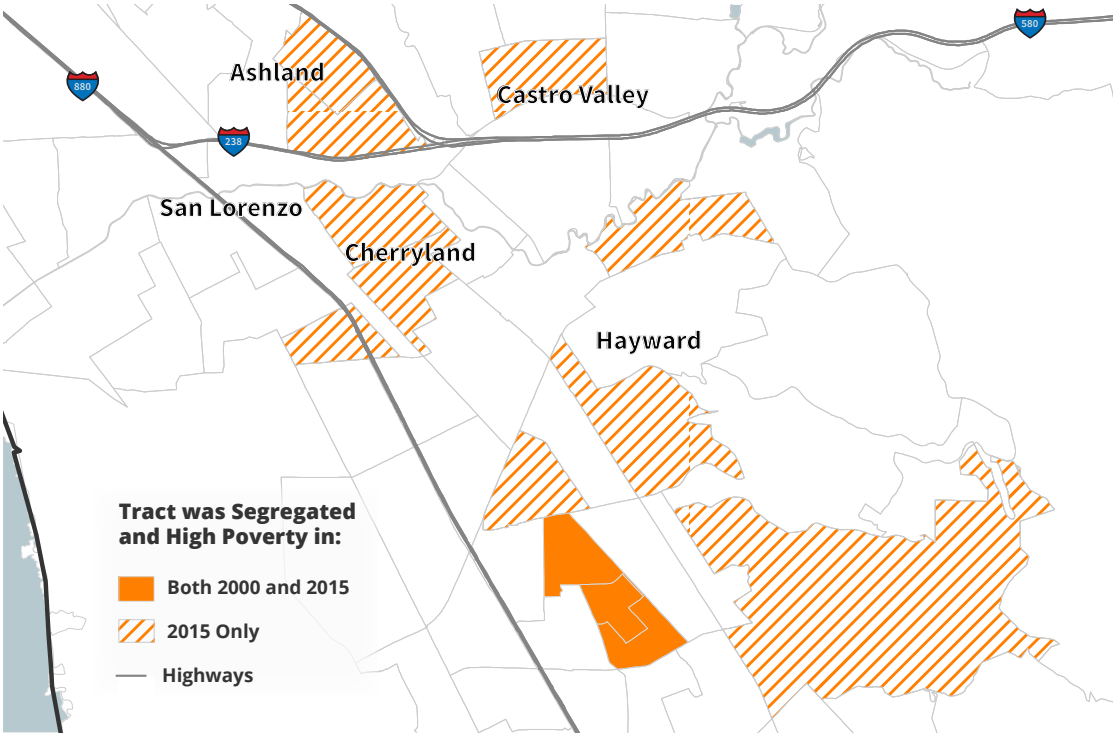
Racial segregation has been a defining feature of the U.S. urban landscape for centuries and became entrenched in especially consequential ways after World War II. Through both legal and extralegal forms of discrimination and exclusion, African-Americans and other people of color were both denied access 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.[34] 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[35] and is also in the process of reconfiguring due to increases in poverty and people of color at the outer edges of the region.[36]

