



Board Report

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Agenda Number: 32.

**EXECUTIVE MANAGEMENT COMMITTEE
MAY 19, 2022**

SUBJECT: 2022 EQUITY FOCUS COMMUNITIES UPDATE

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE status report on 2022 Equity Focus Communities Update.

ISSUE

In the July 2021 Executive Committee Meeting, Chair Hilda L. Solis requested that Metro revisit the agency's Equity Focus Communities (EFC) definition and map to consider redlining and impacts from the COVID-19 pandemic as part of the EFC criteria.

BACKGROUND

In February 2018, the Metro Board adopted the Equity Platform, a policy framework for addressing disparities in access to opportunity resulting from historical disinvestment in low-income communities and communities of color. The Equity Platform includes four key pillars to guide the agency's work. The first of these pillars, Define & Measure, is foundational for all equity work at Metro and led to the development of the EFC definition and map used to identify communities most in need of improved access to opportunity from a mobility standpoint.

Before the Office of Equity and Race (OER) was formed, Metro Long Range Planning (LRP) staff worked with the USC Program for Environmental and Regional Equity (PERE, now the USC Equity Research Institute), Cambridge Systematics, and the Metro Policy Advisory Council (PAC) to develop the EFC definition. A working definition was presented to the Metro Board as part of the 2020 Long Range Transportation Plan (LRTP) development in June 2019. This definition identified two demographic factors that have historically been determinants of disinvestment and disenfranchisement: household income and race/ethnicity. A third factor, households with low vehicle ownership, presented an opportunity to target new mobility investments in neighborhoods with a higher propensity to take full advantage of them.

In June 2019 the Metro Board approved Motion 18.1 adopting the EFCs, which included Directive A: direct the CEO to adopt EFCs as a working definition under the first pillar of the Equity Platform (Attachment A - Motion 18.1, Directive A). Each of the three factors was given a threshold and

considered together to identify census tracts with high concentrations of historically disinvested and disenfranchised households and populations that might benefit from new mobility investments.

The EFCs adopted in Motion 18.1, and reconfirmed in the adoption of the LRTP in September 2020 (“Original EFCs”), consist of census tracts that contain the following:

- 40 percent of households are low-income (defined as having an annual household income of \$35,000 or less), AND
- 80 percent of people are non-white/Black, Indigenous, and other People of Color (BIPOC), OR
- 10 percent of households have zero vehicles.

The resulting map captured approximately 30 percent of the Los Angeles County population in order to identify the highest concentration of need. The 2020 LRTP contains nine (9) EFC specific performance measures to evaluate the benefits of the Metro investments as a whole. Additionally, this map has been used by staff to assess potential impacts from individual Metro projects, programs, and services to EFCs since September 2019.

DISCUSSION

Staff has worked with LRP, Information Technology Service (ITS), and other Metro departments along with a consultant team (Esri and Cambridge Systematics) to complete the requested update to EFCs. The project team reviewed several factors, including those requested by Chair Solis, to integrate into the EFC definition and found that the three factors in the Original EFC definition continue to be the best indicators to identify areas with high concentrations of historically disinvested and disenfranchised households and populations that are anticipated to most benefit from new mobility investments. Development of the 2022 EFC Update included:

- Updating the Original EFC factors with the latest available data;
- Adjusting low-income definition to align with other agency programs;
- Using an index methodology to assign a relative equity need designation to each census tract in the county;
- Initiating development of topical overlays for focused equity analyses; and
- Establishing a three-year cycle for future updates to the EFC definition and map.

The resulting map (Attachment B) for the 2022 EFC Update divides all census tracts into five percentile tiers: Very High Need, High Need, Moderate Need, Low Need, and Very Low Need. The two high need tiers (Very High Need and High Need) are defined as Equity Focus Communities and capture 40 percent of the population in the county. Additional details, considerations, and findings related to the 2022 EFC Update are outlined below.

Approximately 87 percent of the Original EFC census tracts continue to be captured in the 2022 EFC Update. Attachment C shows a comparison of the two maps and respective EFC designations.

Data Update

The 2022 EFC Update will retain the three sociodemographic indicators from the Original EFC definition: income, race/ethnicity, and household vehicle ownership. These indicators have proven to

be a simple yet comprehensive representation of geographic disparities and opportunity gaps in Los Angeles, while not being redundant indicators that “double count” equity-seeking populations. These indicators have been updated to the most recent data available (American Community Survey 2016-2020 5-Year Estimates).

Low-Income Definition

The new definition changes from a static threshold (annual household income of \$35,000 or less) to a relative threshold (U.S. Housing and Urban Development (HUD) Department’s “Very Low” income designation for Los Angeles County). Metro’s LIFE program utilizes this HUD income definition and Metro’s Joint Development program uses the range of HUD income definitions, which brings the EFC in alignment with these Metro programs that serve and measure equity for low-income populations. Because Los Angeles County has an exceptionally high cost of living compared to the rest of the country, the 2021 “Very Low” annual income threshold for a family of four is \$59,100. The 2022 EFC Update uses the American Community Survey (ACS) income tier that closest captures these households: “less than \$60,000 per year” tier.

