Frequently Asked Questions about the Neighborhood Change Map

<u>Background</u>

1. **What is the purpose of the neighborhood change mapping tool?**

The map's overarching objective is to inform policies which seek to stabilize neighborhoods that are undergoing or have undergone substantial demographic change, and thus have the potential for advancing the AFFH objectives of (1) racial and economic integration, and (2) increasing access to opportunity – but are at risk of experiencing losses in the historic population of people of color and/or low-income residents, thus providing the opportunity to advance the AFFH goal of (3) addressing disproportionate housing needs through displacement prevention.

2. **What has been the process for creating this tool?**

In late 2022, HCD and its research partners conducted a review of an emerging body of literature on the relationship between neighborhood change and AFFH objectives. This review found that the preponderance of available evidence supported the idea that substantial amounts of white and high-income households moving into low- and moderate-income communities of color presented both an opportunity to advance several AFFH objectives (integration, access to opportunity, addressing disproportionate housing need), particularly with policy intervention, as well as a risk of exacerbating AFFH-related challenges (displacement, exclusion, and contributions to new patterns of segregation and unequal access to opportunity), particularly without policy intervention. HCD concluded that building and preserving affordable housing in neighborhoods which fit this profile would be important for advancing AFFH objectives, as a complement to the approach of increasing access to higher resource neighborhoods via policies that reference the TCAC/HCD Opportunity Map. As a result, the research partners developed a Neighborhood Change Map to identify non-rural tracts that have experienced high levels of racial/ethnic and economic change in recent years.

<u>Methodology</u>

1. **What is this mapping layer trying to capture?**

The Neighborhood Change Map identifies tracts that have experienced both substantial racial/ethnic demographic change (growth in the non-Hispanic white share of the population) and economic demographic change (growth in the share of high-income households), as well as markers of disproportionate housing need (rising median rents). The approach is intended to identify places that have already undergone substantial racial and economic change over a period of time, meaning we can be confident that they have already experienced and may continue to experience change that is of interest from an AFFH perspective. These are places that present an opportunity to advance the AFFH objective of fostering integrated living patterns but may require additional policy interventions to ensure stability and access for current and future low-income people and communities of color.

The Neighborhood Change Map is also designed to identify places that have undergone recent racial and/or economic changes, and where high levels of pressure on populations of interest may lead to

even more change. These are places that present an opportunity to advance the AFFH objective of addressing disproportionate housing needs, including displacement risk.

2. Why did we create a new methodology for neighborhood change rather than using an existing mapping tool?

In 2023, HCD and its research partners reviewed methods for identifying neighborhoods undergoing rapid racial/ethnic and economic change. To review existing methodologies, HCD developed criteria directly derived from the statutory definition of AFFH. The review did not reveal an existing definition or tool that fully and directly addressed HCD's criteria for a mapping methodology, which was that it should identify low- and moderate-income communities of color that have experienced substantial increases in white and high-income households, as well as capture trends related to disproportionate housing need. As a result, HCD and its research partners developed an approach narrowly tailored to identify neighborhoods where stabilization measures to ensure access for current and future low-income people and people of color can best help advance AFFH objectives. Further, the tool is designed to be sensitive enough to capture the dynamics of interest, but simple enough that its purpose and content can be easily communicated to the public and other stakeholders. It also relies on publicly accessible data and can be updated as needed.

3. How are "major change" areas defined in this methodology?

The Neighborhood Change Map uses the following two-part definition to identify neighborhoods as experiencing or having experienced Major Change:

> Part 1: A census tract that meets criteria for both racial/ethnic change (Criteria 1) and economic change (Criteria 2) between 2000-2021, or
> Part 2: A census tract that is within ½ mile of a tract that meets Part 1 and meets criteria for rising rents (Criteria 3) and Criteria 1 and/or 2 between 2013-2021.[1]

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[1] The ½-mile radius is taken from the population-weighted centroid of a census tract to the population weighted-centroid.

Definition	Criteria 1 (Racial/Ethnic Change)	Criteria 2 (Economic Change)	Criteria 3 (Rapidly Rising Rents)	Sources
Part 1: Meets both Criteria 1 (racial/ethnic change) *and* Criteria 2 (economic change) between 2000-2021	**BASELINE:** In 2000, tracts where the % of the population that is POC* is above the county's % of the population that is POC* and is non-rural; *and* **CHANGE:** Between 2000 and 2021, tracts that experienced a percentage point increase in the NH** white population within the top half (50%) of county-wide increases.	**BASELINE:** In 2000, tracts where the median income is at or below 120% of the county median income and is non-rural; *and* **CHANGE:** Between 2000 and 2021, tracts that experienced a percentage point increase in high-income households (>120% of AMI***) within the top half (50%) of county-wide increases.	-	2000 Decennial Census (Tables P004, P053); 2021 5-year estimate ACS (Tables B03002, B19001)
Part 2: Within ½ mile of a tract that meets Part 1 *and* meets Criteria 3 (rapidly rising rents) and Criteria 1 or 2 between 2013-2021	**BASELINE:** In 2013, tracts where the % of the population that is POC* is above the county's % of the population that is POC* and is non-rural"; *and* **CHANGE:** Between 2013 and 2021, tracts that experienced a percentage point increase in the NH** white population within the top half (50%) of county-wide increases.	**BASELINE:** In 2013, tracts where the median income is at or below 120% of the county median income and is non-rural"; *and* **CHANGE:** Between 2013 and 2021, tracts that experienced a percentage point increase in high-income households (>120% of AMI***) within the top half (50%) of county-wide increases.	**BASELINE:** In 2000, tracts where the median income is at or below 120% of the county median income and is non-rural; *and* **CHANGE:** Between 2013 and 2021, tracts that experienced a percent increase in median gross household rent within the top quarter (>75%) of county-wide increases.	2000 Decennial Census (Tables P004, P053); 2013 & 2021 5-year estimate ACS (Tables B03002, B19001, B25064)

4. Why are rural areas not captured in this mapping layer?

The neighborhood change layer is built from tract-level data from geographies located in non-rural areas. Extending this analysis to rural areas - which are assessed in the Opportunity Map methodology at the block group level rather than the census tract level - introduces margins of error that are unacceptably high. In other words, neighborhood change analysis at the block group level in rural areas yields unreliable results.

Further, research on the type of neighborhood change captured by the map generally focuses on urban areas. While rural places certainly experience neighborhood change, this can look different from what is seen in non-rural areas. The map was designed to address known AFFH potential as covered in existing research, and was thus not built to account for the differences in rural neighborhood change.