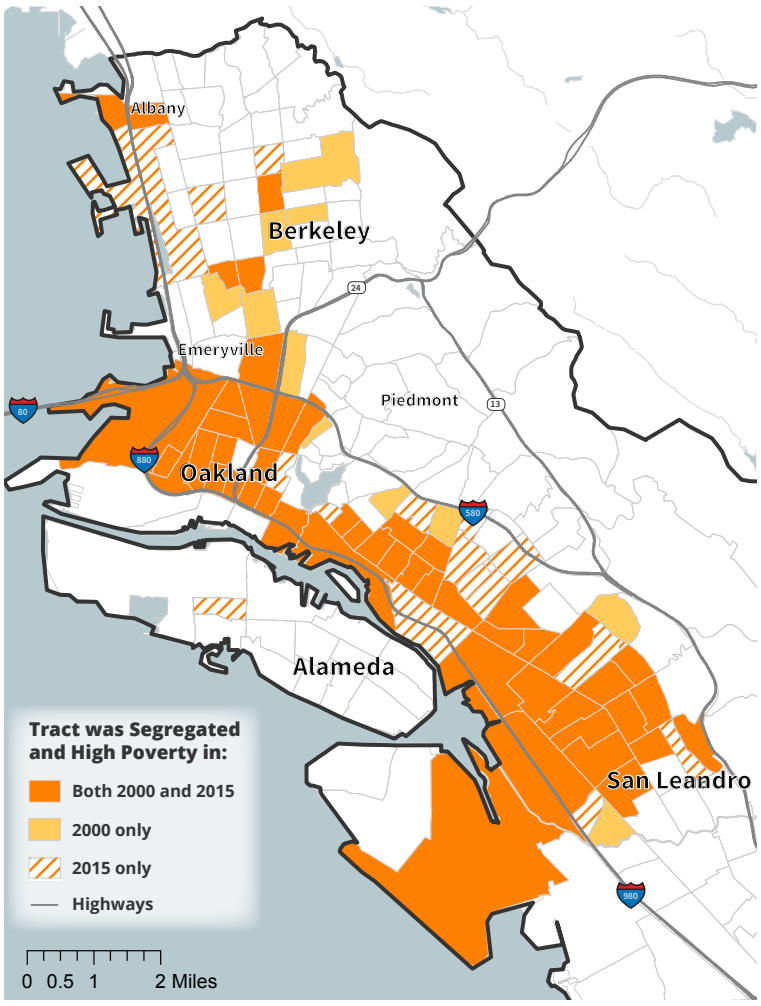
Map 5 shows the census tracts that were both high poverty and racially segregated in Alameda County in 2000 and 2015. Tracts were considered high poverty if more than 20 percent of their population was living below the federal poverty line, and racially segregated if at least one non-White group was 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.[37]

In 2015, more than 20 percent of tracts in Alameda County met the previously-described definition of being segregated and high poverty (77 out of 356), including 26 tracts that were not segregated and high poverty in 2000 but became so by 2015. Map 5 shows that large portions of the Oakland flatlands met this definition in 2000, with new areas of segregation and poverty in West Berkeley and East Oakland, as well as a cluster of tracts in unincorporated Ashland and Cherryland, Hayward, and Castro Valley by 2015. As previously noted, the latter areas in particular have seen substantial increases in low-income people of color in recent years.

Eleven tracts in the county that were segregated and high poverty in 2000 no longer met this definition in 2015. These included tracts in North

Map 5. Changing Landscape of Segregation and Poverty in Alameda County





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

Oakland, South Berkeley, and some edges of East Oakland—places where rents rose dramatically in recent years, and that have undergone some stage of gentrification and displacement.[38] No tracts in the southern and eastern portions of Alameda County met the criteria of high poverty or racial segregation in either 2000 or 2015.

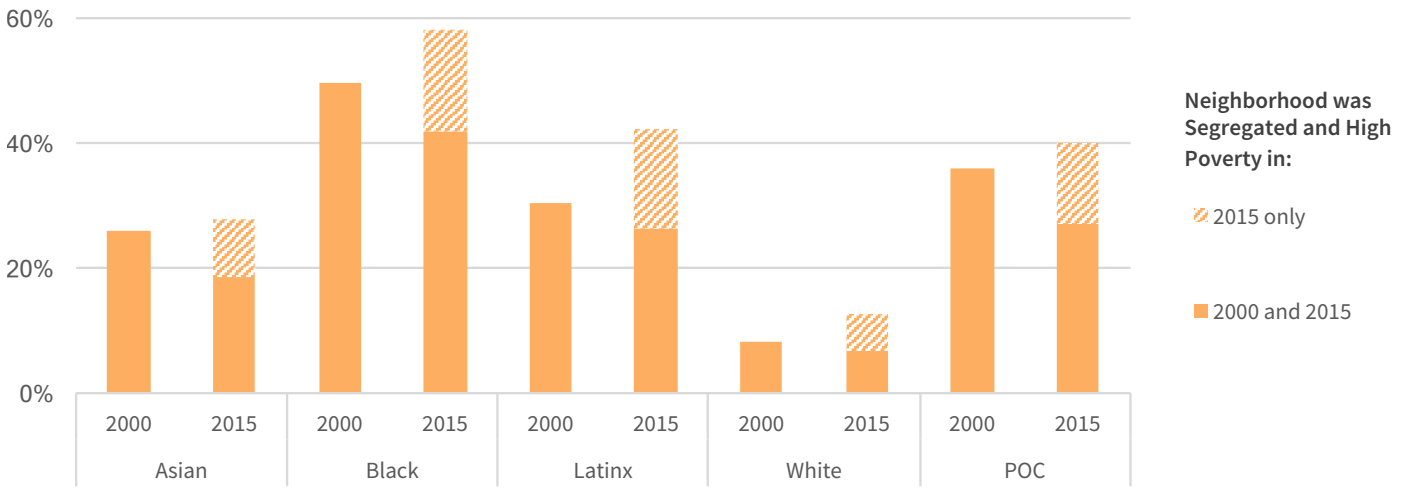
Figure 4 shows the share of low-income households for different racial groups living in segregated, high-poverty tracts in 2000 and 2015.