Index Methodology

The Original EFC definition used a binary methodology to identify EFCs: if a census tract met the thresholds for each indicator, it was designated an EFC; if it did not meet the thresholds, it was not designated an EFC. While a binary method provides clear designation of highest need EFC census tracts (based on the 30% population target) there are several limitations to using this method for equity analyses, including “hiding” nuances and variation within EFC and non-EFC designated neighborhoods.

For the 2022 EFC Update, the project team considered several methodology options before selecting an index methodology, which provides optimal opportunities for both granular comparisons as well as countywide and/or subregional analysis (see Attachment D). The 2022 EFC Update will categorize all census tract percentile rankings into an index of five percentile-based tiers: Very High Need (80th to 99th) and High Need (60th to 79th), defined as EFCs; and Moderate Need (40th to 59th), Low Need (20th to 39th), and Very Low Need (below 20th percentile), defined as non-EFCs.

Toolkit of Overlays

In response to the Chair’s direction, staff consulted with the Los Angeles County Department of Public Health (DPH) to identify data indicators most closely associated with COVID-19 vulnerability, such as overcrowded housing, sustained transit ridership, and COVID-19 comorbidities. Staff also analyzed alignment of redlining designations, as determined by the Homeowners Loan Corporation (HOLC) in 1939, with existing EFCs. Lastly, the project team reviewed additional indicators related to historical inequities and economic impacts of the pandemic. Attachment E summarizes this analysis. This research proved the need for additional time and resources to incorporate a comprehensive historical inequity analysis into the EFC definition. This historical analysis is a goal to be incorporated into the next EFC update in three years.

Further, while the three sociodemographic indicators of the Original EFC definition remain optimal measurements of equity need, staff will build upon the Chair’s request and develop a toolkit of topical overlays that can support additional equity analyses. These overlays may include data to analyze environmental justice/land use conditions and impacts, neighborhood-level income, community

vulnerabilities to future public health crises, and/or to track community change over time.

Since September 2021 staff met with the Policy Advisory Council (PAC) four times, including two special PAC meetings, to present and receive feedback on the 2022 EFC Update. Staff have incorporated early PAC feedback to review other geographic equity analysis tools, such as University of Southern California's Neighborhood Data for Social Change, CalEnviroScreen, and Healthy Places Index. During the most recent Special PAC Meeting in April, PAC members provided ideas for future overlay datasets on topics including intersectional gender-based analysis, non-commute trips, traffic violence, climate resiliency, disability justice, park equity, and health care access.

Three-Year Cycle

The 2022 EFC Update is being completed three years after the Original EFCs were first defined in 2019, which has proven to be an update cycle that balances data relevance with staff capacity. For example, staff found that the concentration of low-income households in the county declined significantly in the time between the Original EFC development and 2022 EFC update, demonstrating that community conditions and characteristics are anything but static in Los Angeles. Further, a three-year update cycle would also align with Metro's Civil Rights Title VI program low-income definition updates, scheduled for a 2022 update and every three years after.

The project team also explored the feasibility, benefits, and challenges of four- and five-year update cycles. Though both a four-year and five-year interval have the potential to align with regional planning efforts or with Census data availability cycles, these external timelines are out of the agency's control and are not considered ideal for Metro's equity efforts.

EQUITY PLATFORM

Metro's definition of Equity Focus Communities (EFCs) was the agency's first equity tool to assess socioeconomic disparities and gaps in access to opportunity. This update is the first of regular iterations of the tool to further refine Metro's ability to prioritize resources for people and communities with the highest need in Los Angeles County. The 2022 EFC Update data is better aligned with other Metro department low-income definitions, the updated methodology allows for both granular and broad analysis, and a three-year update cycle ensures the tool is flexible in the face of demographic changes, including those accelerated by the COVID-19 pandemic, yet stable enough for the agency's various planning, policy, and programming efforts that require long-term analyses of equity and impacts.

OER has regularly engaged the PAC at various stages of development and will continue to work with internal and external partners to develop future EFC baseline analyses and supplemental equity tools, such as the proposed toolkit of topical overlays.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This receive and file supports strategic plan goal #1.1 by further refining a geographic equity analysis tool that can be implemented to target infrastructure and service investments toward those with the greatest mobility needs.

NEXT STEPS

staff will continue to engage internal and external stakeholders on historical impacts analysis and overlay dataset toolkit development, including research on other equity mapping and index industry best practices. Staff is also planning an agencywide rollout of the updated definition, including accessible online and shapefile maps, staff trainings and support, and a defined “grace period,” for staff to complete existing analysis using the Original EFC definition before transitioning to utilize the 2022 EFC definition. This rollout will replace utilization of the Original EFC map with the 2022 EFC Update map.

