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UNEVEN EFFECTS: THE MIXED STORY OF TRANSIT-ORIENTED GENTRIFICATION IN LOS ANGELES

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Brown, Anne E

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# Uneven Effects

## The Mixed Story Of Transit-Oriented Gentrification In Los Angeles

Anne Brown

University of California, Los Angeles

Transit-oriented gentrification studies in Los Angeles record contrasting findings, but yield consistent implications for station area planning. As these cases demonstrate, simply building transit will not gentrify neighborhoods; a blend of built environment factors, development, and government support are needed to catalyze gentrification. This paper reveals the importance of government involvement as both the precursor of gentrification and protector of residents. Given this, cities should enact multipronged and context-sensitive policies to protect incumbent residents from gentrification's potentially negative effects. A mix of housing policies can help residents weather rising housing costs, remain in neighborhoods, and capitalize on increased local amenities.

## 1. Introduction

Neighborhood gentrification is never simple or straightforward; it affects each neighborhood differently, may have both positive and negative effects, and is driven by site-specific forces. While gentrification has been on both scholars' and practitioners' radars since Ruth Glass coined the term in 1964, its definition, drivers, and effects are still hotly debated. Research links gentrification to several neighborhood preconditions, such as changing lifestyle preferences and professional clusterings in cities (Freeman and Braconi 2004), and recent studies have increasingly investigated the role of transit as a driver of neighborhood gentrification (Chapple 2009; Dominie 2012; Kahn 2007; Pollack, Bluestone, and Billingham 2010). The potential of transit to spur gentrification is alarming given the current transit renaissance in cities across the United States. For example, Los Angeles County Metropolitan Transportation Authority (LA Metro) plans to invest nearly \$40 billion in rail and transit-corridor capital alone in the next thirty years to encourage alternatives to driving and reduce carbon emissions (LA Metro 2009). Despite these admirable goals, more attention has been given to transit's mobility opportunities and less to its neighborhood effects. Studies of Los Angeles find conflicting evidence on how transit affects neighborhoods. Given these findings, it is important to consider what transit investment means for future neighborhood diversity and how planners and policymakers can protect neighborhoods in crisis and threatened by the potentially adverse effects of gentrification. This paper tackles two sets of questions: first, has transit already gentrified neighborhoods in Los Angeles, and how does evidence vary by location and across modes; and second, given the uneven pattern of gentrification around transit, how might planners prepare and protect neighborhoods from gentrification's negative side effects?

## 2. Why Might Transit Gentrify Neighborhoods?

Drawing on the existing gentrification literature, this paper defines gentrification as a process of neighborhood change that results in economic and demographic transitions in lower-income neighborhoods (Chapple 2009). Gentrifying neighborhoods are typically characterized by disproportionately rising incomes, inflating housing costs, and higher relative levels of educational attainment compared to non-gentrifying neighborhoods (Chapple 2009). While socioeconomic transitions may also result from direct interventions such as economic development policies, gentrification is typically either an outcome of such policy interventions or an independent phenomenon that occurs as new groups move into typically

depressed neighborhoods to capitalize on preexisting neighborhood assets, such as location or unique housing stock. Importantly, gentrification is not synonymous with displacement. While gentrification may result in the direct displacement of incumbent residents through rising housing costs, much gentrification occurs through a gradual succession of higher-income households into a neighborhood. In other words, gentrification is more a result of who is moving into a neighborhood than who is moving out (Freeman 2005).

Not all neighborhoods are equally susceptible to gentrification: neighborhoods are more likely to gentrify when they are home to a high proportion of low-income residents (Pollack et al. 2010), higher proportions of renters (McKinnish, Walsh, and White 2010), and changing lifestyle preferences that create demand for new urban locations or amenities (Freeman and Braconi 2004). Transit-adjacent neighborhoods fill many of gentrification's preconditions: lower-income households are more likely to live near transit (Glaeser, Kahn, and Rappaport 2008); and some households self-select into station areas based on preferences to live proximate to transit (Cervero 2006). Correspondingly, Chapple (2009) finds that neighborhoods around rail stations may be "particularly susceptible to gentrification," noting that gentrifying neighborhoods in San Francisco are "nearly twice as likely to be located within one-half mile of transit than any other kind of neighborhood" (2, 5).