The chart shows that low-income Black households were much more likely to live in segregated, high-poverty neighborhoods in 2000 than low-income households of other races, and that held true in 2015. Approximately 58% of low-income Black households lived in high-poverty, segregated tracts in 2015, up from 50% in 2000. This figure jumped from 30% to 42% for low-income Latinx households during the same period, the highest relative percentage increase of any group. Low-income White families were much less likely to live in these areas in both 2000 and 2015.

Figure 4 also shows that, depending on the racial group, much of the growth in the share of low-income people 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.[39] These areas include the aforementioned parts of Hayward, unincorporated Ashland and Cherryland, and East Oakland that saw large increases in low-income households of color. This pattern suggests that migration and displacement patterns outlined above are contributing to new clusters of racial segregation and poverty in Alameda County.

Even segregated, high-poverty areas of Alameda County were not immune to rent increases between 2000 and 2015. Although many such tracts had below-average median rents in 2000, they experienced above-average rent increases over the following 15 years. This data suggests continued vulnerability to displacement for low-income people of color, even in segregated, 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

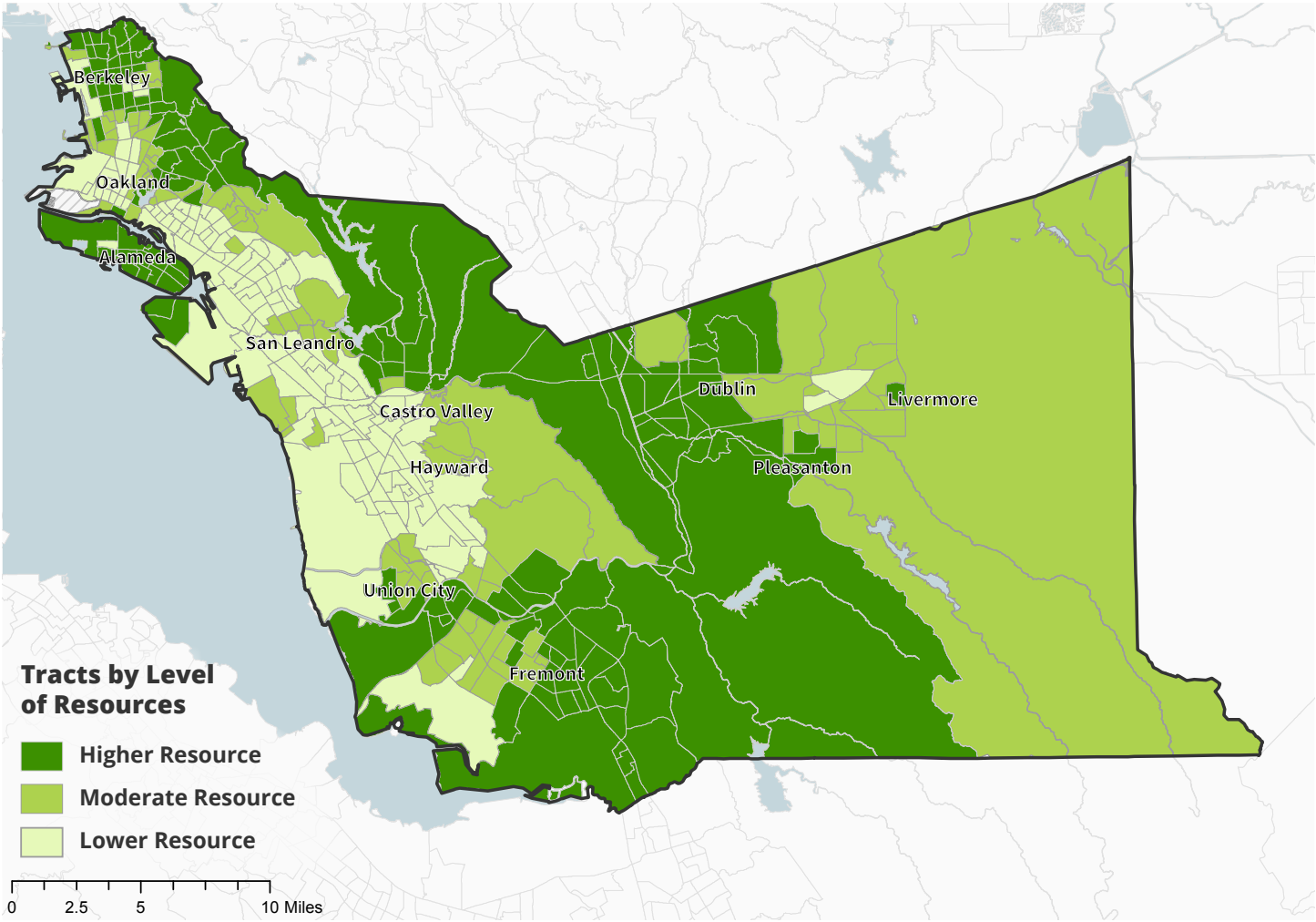
Another feature of Alameda County's uneven geography of opportunity is the concentration of resources in particular neighborhoods. In 2017, the State of California adopted "opportunity maps" for each region in California to inform new incentives to locate affordable housing for low-income families in higher resourced neighborhoods.[40] These opportunity maps categorize 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 Alameda County is shown in Map 6.[41]

This map shows that Alameda County's lower resource tracts are concentrated in the flatlands of Oakland, San Leandro, Hayward, and unincorporated areas such as Ashland and Cherryland. Its higher resource tracts are clustered in Berkeley, the Oakland Hills, Alameda, and in suburbs within the eastern and southern ends of the county.[42]

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

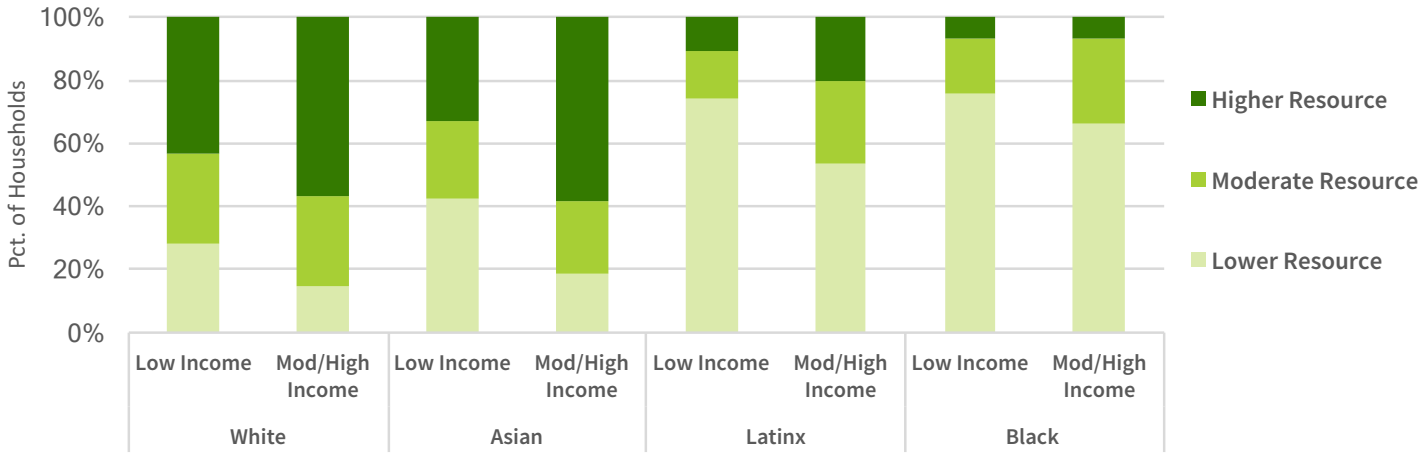
These data show disparities in access to opportunity by both race and income. Differences