ATTACHMENTS

Attachment A - Attachment A - Motion 18.1 Defining EFCs 2019

Attachment B - 2022 EFC Update Map

Attachment C - Original EFC and 2022 EFC Update

Attachment D - 2022 EFC Update Methodology Research

Attachment E - 2022 EFC Update Data Analysis Summary

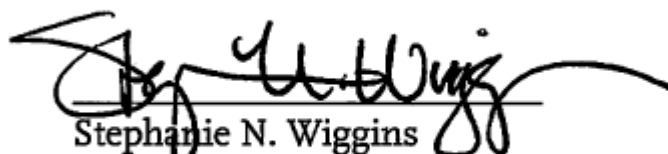
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Board Report

File #: 2019-0516, File Type: Motion / Motion Response

Agenda Number: 18.1

**REGULAR BOARD MEETING
JUNE 27, 2019**

Motion by:

Bonin, Garcia, Solis, Kuehl, Hahn and Dupont-Walker

Defining Equity Focus Communities

In February 2018, the Metro Board adopted the Equity Platform, a groundbreaking policy framework for addressing disparities in access to opportunity that result from historical disinvestment in low-income communities and communities of color. The Equity Platform included four key pillars to guide the work of the agency. The first of these pillars, Define & Measure, is foundational for all equity work moving forward. Over the past year, the lack of a clear definition of equity has hindered the application of the Equity Platform to agencywide planning efforts.

Los Angeles is one of the most inequitable regions in the United States, according to the National Equity Atlas. The significant gap between the region's wealthy and low-income communities manifests itself spatially, which affects educational attainment, job access, health outcomes, public safety, environmental quality, mobility, and more. Regions with greater disparities in educational and employment access are associated with slower economic growth and less social cohesion. In contrast, researchers at the Federal Reserve Bank of Cleveland, the International Monetary Fund, Standard and Poor's, and USC Program for Environmental and Regional Equity (PERE) have all found that regions that intentionally prioritize equity enjoy more robust economic growth over the long haul. Beginning to address these disparities is an urgent need, since it takes time to realign agency priorities and resources from historical practices. Adopting a working definition for use during the critical planning efforts underway, most notably the NextGen Bus Study and the Congestion Pricing Feasibility Study, would result in real benefits for communities that have waited a long time for their needs to be addressed equitably.

As part of the LRTP Draft Values Framework, Metro planning staff have developed a definition of Equity Focus Communities, learning from renowned academic experts at USC PERE and in consultation with the Metro Policy Advisory Council. This definition identifies two demographic factors that have historically been determinants of disinvestment and disenfranchisement: household income and race/ethnicity. A third factor, households with low vehicle ownership, presents an opportunity to target new mobility investments in neighborhoods with a higher propensity to take full advantage of them. Together, these three factors represent the locations where strategic transportation investments can have the greatest impact on reducing disparities in access to opportunity. While it is undoubtedly possible to further refine this definition, it would be imprudent to let this excellent work sit idle when it could be put into practice immediately.

SUBJECT: DEFINING EQUITY FOCUS COMMUNITIES

APPROVE Motion by Directors Bonin, Garcia, Solis, Kuehl, Hahn and Dupont-Walker that the Board direct the CEO to:

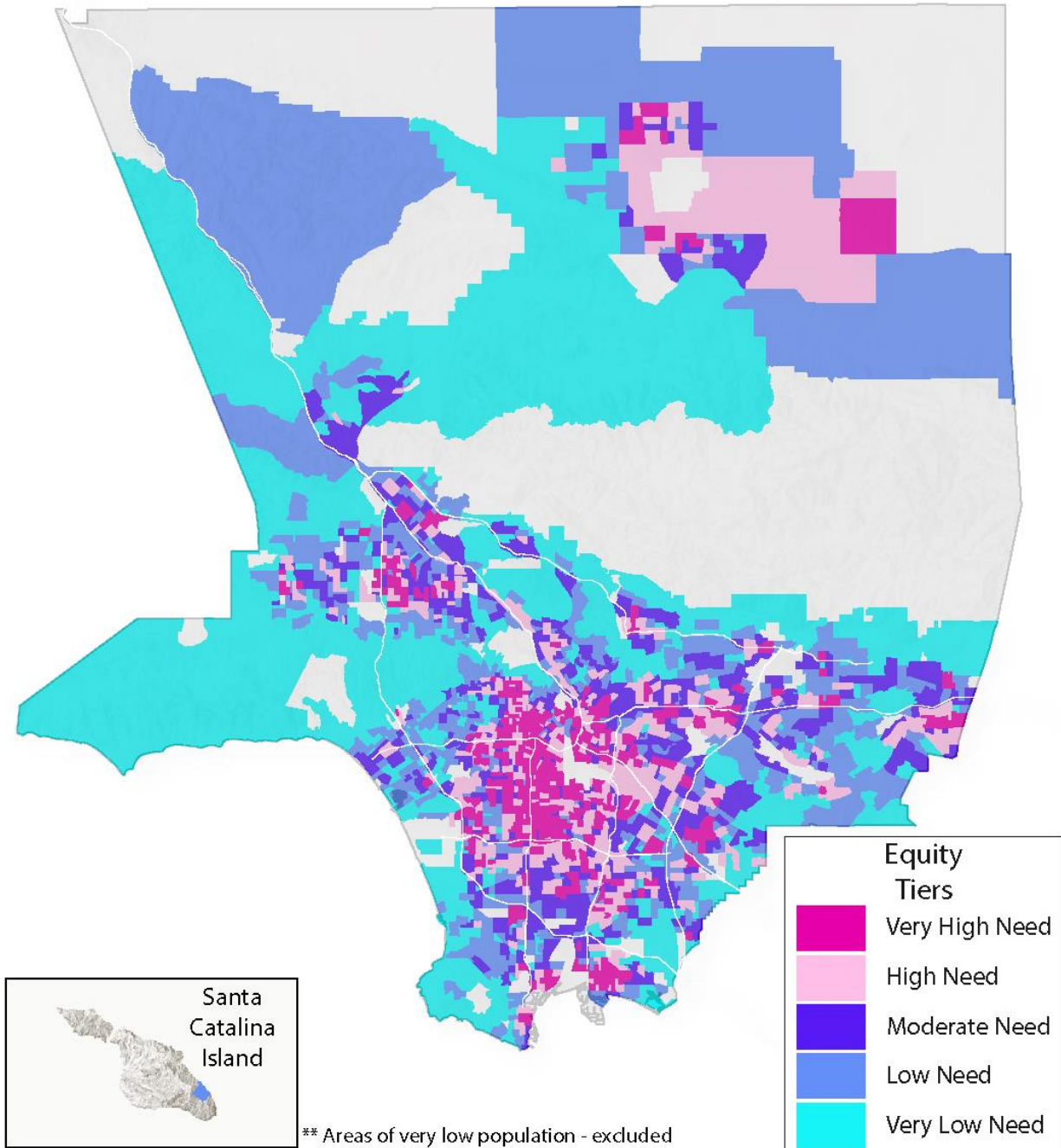
- A. Adopt Equity Focus Communities as a working definition under the first pillar of the Equity Platform;
- B. Utilize this definition of Equity Focus Communities to evaluate scenarios in planning efforts currently underway, including NextGen and Congestion Pricing, along with supplemental metrics if necessary and appropriate;
- C. Continue to refine the definition and applicability of Equity Focus Communities through the development of the LRTP and in consultation with the Policy Advisory Council and Chief Equity Officer.
- D. Report back to the Board on the status of hiring the Chief Equity Officer.

