New 2022 Update to the Identification of Low-Income Communities

A Methodology and Documentation for Maps under AB 1550

Released March 2022

Data sources used:

U.S. Census Bureau, 2015-2019 American Community Survey (ACS) 5 year Estimates — California Census Tracts: https://www.census.gov/programs-surveys/acs/
U.S. Census Bureau, QuickFacts California 2019 Tables — accessed January 27, 2022: https://www.census.gov/quickfacts/fact/table/CA/INC110219#INC110219
Department of Housing and Community Development's (HCD) Revised State Income Limits for 2021. Released December 31, 2021 https://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml

Impact of Pandemic on underlying data sources:

Geographic scale is based on the U.S. Census Bureau's 2016 census tract boundaries, which is the same for the prior 2018 release of this methodology. Additionally, the Census Bureau notes a significant disruption to the 2020 ACS data collection effort amid COVID-19 pandemic. These datasets will not be available until later in 2022 and the most recent 2015-2019 ACS 5 year estimates are used for the methodology defined in this document.

More information on the impact of the pandemic on the American Community Survey, visit:
https://www.census.gov/newsroom/press-releases/2021/acs-5-year-estimates.html

AB 1550 identifies Low-income households or communities according to the definitions below:

(1) "Low-income households" are those with household incomes at or below 80 percent of the statewide median income, or those with household incomes at or below the threshold designated as low-income by the Department of Housing and Community Development's (HCD) State Income Limits adopted pursuant to Section 50093.

(2) "Low-income communities" are census tracts with median household incomes at or below 80 percent of the statewide median income, or census tracts with median household incomes at or below the threshold designated as low-income by HCD's State Income Limits adopted pursuant to Section 50093.

Since (1) applies to individual households statewide, it is not mapped. Each household will be evaluated on an individual basis to see if it qualifies as "Low-income" by either definition defined in (1).

Two different definitions of a "Low-income community" are provided in (2); one that relies on statewide median household income and one that uses a definition of low-income per HCD's State Income Limits. To fully map these census tract areas designated by (2), both the statewide median household income definition and HCD's State Income Limits define "low-income communities" and both definitions are true for the purposes of identifying these census tracts as "low-income."

Low-income Community based on Statewide Median Household Income

For the first definition based on the statewide median household income, the median household income of each census tract was determined from the 2015-2019 ACS data (B19013). The statewide median household income from U.S. Census Bureau and ACS QuickFacts California 2019 Tables based on 2015-2019 5-year estimates is $75,235. Based on this data, any census tract with a median household income at or below 80 percent of $75,235 (i.e., $60,188) identified as low-income per Figure 2, page 4.
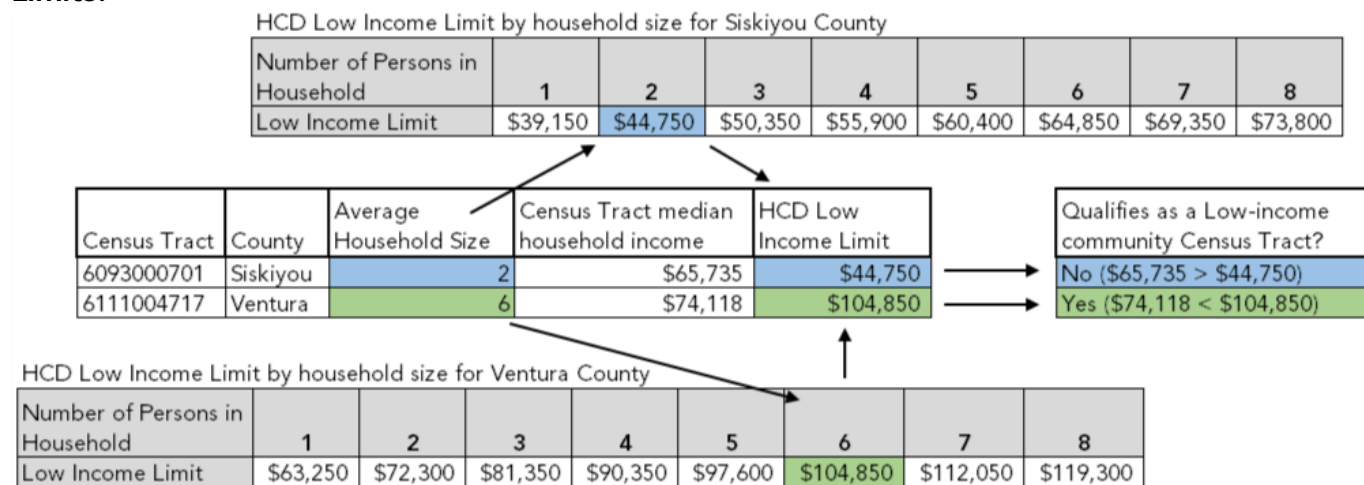
Low-income Community based on HCD's Low-income Limits

The second definition is on the threshold designated as low-income by the HCD's State Income Limits. The HCD State Income Limits vary by household size for each county and provide income thresholds for 'Acutely Low,' 'Extremely Low,' 'Very Low,' 'Low,' 'Median,' and 'Moderate' income categories. AB 1550 refers to the **'Low'** income thresholds within this dataset.

To translate the county-level "Low-income" limit from the HCD dataset to define "low-income" at the census tract level, the average household size for each census tract was derived from the 2015- 2019 ACS data (B25010), rounding to the nearest whole number. The average household size of each census tract- county combination used to determine the appropriate "Low-income" limit from HCD's State Income Limits table. The median household income for each census tract was also determined using the 2015-2019 ACS data (B19013), compared against the appropriate HCD Low-income limit. If the median household income for a census tract-county combination was equal to or less than the appropriate HCD Low-income Limit, the census tract was defined "low-income" for the purposes of AB 1550.

Figure 1 below illustrates this process visually and provides the steps that were followed. Census tracts identified by either definition were then combined to create the final list of AB 1550 Low-income community census tracts.

Figure 1 — Method for defining low-income community based on HCD Income Limits.

HCD Low Income Limit by household size for Siskiyou County

Number of Persons in Household	1	2	3	4	5	6	7	8
Low Income Limit	$39,150	$44,750	$50,350	$55,900	$60,400	$64,850	$69,350	$73,800

Census Tract	County	Average Household Size	Census Tract median household income	HCD Low Income Limit	Qualifies as a Low-income community Census Tract?
6093000701	Siskiyou	2	$65,735	$44,750	No ($65,735 > $44,750)
6111004717	Ventura	6	$74,118	$104,850	Yes ($74,118 < $104,850)

HCD Low Income Limit by household size for Ventura County

Number of Persons in Household	1	2	3	4	5	6	7	8
Low Income Limit	$63,250	$72,300	$81,350	$90,350	$97,600	$104,850	$112,050	$119,300

Process for identifying low-income census tracts using HCD's Income Limits
1. Determine median household income of census tract.
2. Determine average household size of census tract.
3. Identify county of census tract.
4. Use county and household size of census tract to match the income limit identified as "low-income" in HCD's State Income Limits for the county.
5. A census tract is identified as low-income if the census tract's median household income is at or below the appropriate HCD low-income limit.

Census Tract	County	Census Tract median household income	HCD Low Income Limit	80% of Statewide median household income	Qualifies as a Low-income community Census Tract?
6049000300	Modoc	$57,586	$44,750	$60,188	Yes ($57,586 < $60,188)

Figure 2 — Determination of low-income census tract above HCD limit but still qualifying as low-income based on 80% statewide median household income.