Map 6. Alameda County Oportunity Map (2015)



Source: California Fair Housing Task Force, 2017

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



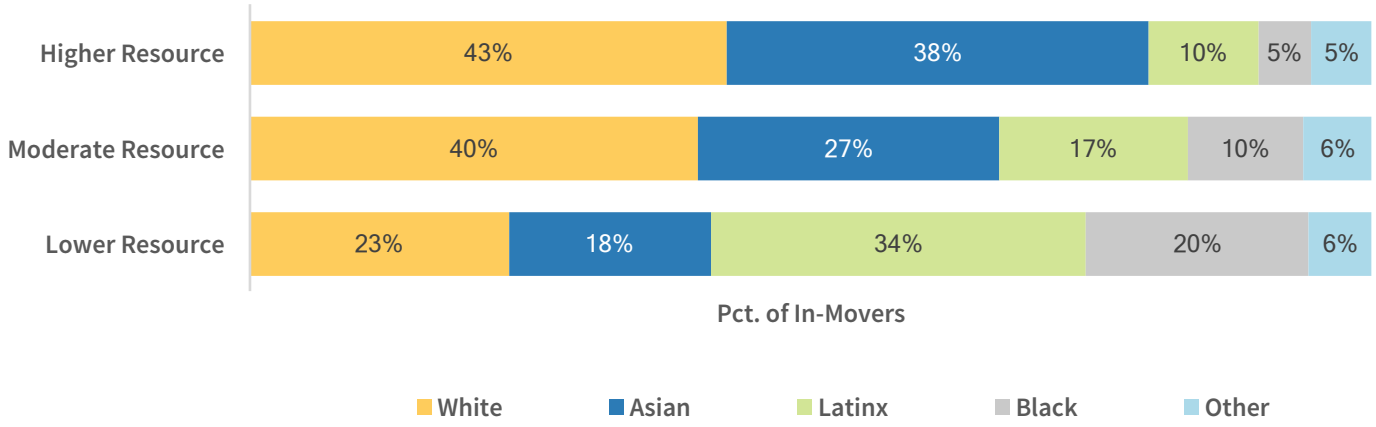
Source: California Fair Housing Task Force, 2017, U.S. Census 2000 (Table P151), ACS 2011-2015 (Table B19001)

in access between races were much larger than differences between income groups of the same race. For example, the share of low-income Black households living in higher resource tracts in Alameda County was the same as the share of moderate- and high-income Black households living in these areas. However, in 2015, low-income White households in Alameda County were seven times more likely to live in higher resource tracts than moderate and high-income Black households. Access to higher resource neighborhoods 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.

In-migration patterns between different racial groups in Alameda County suggest the perpetuation of disparities in access to opportunity. Figure 6 shows the racial breakdown of in-movers in 2015 for tracts with different levels of resources.[43]

In 2015, Black and Latinx households represented a significantly 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.

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

Displacement of low-income Black households from flatland neighborhoods in Oakland and Berkeley, alongside simultaneous growth of low-income households of color in new areas of racial segregation and poverty—such as in Hayward and unincorporated Ashland and Cherryland—contributed to significant changes in Alameda County's racial and economic geography between 2000 and 2015. Rising rents have played a role in these local demographic changes and in the out-migration of low-income people of color to other parts of the region, state, and country; renters need to earn $49 per hour to afford the median asking rent in the county today.[44] Despite shifts in where low-income Black and Latinx households live within the county, in 2015 they were still much more likely than low-income households from other racial groups to live in segregated and high-poverty neighborhoods, and much less likely to live in higher resource areas.