### 3. Transit-Oriented Gentrification in Los Angeles

Since 2000, five studies have investigated gentrification in Los Angeles' transit-adjacent neighborhoods. These studies define gentrification similarly to this study, as a process of neighborhood change resulting in socioeconomic transitions to increased affluence. While each study employs slightly different variable combinations, each adheres to established proxies for neighborhood change such as median household incomes and educational attainment rates. Of the five studies, four focus on rail stations (Coleman 2012; Dominie 2012; Loukaitou-Sideris and Banerjee 2000; Stephens 2012), while one examines the effects of Bus Rapid Transit (BRT) (Brown 2014). The focus on rail over bus services in these studies reflects both the modal division of transit service in Los Angeles—which as of 2015 has six rail lines but only two BRT lines—as well as the relative newness of BRT in Los Angeles. LA Metro completed its first rail line, the Blue Line, in 1990. By comparison, BRT was not introduced until the mid-2000s, with the Orange and Silver BRT lines in 2005 and 2009 respectively.

While transit-oriented gentrification studies in Los Angeles record contrasting findings, the implications of these studies are consistent and yield important lessons for station area planning. Three of the five gentrification studies find that areas around transit stations in Los Angeles gentrified between 1990 and 2010. Dominie (2012) notes that while not all station areas gentrified, the pattern is “striking” (79). Overall, areas within one half-mile of rail stations added high-income households, lost transit riders, and gained solo car drivers at a faster rate compared to Los Angeles County (Dominie 2012). In Los Angeles, 70 percent of heavy rail (Red and Purple Line) stations (Coleman 2012) and 60 percent of LRT (Gold, Blue, and Expo Line) stations gentrified between 1990 and 2010 (Stephens 2012). Average educational attainment around rail stations grew at a faster rate (77 percent) compared to areas farther from stations (54 percent), and heavy rail station areas had both above-median rental costs and higher proportions of above-median-income households (26 percent) compared to non-station areas (7 percent) (Coleman 2012).

Contrary to what Coleman (2012), Dominie (2012), and Stephens (2012) find, Loukaitou-Sideris and Banerjee (2000) and Brown (2014) do not find evidence of transit-driven gentrification around the Blue Line light rail and Orange Line BRT, respectively. Between its construction in 1990 and 2000, Loukaitou-Sideris and Banerjee note a startling lack of development around Blue Line stations. They conclude that the Blue Line is “missing antecedents for community and economic development,” including low densities that are less supportive of development, industrial land uses surrounding stations, a lack of design and planning efforts around stations, and regulatory barriers such as zoning (119). In particular, Loukaitou-Sideris and Banerjee (2000) identify public-sector participation and supportive policies, such as relaxed density or zoning specifications, as most critical in station area development. In the case of the Blue Line, development fell short due to a lack of coordinated transit, station, and land-use planning (Loukaitou-Sideris and Banerjee 2000). While development is not identical to gentrification, scholars cite capital investment as both a principal instigator and effect of gentrification (Davidson and Lees 2005).

Brown (2014), too, finds insufficient evidence to conclude that stations around the Orange Line BRT gentrified between its opening in 2005 and 2012. Like Loukaitou-Sideris and Banerjee (2000), she observes an absence of development around the Orange Line during this time. Supporting this connection, Hook, Lotshaw, and Weinstock (2014) find that “there is nearly a direct correlation” between the level of transit-adjacent investment and the level of government support; without governmental support, little investment will occur (7). With international studies repeatedly finding higher housing costs and land values

around BRT stations (Munoz-Raskin 2010; Rodriguez and Targa 2004), Brown (2014) concludes that while gentrification has not yet occurred around Orange Line stations, the Orange Line has latent potential for development and may gentrify in the future. This future is likewise plausible in light of LA Metro's current plans for station area development (Brown 2014).