2022 EQUITY FOCUS COMMUNITIES UPDATE

Attachment B – 2022 Equity Focus Communities (EFC) Map

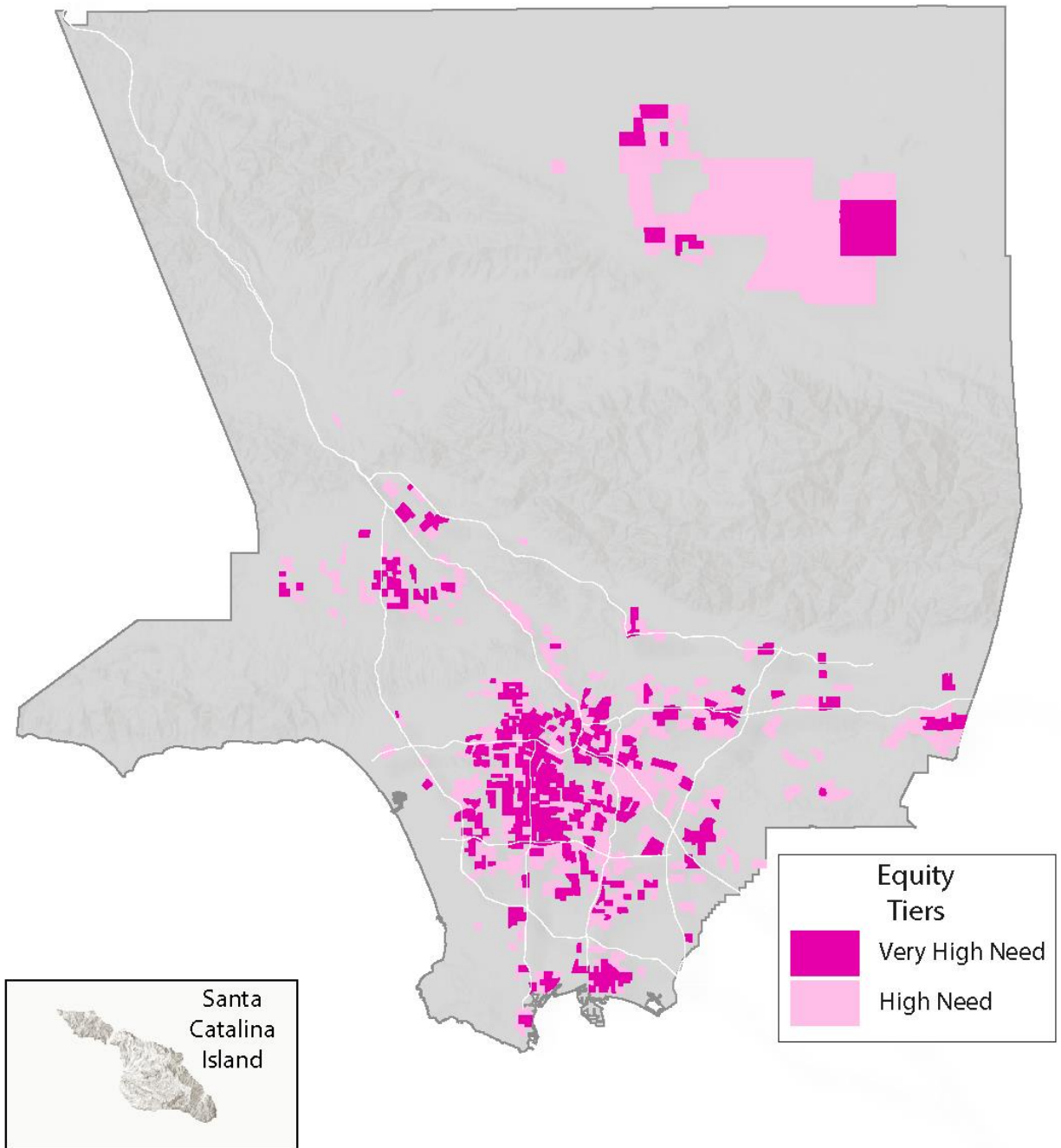
2022 EFC Index

- 80 to 99th percentile: Very High Need (EFC)
- 60 to 79th percentile: High Need (EFC)
- 40 to 59th percentile: Moderate Need (non-EFC)
- 20 to 39th percentile: Low (non-EFC)
