In recent years, South Gate, a city of approximately 100,000 people located southeast of downtown Los Angeles has seen a number of new planned public and private investments. These investments include the Urban Orchard, a new 30-acre park along the Los Angeles River, a cultural center at the confluence of the Rio Hondo, and Metro’s West Santa Ana Branch rail line and transit oriented development hub. In addition, recently enacted legislation such as LA County Measures A and W and State of California Proposition 68 will fund additional parks and green infrastructure bringing more investment to South Gate and other Gateway Communities in the future.

These new investments will bring much needed green space, providing residents with opportunities to play, gather, exercise and grow food as well as crucial green infrastructure that will mitigate the effects of climate change in neighborhoods that have been historically underserved. These improvements will provide more equitable access to the health, social, and environmental benefits that parks and open spaces provide. However, they will also attract new economic investment and potential real estate speculation. Therefore, it is important to understand these opportunities and risks, as well as strategies to best position residents to benefit from these developments and guard against any potential harms.

This report focuses specifically on the development of the Urban Orchard, a community-driven park project currently being developed on 30-acres of post-industrial land along the Los Angeles River. In addition to supporting the community design process and project development, The Trust for Public Land and research partners are facilitating a participatory action research project to understand the risk of gentrification and displacement in the communities surrounding the Urban Orchard. This report is an executive summary of our research findings and recommendations, which builds upon lessons from South Gate and experiences from other communities around the country.

“The City should not only be planning for the Urban Orchard park. The city needs to do something to ensure that people will stay here.”
- South Gate resident

“These new investments [parks, transit, and shopping areas] are linked to gentrification and displacement. ... [Our communities are] peaceful areas, more beautiful, and more accessible [than others]. These places are attractive. These new developments and investments make these cities more peaceful, more like the places where people want to live.”
- South Gate resident
South Gate: A Situational Analysis

The Urban Orchard project is part of a regional effort to revitalize the southern stretch of the Los Angeles River and create recreational spaces for local residents as well as visitors. Putting to use vacant land that is currently gated and locked, the design is anchored by a community orchard, and includes amenities such as walking paths, picnic areas, natural play areas, interpretive elements, a suite of stormwater capture features, and connection to the cycling network that follows the river’s course. The first phase of the park will open to the public at the end of 2021. The Urban Orchard project area is surrounded by a senior-living mobile home park directly adjacent to the project site, the Firestone Boulevard business corridor, public right-of-ways for power lines and utilities, and the I-710 Long Beach Freeway. The community faces high levels of both environmental pollution and social vulnerability, ranking as one of the most critical for interventions in the State of California. While investment in this area is important to the future health of the city and its residents, it is important to understand the demographic, economic and housing conditions of its neighborhoods as a first step to avoiding harmful unintended consequences.

Gentrification Risk

Objective Risk of Gentrification:

Our analysis shows that the census tract where the Urban Orchard is located is already experiencing some of the early signs of gentrification and areas around the Urban Orchard are facing a moderate amount of risk of gentrification and displacement. Since 2014, in the census tract that includes the Urban Orchard, median household income, the percentage of non-Hispanic white residents, median gross rent, and the percentage of non-Hispanic white residents have grown faster than in the City of South Gate as a whole. Research shows that neighborhoods most vulnerable to gentrification are those that have average household income levels and housing prices below a region’s average but some elements of desirability such as having access to amenities. The tract including the Urban Orchard, as well as other neighborhoods in South Gate, have these traits.

Perceived Risk of Gentrification:

Questionnaires answered by South Gate residents in our participatory action research project showed that more than half of respondents were “very” concerned about gentrification and displacement, and another quarter of respondents were at least “a little” concerned. Recent immigrants, older residents, and renters were more concerned than others. In interviews, we found that residents understand that the City of South Gate is ripe for gentrification because it includes relatively safe neighborhoods with access to good amenities. They expressed concern that new investments will make the city even more attractive and create displacement risk for long-term residents.

Community members and non-profit staff interviewed as part of the participatory action research project, expressed concern that efforts to spur economic growth would go unchecked, causing speculation and development not accessible to existing residents. Others worried that some residents would oppose new initiatives to build affordable housing in their neighborhoods.

Our survey of current development in the area found that investors have taken note and started to purchase undervalued properties along the Los Angeles River. New development of market rate housing is already being planned around the Urban Orchard and West Santa Ana Branch Line, the new Metro Light Rail line that will take residents from South Gate to downtown Los Angeles in 20 minutes.

