SOUTH LA ECONOMIC REGENERATION

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Abstract
South Los Angeles is a disadvantaged post-industrial area within an otherwise diverse and prosperous region. In the early 20th Century, minorities, predominantly African-American, in search of economic opportunities began to migrate to production centers, creating what is to this day the largest working class neighborhood on the West Coast. However, opportunity turned to adversity with the contraction of the manufacturing industry at the end of WWII. The decline of the area accelerated with globalization, in part associated with the migration of people with means out of the central city, leaving an unemployed labor force with constrained access to job opportunities. For decades, the area has struggled under the same anti-poverty strategies which have had a minimal structural impact. Today, we can rethink the way we design and develop our cities to rebalance access to opportunity and prosperity across the built environment. Using South Los Angeles as an Economic Regeneration case study, this white paper seeks to identify a new economic development model to create a positive feedback loop of job creation and entrepreneurship. Revitalization can be advanced not by bringing in new opportunities to the community, but by supporting and building on the existing assets of the community and its people. Through this process, the citizenry is empowered to continually make and remake their city.

Introduction
South Los Angeles, an area built on a strong industrial base, is the product of a process of urbanization driven by historic prosperity that transitioned into decades of decline. This region stands out within Los Angeles County as an area in need of regeneration. It is, however, currently in the middle of an historic demographic shift, which has begun to stabilize the community, and is at the early stages of an urban renaissance driven by three factors: a global change from top-down planning approaches to a bottom-up, community empowered development process; several catalytic development projects; and a myriad of local, grassroots initiatives present in the area today. SOM is studying this transformation in order to better understand and shape our own regenerative approach to the planning and design of more equitable cities.

“Regeneration” can be defined as the renewal or enhancement of a system. In the same way, a regenerative method of urban development seeks to build a restorative relationship with nature and create inclusive well-being, health and happiness for everyone now and in the future. This approach identifies and targets the parts of a given area that need “healing” and takes advantage of dormant potentials, such as the cultural capital of a community, to induce inclusive revitalization. We see our role as the synthesizer of relevant, interdependent information, and the coordinator of the myriad players of change. The aim of the effort is to help diverse actors work in unison to set up a new system and influence the built environment so that it meets the community’s needs, and in so doing improves societal health.

To claim that the current system is broken and needs to be regenerated can be supported by the vast disparity of rich and poor in Los Angeles County. This goes beyond the socioeconomic indicators such as the income gap and shrinking middle class. As such, SOM has developed a new methodology known as a Health Topography (See Figure 1). SOM’s Health Topography methodology uses georeferenced information to analyze urban health indicators within the

Figure 1 (next page): SOM’s Health Topography methodology diagram. In this particular Health Topography of Los Angeles County, the intent was to highlight the areas with the most socioeconomic strain. Once identified, the methodology takes a closer look at these communities to determine the correlations between this stress and other civic systems in order to design the most appropriate catalytic project.
Los Angeles County urbanized area. By organizing these indicators in five categories (Natural, Built, Infrastructure, Socioeconomic, and Culture) it is possible to identify areas that thrive and those in need within each category.

When observed in a silo, these indicators do not correlate to the imbalanced conditions within which different classes live in the same urbanized area. Neither do they stress on the inequality built into the system over decades.

“Beneath the glory of rebound and buzz of startup hubs lies the harsh reality of rising inequality and persistent structural racism. For most low-income people of color—many who lived in cities through their long decline while being systematically shut out of the greatest wealth-building opportunities of the past century—the new urban economy is just as unkind as the old. They are still waiting for their recovery, struggling and striving to provide for their children on strapped budgets and flat paychecks in neighborhoods that conspire against their health, livelihoods, and - far too often - their very lives.” PolicyLink, All-in Cities, 2016.