- Below 20th percentile: Very Low (non-EFC)



2022 EQUITY FOCUS COMMUNITIES UPDATE
Attachment B – 2022 Equity Focus Communities (EFC) Map

2022 EFC Index – EFCs only

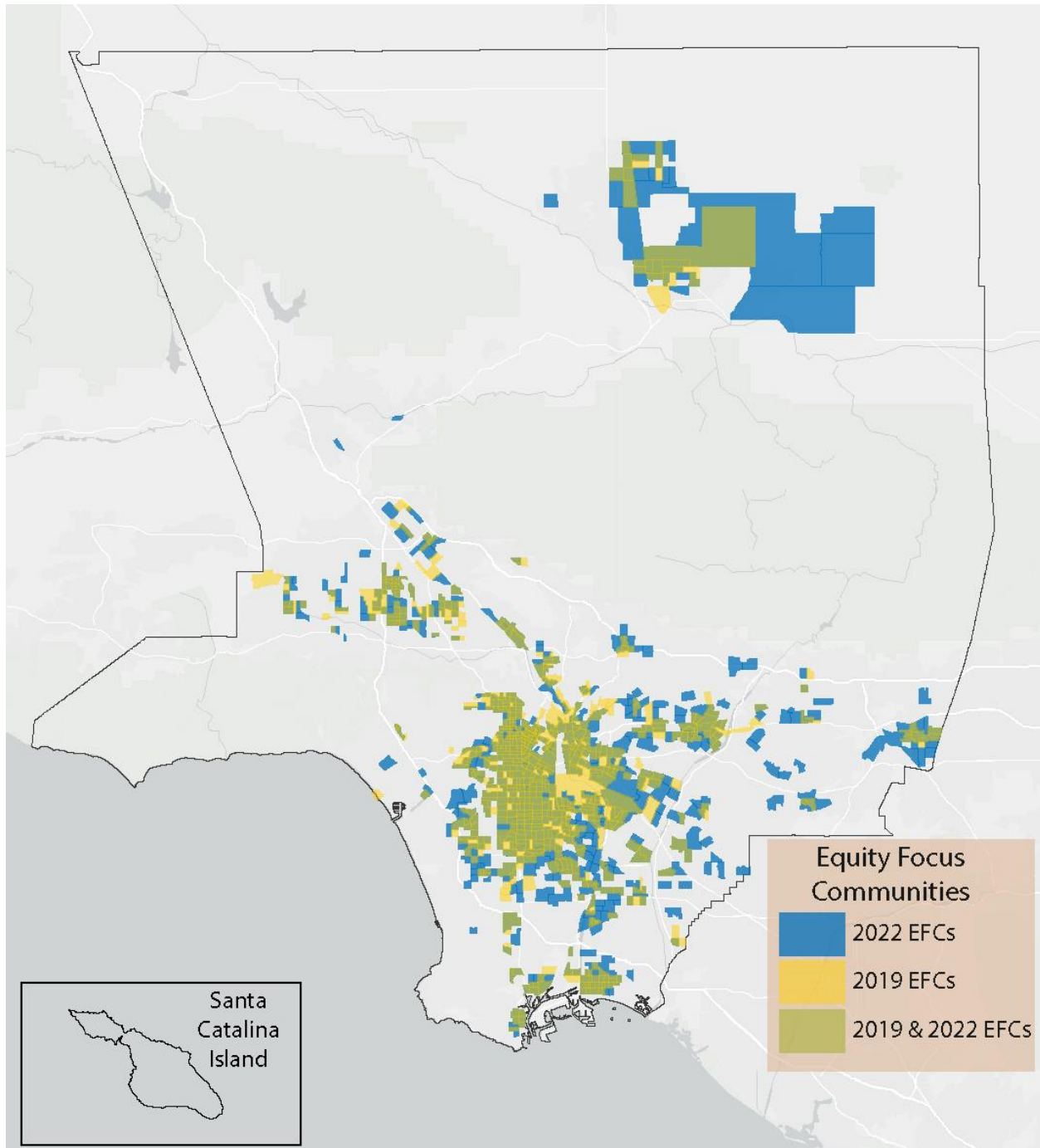


2022 EQUITY FOCUS COMMUNITIES UPDATE

Attachment C – Original EFC and 2022 EFC Update Comparison

The map below shows three layers:

- Blue: 2022 EFC Updates that were not previously designated EFCs in the Original (2019) EFC definition
- Green: 2022 EFC Updates that were previously designated EFCs in the Original EFC definition
- Yellow: Original EFCs that were not in the Very High or High Need tiers of the 2022 EFC Update



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Attachment D – 2022 EFC Update Methodology Research

Summary of EFC Methodology Options Considered

Binary

The Original EFC definition used a binary methodology to identify EFC census tracts: if a census tract met the definition, it was an EFC; if it did not meet the criteria, it was not an EFC. While a binary method provides clear designation of higher need census tracts (EFCs) and others, there are some challenges to this method:

- The binary designation combines different levels of need within the EFC designation and can “lump” together very different and disparate geographies. Similarly, differences and disparities within a non-EFC designation can be hidden with this method.
- The binary designation can be misinterpreted that to mean non-EFCs have no need, which is not accurate.
- The binary designation makes equitable prioritization more difficult, especially if resources for prioritization are not sufficient for the whole proportion of designated EFCs.

Raw Score

A raw score method would calculate characteristics of each census tract in the county and assign a percentile rank based on the concentration of high-need households and populations in the census tract, using the three Original EFC indicators of income, race/ethnicity, and vehicle ownership. Each census tract would then be assigned a percentile (0 to 99), identifying its ranking compared to all census tracts in the county.

A raw score method allows for granular analysis of each census tract compared to other census tracts in the county. It also reflects a more nuanced analysis of differences between many high-needs census tracts (or low-needs census tracts). However, this method also generates thousands of individual data points, which may have challenges for big picture data analysis.

Index

An index method utilizes the raw score method and then categorizes the percentile rankings into five tiers. This method preserves the percentile ranking between 0 to 99 and aggregates similar percentile rankings for a more manageable “big picture” analysis. In the 2022 EFC Update, percentile rankings are categorized into five tiers of: “Very High Need,” “High Need,” “Moderate Need,” “Low Need,” and “Very Low Need.” An example of the use of an index with tiers is affordable housing thresholds that identify eligibility tiers based on a range of household income types, such as “Low Income,” “Very Low Income,” or “Extremely Low Income.” An index method allows flexibility in the number of tiers, depending on the level of granularity needed. Further, an index method has been used by similar geographic equity analyses in Los Angeles County, such as the 2016 Countywide Parks & Recreation Needs Assessment and the City of Los Angeles Equity Index.

The 2022 EFC Update uses the index method.