“I am worried. People have been living here for a long time. They have memories. When you see neighbors getting displaced, it’s hard. It’s something that could happen to me, too. All of a sudden, you can’t afford rent anymore. That is similar to what is happening in Boyle Heights. I see that on TV and it moves me. When people lose their place, they also lose a sense of self and a sense of community.”
- South Gate resident

“South Gate is the first piece of the domino for gentrification in the Southeast Cities.”
- Non-profit staff member
Recommendations for South Gate and Urban Orchard

Based on our research in South Gate and our understanding of efforts statewide and around the country to ensure equitable community development around parks, green infrastructure, and other public projects, we offer the following recommendations for city leaders, city staff, and residents.

Immediate:

- Understand the Risk: Continue to track demographics, rents, home values, and sale prices to understand changes in gentrification and displacement risk.
- Develop a Shared Language: Educate residents, community, and city partners about risks for displacement and build consensus around proposed solutions.
- Make a Plan: Develop a shared vision of how new amenities and investments can benefit everyone, including long-term, low-income residents.

Short Term:

- Incentivize Creation of Accessory Dwelling Units (ADUs): A very recent state law (AB 68) legalized ADUs across the state. Incentivize individual homeowners to add additional housing options on properties within single family neighborhoods through education and streamlined building permit processes.
- Provide Density Bonuses: Incentivize the creation of new affordable housing within a one-mile buffer of the Urban Orchard and Los Angeles River by providing density bonuses and increased access to the river for developments that include affordable housing.
- Create an Urban Agriculture Program: Create new opportunity for job training, economic activity as well as opportunities for local food production at the Urban Orchard site.

Long Term:

- Rent Control: Limit annual rent increase, similarly to the recent LA County’s Rent Stabilization Ordinance.
- Create an Enhanced Infrastructure Financing District: Capture increased value in property tax revenue to finance the construction of affordable housing.
- Community Land Trust: Create community-owned permanently affordable housing.
- Community Benefits Agreements: Create opportunities to negotiate affordable housing, local hiring, new jobs, and other investments from developments within a half mile of the river.
**Lessons from Around the Country**

Interviews and interactions with staff and elected officials at the City of South Gate show that green gentrification is not perceived as an immediate risk. However, we have learned from our research from around the country that early intervention is crucial. Many anti-displacement strategies are most effective when they are enacted before speculative investment begins so they can protect affordability and leverage incoming investments for increased community benefits. Stemming the displacement effects of gentrification requires a multi-disciplinary approach that brings together affordable housing, job training, support for small businesses, and investments in green infrastructure and parks.

**Parks Related Anti Displacement Strategies (PRADS)**

**For Renters:** Enable renters to continue to live in existing privately-owned rental units. Strategies include: rent control, just cause eviction ordinance, rent review board, renter education, displacement risk mitigation, renter commission.

**For Homeowners:** Preserve or create homeownership among longtime, low-income residents. Strategies include: foreclosure assistance, loans for home improvements, home buyer education, home buyer financial assistance, property tax freeze, ADU and compact lot subdivision.

**For Businesses:** Create or preserve jobs and small businesses for longtime, low-income residents. Strategies include: Job creation (e.g. first source hiring), small business creation and preservation (e.g. small business disruption funds).

**For Private Sector Housing Developers:** Require or incentivize developers to produce affordable housing in new units. Strategies include: SRO preservation, condo conversion ordinance, inclusionary zoning, production incentives, community benefits agreement, housing linkage fee, commercial linkage fee.

**For Public Sector Housing Developers:** Create permanently affordable housing. Strategies include: housing trust fund, community land trust (or other non-profit or city-owned affordable housing), value capture (e.g. tax increment financing).

**Next Steps**

Recently enacted state and county funding measures for green infrastructure, parks, and climate resilience recognize the risk of displacement associated with green investments and are increasingly developing incentives for municipalities to implement equitable community development, with a particular focus on preventing displacement. Cities can better position themselves for future funding by proactively planning for equitable community development around parks, green infrastructure, and other public projects.

**At the Urban Orchard:** Continue qualitative and quantitative study of changes in the neighborhoods around the Urban Orchard. Engage community members and partners around a shared vision and strategies to ensure long-term residents are protected from rising housing costs and can benefit from increased economic development as well as the new amenities.

**Neighboring Developments:** Planning efforts should consider the cumulative impacts of investments at the Urban Orchard, the new cultural center and transit oriented development around the new Metro line to ensure that strategies to protect long-term residents meet the scale and pace of change. Explore Metro’s community stabilization guidelines and strategies.

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**Future Developments in the City of South Gate:**
- Urban Orchard
- Cultural Center at Confluence of Rio Hondo
- Parque Dos Rios
- West Santa Ana Rail Station Transit Oriented Development
  - 500 units housing
  - 230,000 sf office/industrial
- JBI Housing
  - 244 units housing
- PATH Villas at South Gate
  - 60 units affordable housing