SOM’s comprehensive assessment of the County identifies the correlation between various realities across social geographies. Specifically, the Socioeconomic indicators define a “zone” of need coincident with the South Los Angeles area, demonstrating the importance of developing a regenerative strategy for this location that addresses the structural issues passed through generations of need. (See Figure 2).

South LA

South Los Angeles (South LA) is strategically located in Los Angeles’ Central Business District and two of the nation’s largest ports of call; LAX (air freight) and the ports of Los Angeles and Long Beach. Its adjacency to these global trade routes extends into California and North America via the Alameda Corridor East (ACE) and Interstate Highway System. By the late-20th Century “South Central” was defined as the area south of the I-10 freeway, but delineating its boundaries has always been more than a geographic exercise; it is a socioeconomically determined area conditioned by the built environment, demographic composition, and culture of the place.

Mapping Inequality, a collaboration of scholars at Virginia
Tech, Johns Hopkins, and the University of Maryland and directed by Robert K. Nelson and Brent Cebul of the University of Richmond, illustrates geographically the highly structured nature of housing discrimination in late 1930’s Los Angeles. The map areas depicted in “red” represented the least interesting investments for homeowners and banks, and usually contained minorities (African-Americans, Mexican-Americans, Asian-Americans). Redlined communities struggled to receive federally backed home loans, which made it more difficult to improve the housing stock, triggering a vicious cycle.

By the mid-20th Century, South Los Angeles luck started to change, as the area began to host large wartime industrial facilities (Figure 3). Middle-class laborers, predominately African-Americans were attracted by the job opportunity and the “temporary housing” offered to the workers.

“Despite the Depression’s population drops and creeping slums, America’s cities had managed to endure. Now they were wartime centers that drew 4 million workers and their families. A new workforce of women and African-Americans helped turn peace-time goods to armament. War production brought prosperity and revived faltering urban economies. (...)Partly to avoid the possibility of attacks by German bombs, partly for diversity, partly to build more easily on clear land, the government meted out war contracts to the South, Southwest, and Pacific Coast. Shipyards and airplane factories brought some 500,000 new residents to live in Los Angeles, and the polynucleated region was born.” Kay, 1997.

After WWII, those factories began the long and steady process of automation and moving overseas in pursuit of cheaper labor, leaving the South LA population, which had swelled to meet the needs of these former factories, isolated from jobs and opportunity. Among other injustices that were a by-product of urban economic restructuring, low-income and people of color were excluded from local prosperity. Social unrest reached a boiling point in the 1960s and again in the 1990s, when racially charged uprisings fomented the African-American community.

The damage and destruction of South LA led to the depreciation of a considerable amount of property that remains blighted to this day. Streets are still dotted with
Figure 4: The old economic model, where private investors partner with public incentives to build brick and mortar facilities. The relationship results in mutual benefits, ROI for the corporations and development improvements to determined areas. However, where is the community in the decision-making process? What is their direct benefit? In the New Economic Model for South LA, the community actively drives and benefits from development.

empty lots and abandoned industrial facilities that linger for decades with no recovering or adaptive re-use. Together with the macroeconomic decline and the significant drop in the area’s real estate value, South LA constituted a “Donut Hole” (Davenport, 2003) of underprivileged neighborhoods surrounded by prosperous areas.

South LA, still attracts a population of low-income, mostly working age, under-educated, immigrant descendants, who are often willing to accept below minimum wage jobs. From the 1980s onward, the demographic complexities of South LA shifted from predominantly African American to a majority immigrant Latino population. With this shift, racially-motivated conflicts increased and only began to lessen in the 2000s (South LA Community Plan, 2012).

“Los Angeles has been one of the major gateway cities for Asian and Latino immigrants since the early 1900s, serving among the top tier of cities that are both global economic centers and immigration magnets. A growing post–World War II economy coupled with a severe labor shortage of highly educated professions resulted in a shift in immigration policy from the late 1960s through the 1990s. A significant turning point occurred with the passage of the 1965 HartCellar Immigration Act, which abolished the National Origins formula that had been in place since the 1924 Immigration Act (Chan, 1991). A surge of immigrants from Asia, Latin America, Africa, and the Caribbean arrived in the United States to fill a range of niches from professional to industrial- and service-sector jobs.” Federal Reserve Bank of San Francisco, The Color of Wealth in Los Angeles, 2016.