2022 EQUITY FOCUS COMMUNITIES UPDATE Attachment E – 2022 EFC Update Data Analysis Summary

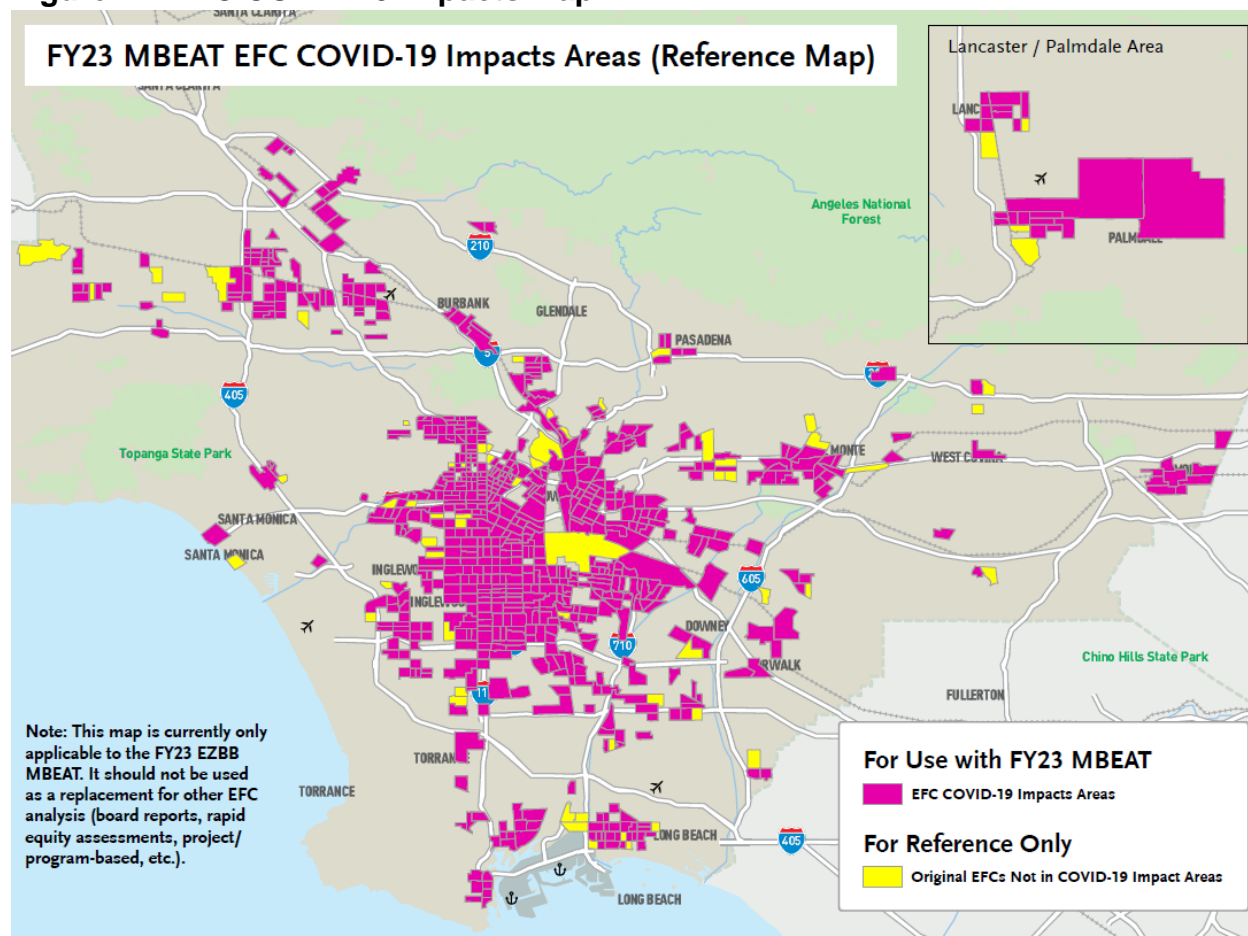
Timeline and Maps

The 2022 EFC Update data analysis was completed between August 2021 and April 2022. Over the course of these nine months, staff created two products: (1) an EFC Covid-19 Impacts map and (2) a final 2022 EFC Update Map. Each map required different considerations and data analysis, summarized below.

EFC COVID-19 Impacts Data Analysis

As part of the 2022 EFC Update, between December 2021 and January 2022, staff from the Office of Equity and Race (OER) developed an interim EFC COVID-19 Impacts map (Figure 1). The census tracts identified as “EFC COVID-19 Impacts Areas” (shown in pink in Figure 1) overlapped with 91% of Original EFC census tracts. The map was used in the FY23 budget process’ Metro Budget Equity Assessment Tool (MBEAT).

Figure 1 – EFC COVID-19 Impacts Map



Data Utilized

Due to a pandemic-related delay in data availability, the EFC COVID-19 Impacts data analysis used older American Community Survey 2015-2019 (ACS 2015-2019) data,

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Attachment E – 2022 EFC Update Data Analysis Summary

available as of December 2020, to update the Original EFCs, defined by income (Table B19001), race/ethnicity (Table B03002), and vehicle ownership (Table B08201). The analysis also combined additional indicators and data from several other sources:

- Home Owners Loan Corporation maps showing grading system scores for areas of Los Angeles County (1939);
- Centers for Disease Control (CDC) Population Level Analysis and Community Estimates (PLACES) data for rates of underlying health conditions at the census tract level (2020);
- ACS 2015-2019 census tract data on household overcrowding (Table B5014), household income (Table S1901), and renter and owner housing cost burden (Tables B25070 and B25091), to identify census tracts with high concentrations of vulnerable housing conditions;
- Rail and bus stop activity data from LA Metro (2019-2021) to assess sustained transit activity and proxy presence of essential workers; and
- Rates of cumulative COVID-19 Cases and Deaths at the census tract level from the start of the pandemic through December 2021, from LA County, Pasadena, and Long Beach departments of public health.

Analysis and Findings

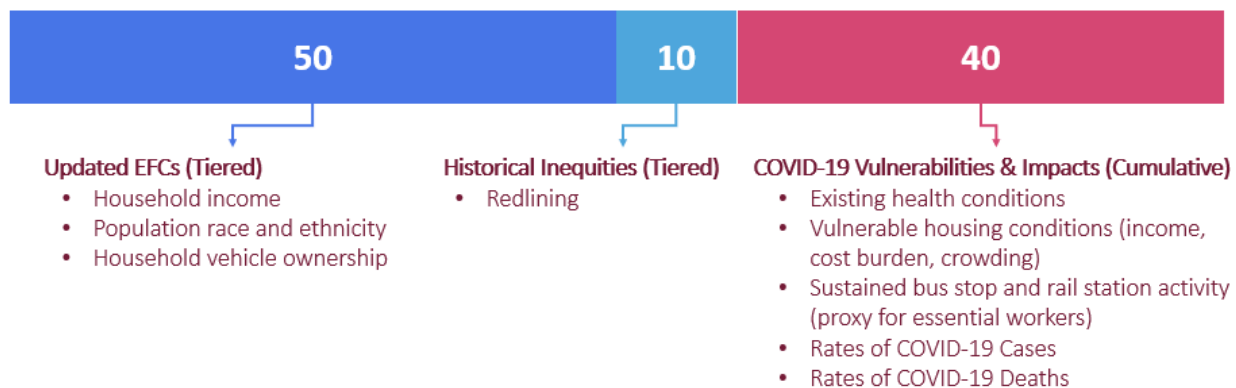
While ACS 2012-2016 data, used to identify the Original EFC census tracts in 2019, resulted in 30 percent of the Los Angeles County population being identified as living in a low-income census tract (where 40% of households earned less than \$35,000 annually), the ACS 2015-2019 data saw a reduction of that share of the population to less than 18 percent. In an effort to meet the 30 percent share of LA County population in EFCs, staff increased the household income threshold to less than \$40,000 annually, which resulted in identification of census tracts that encompassed 28 percent of the county population.