These findings highlight the urgent need to increase access to affordable housing and stabilize communities throughout Alameda 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 new and enduring patterns of racial and economic segregation. 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 Alameda 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 Alameda 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 Alameda County Public Health Department, *Alameda County Health Data Profile, 2014: Community Health Status Assessment for Public Health Accreditation* (May 2014), http://www.acphd.org/media/395851/acphd_cha.pdf.

6 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.

7 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).

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

9 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%.

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

11 83% of gentrifying census tracts in the East Bay were formerly rated as "hazardous" (red) or "definitely declining" (yellow) by the Home Owners' Loan Corporation, the federal agency that created the redlining maps. For more on the history of redlining and its relationship to contemporary gentrification patterns, see "Redlining and Gentrification," Urban Displacement Project, accessed August 12, 2018, www.urbandisplacement.org/redlining.

12 Robert Self, *American Babylon: Race and the Struggle for Postwar Oakland*. (Princeton, NJ: Princeton University Press, 2003).

13 Nicole Montojo and Beki McElvain, *Accessibility and Investment in North Oakland* (Center for Community Innovation, June 2015), http://www.urbandisplacement.org/sites/default/files/macarthur_final.pdf.

14 Defined here as Alameda census tract 4010.

15 Self, *American Babylon.*

16 This figure is likely an underestimate, due to the Census' undercounting of immigrants, particularly undocumented ones. For example, see 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.

17 Alameda census tract 4339.

18 The following three ZIP codes had the highest number of cases from 2007 to 2011: 94601, 94621, and 94603, with nearly 600 cases combined. Alameda County Public Health Department and Health Homes Department, *Housing Habitability and Health: Oakland's Hidden Crisis* (April 2018).

19 "Policy Tools," Urban Displacement Project, accessed September 2, 2018, http://www.urbandisplacement.org/policy-tools/sf.

20 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/.

21 Beki McElvain, "Oakland Chinatown - Displacement Vulnerability and the Ethnic Economic Enclave," *The Policy Forum at Mills College* vol. 3 (2015), 14-33.

22 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.

23 Research has shown that interpersonal relationships and overall housing instability drive the mobility decisions of very low-income households in particular, and that many therefore remain in similar, nearby neighborhoods when they move. See for example: Skobba and Goetz, "Mobility Decisions of Very Low-Income Households."

24 PUMS uses the racial category "Asian-Pacific Islander" rather than separating Asians from Pacific Islanders, as in the tract-level census/ACS data.

25 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.

26 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.

27 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.

28 73 out of 360 tracts in Alameda County saw median inflation-adjusted rent paid grow by over 30% between 2000 and 2015

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

30 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.

31 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

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

33 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.

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

35 "Redlining and Gentrification," Urban Displacement Project.

36 Samara, "Race, Inequality, and the Resegregation of the Bay Area."

37 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.

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

39 Tract-level poverty rates may have increased between 2000 and 2015 due to multiple reasons, including both in-migration of poor residents and existing residents becoming poorer.

40 Higher resource tracts are those whose characteristics are most predictive of educational success, economic mobility, and good health for both low-income children and adults.

41 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 that 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.

42 Prior research has documented significant differences in health outcomes, including life expectancy, between affluent, high-opportunity neighborhoods in the hills and poor neighborhoods in the flatlands of Oakland. Beyers, M. and et al. "Life and Death from Unnatural Causes: Health and Social Inequity in Alameda County" (2008).

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

44 California Housing Partnership, *Alameda County Needs Report.*

45 "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

46 "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.

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

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

49 As reported in California Housing Partnership, *Alameda County Needs Report.*

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.[45] 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.[46]

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.[47] 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).[48] 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 Alameda County increases from 11.3% to 17.1% when accounting for the cost of living using the California Poverty Measure.[49]

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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