Given the contrasting stories outlined above, why did some transit-adjacent neighborhoods gentrify while others did not? One marked difference between gentrifying and non-gentrifying neighborhoods, noted by both Loukaitou-Sideris and Banerjee (2000) and Brown (2014), is the level of government initiative and support of local development. While little to no government support or development occurred around either the Blue or Orange Lines, new development rings many of Los Angeles' other rail stations. Often with supportive governmental policies, new transit-oriented developments, such as those at Wilshire/Vermont or Hollywood/Highland, have transformed Metro rail-adjacent neighborhoods. The importance of government support and intervention in stimulating development echoes earlier work by Knight and Trygg (1977), who argue that transit alone will not stimulate development; instead, supportive local politics, the availability of developable land, and favorable station area characteristics are equally important (Knight and Trygg 1977). Therefore, while public initiatives may spark investment and gentrify transit areas, government interventions, such as affordable housing provisions, may also help to preserve existing neighborhoods as discussed in the following section.

#### 4. Looking Ahead: Transit Investment and Policy Responses

As Los Angeles transit demonstrates, simply building transit will not gentrify neighborhoods; a blend of built environment factors, development, and governmental support interact to gentrify neighborhoods. However, given the importance of government intervention in stimulating development, and thereby indirectly facilitating gentrification, governments should employ place-specific policies to protect incumbent residents from gentrification's potentially negative effects. Government-based policy considerations are particularly important given the continued proliferation of transit-oriented development projects across the country, including many proposed in Los Angeles (LA Metro 2015).

Proactive policies to create or preserve permanent affordable housing are the most commonly cited way to protect residents from displacement and ensure mixed-income housing supply around transit stations (Chapple 2009; Levy,

Comey, and Padilla 2006; PolicyLink 2014). Governmental action is often necessary to protect or create affordable housing around transit (Chapple 2009; Pollack et al. 2010). As of yet, no single best practice to protect affordable housing has emerged. Therefore, policymakers will have to use a smattering of policies—a “silver buckshot”—rather than a silver bullet to preserve low-income housing choice in transit-adjacent neighborhoods. A multi-pronged approach, including cooperative housing, expanded affordable housing supply, just-cause eviction controls, and rent control, can help to maintain affordable housing around transit (PolicyLink 2014). Additional government interventions may include enabling conditional use permits, developer incentives, or other regulatory policies to ensure a steady supply of affordable housing within transit-adjacent communities (Levy et al. 2006; Pollack et al. 2010). Investing in neighborhoods without engendering displacement may create positive benefits for residents such as enhanced services or public schools (Chapple 2009).

In addition to creating affordable housing provisions, cities should make two other considerations. First, station design may affect a neighborhood’s propensity to gentrify (Kahn 2007), which underscores the need for site-specific planning and policies catered to individual locations. Second, cities can pair site-specific plans and affordable housing provisions with people-based initiatives. Community-building measures to help low-income households build assets and income may also help buffer families against rising neighborhood costs (Levy et al. 2006).

Maintaining diversity in transit adjacent neighborhoods is more than just planning; it’s also smart planning. Low-income households, which may be displaced by gentrification, are more likely to ride transit compared to higher-income households that move into gentrifying neighborhoods (Pollack et al. 2010). Therefore, ironically, transit-oriented development could also erode the very ridership it hopes to induce by displacing the most transit-dependent populations (Pollack et al. 2010). Cities aiming to decrease auto dependence and promote sustainable travel patterns further these goals by protecting affordable housing around stations, granting transit access to those who use it most.

## 5. Conclusion

While studies of Los Angeles' transit reveal mixed gentrification effects, it is clear that some neighborhoods are in crisis as residents face potential displacement if policymakers do not intervene. The importance of government involvement as both the precursor of gentrification and protector of residents is clear. A mix of housing policies can protect incumbent residents from threats of displacement and help them to weather rising housing costs, remain in their neighborhoods, and capitalize on increased local amenities. At the same time, future research should evaluate such policies to identify those that best mitigate the negative effects of gentrification. Although this paper identifies multiple strategies, a more systematic evaluation of the policies' relative effectiveness will enhance low-income households' ability to remain in gentrifying neighborhoods.

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## Lead Photograph

Pico Union, Los Angeles. Students from UCLA's Urban Planning program listen to community organizer from Pico Union discuss the difficulties facing local residents in maintaining their homes and community as external investment increases local land values. Photograph by Rebecca Crane.