Historical inequities and COVID-19 vulnerability & health impacts indicators were combined with EFC indicators, creating an index scoring methodology that assigned a score to each census tract based on three categories (Figure 2). Census tracts that met the updated EFC thresholds received 50 points; those that were Original EFCs and no longer met the thresholds received 30 points. Census tracts that were previously redlined and currently met EFC thresholds were assigned 10 points, while previously redlined tracts that did not meet current EFC thresholds were assigned 5 points. Lastly, census tracts were assigned a combined score between 0 to 40 points, depending on the scores for each individual indicator outlined in Figure 2.

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Attachment E – 2022 EFC Update Data Analysis Summary

Figure 2 – EFC COVID-19 index scoring methodology



Application

The EFC COVID-19 Impacts map was used in the FY23 MBEAT to track FY23 investments in COVID-19 impacted areas. Staff will begin analysis after approval of the FY23 Metro Budget.

2022 EFC Update Map Data Analysis

Data Utilized

The final 2022 EFC Update Map includes only the three factors from the Original EFC definition (household income, race/ethnicity, and vehicle ownership) and uses ACS 2016-2020 data (tables identified above), available as of March 2022.

Analysis and Findings

In order to create an index that is flexible and easy to change over time while maintaining the use of the priority factors of low-income, BIPOC, and zero-car households, staff created a percentile-based index. The percentile score allows for the grouping of each census tract into tiers so that various levels of need can be identified for different equity planning purposes. Furthermore, it allows one to normalize for income when considering additional variables and aligns with other equity indices such as California's Office of Environmental Health Hazard Assessment's *CalEnviroScreen*¹ and the Public Health Alliance of Southern California's *Healthy Places Index*.²

The consultant team calculated and removed outlier data in two steps:

- Eliminated census tracts with low population numbers that may skew the results³
 - Removed census tracts in LA County with a population of 1500 or less
 - The average census tract population in LA County is 4,020

¹ <https://oehha.ca.gov/calenviroscreen>

² <https://www.healthyplacesindex.org/>

³ The Healthy Places Index also follows a similar methodology to eliminate outliers.
<https://www.healthyplacesindex.org/>

2022 EQUITY FOCUS COMMUNITIES UPDATE
Attachment E – 2022 EFC Update Data Analysis Summary

- Removed census tracts with less than 100 households
 - The average number of households in a census tract in LA County is 1,369

The consultant team then calculated percentile rankings for each of the three indicators and thresholds, then combined these into a final EFC percentile ranking that could be divided into five equity tiers:

- Very High Need – Above 80th percentile
- High Need – 60th to 79th percentile
- Moderate Need – 40th to 59th percentile
- Low Need – 20th to 39th percentile
- Very Low Need – below 20th percentile

One notable change is the decision to increase the income threshold from “less than \$35,000” to “less than \$60,000.” This better aligns the EFC with Metro’s other programs which are using the California Dept of Housing and Community Development’s definition of “very low income” being \$59,100 household income for a family of four.⁴ The resulting map is shown in Figure 3 and the household and population characteristics of census tracts in each tier are summarized in Table 1.

Table 1. Household and Population Characteristics of Equity Tiers

<i>Equity Tier</i>	<i>Population</i>	<i>Households</i>	<i>Low Income Households</i>	<i>BIPOC Population</i>	<i>Zero Vehicle Households</i>
<i>Very High</i>	1,900,280	570,319	347,495	1,771,969	105,564
<i>High</i>	2,131,122	682,121	339,075	1,814,469	81,798
<i>Moderate</i>	2,072,962	686,858	268,137	1,591,754	51,567
<i>Low</i>	1,826,317	642,768	194,558	1,236,540	32,847
<i>Very Low</i>	2,026,834	728,717	151,466	971,795	18,564
<i>Total*</i>	9,957,515	3,310,783	1,300,731	7,386,527	290,340

Application

The 2022 EFC Update will use the “Very High Need” and “High Need” tiers (top 40% of census tracts) to identify EFCs, covering roughly 40% of the population of LA County. The “Moderate,” “Low,” and “Very Low” tiers will be identified as non-EFCs.

⁴ <https://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>

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Attachment E – 2022 EFC Update Data Analysis Summary

Figure 3 – 2022 EFC Update Map