The racial politics of South Los Angeles is an inceadibly complex and ever changing paradigm. Many community groups, non-profit organizations, universities and other actors seek to fill the myriad of gaps in the current system from food deserts to economic development. The Weingart Foundation, that supports Southern California non-profits, philanthropy and communities, has released, in March 2017, a report developed by the USC Program for Environmental and Regional Equity and PolicyLink that documents the widening of Los Angeles income and racial inequality gap.

“In the SLATE-Z area, the Southeast Cities, the community of Watts and Willowbrook, as well in the Cities of Compton and Paramount and the community of Westmont, there are many census tracts showing unemployment rates above 15 percent and poverty rates of 29 percent or more. Affordable housing is also a challenge. Los Angeles ranks seventh out of the largest 150 metro regions in renter housing burden. Nearly 6 in 10 (59
percent) of renters are housing burdened, defined as spending more than 30 percent of their household income on housing costs. SLATE-Z and Watts are among the communities facing the highest rent burden. USC PERE and PolicyLink, An Equity Profile of the Los Angeles Region, 2017.

It is a reflection of a growth pattern, in which the edges thrive, but the center decays fraying community and reducing economic opportunity. To regenerate South LA, it is important to tie all of the component parts of the largest working-class population in coastal California into a larger, regional and cohesive effort. It requires redefining the old economic model (See Figure 5) to that of a new, inclusive economic model where the community participates in every step of the process, from decision-making to implementation, in a Triple Bottom Line (TBL) economic framework.

**Existing Investments**

2016 was a pivotal year for the transformation of South LA, as it saw multiple investments, projects, programs and incentives focused in this area targeting its local businesses and the community (See Figure 4). For example, the federal government created the region’s second Promise Zone; South Los Angeles Transit Empowerment Zone (SLATE-Z), which is a “robust inter-sectoral collaborative” (SLATE-Z MOU, 2016) that reconciles multiple stakeholders such as public agencies, non-profit organizations, educational institutions, elected leaders, business associations and residents. It defines a boundary where initiatives within it or that directly benefit stakeholders therein are eligible to receive federal funds and tax incentives to improve the region through education, workforce development, healthy food access, and expanding economic opportunity.

South LA has also been the focus of sector-specific proposals, including transportation and housing projects. For instance, the Los Angeles County Metropolitan Transportation Authority (Metro), LA’s public transportation agency, announced in June 2016 a $15 million grant to turn under utilized train tracks along Slauson Avenue into a new multi-modal corridor, providing pathways for bikes and pedestrians that connect the Blue, Silver, and Crenshaw transit lines. This project brings more than a bike-ped transportation network to South LA’s communities; it provides a public open space element that can build community and stimulate physical activity for some of the least “active” Census Tracts in the County (US Census Bureau 2014).

Moreover, the Housing Authority of the City of Los Angeles
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<thead>
<tr>
<th>Project</th>
<th>Sector</th>
<th>Incentive</th>
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<tr>
<td>SLATE-Z</td>
<td>Multisector</td>
<td>Unlimited (Federal)</td>
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<td>Slauson Rail-to-Rail</td>
<td>Transportation</td>
<td>$15 million (Metro)</td>
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<td>ECO-RAPID Transit</td>
<td>Transportation</td>
<td>$18 million (Metro)</td>
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<td>Measure M</td>
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<td>CA Incentive (State)</td>
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<td>Jordan Downs Rebuild</td>
<td>Housing</td>
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<td>Jordan Downs Rebuild</td>
<td>Housing</td>
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<td>The Reef</td>
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<td>Private Investment Approved by LA City Planning Commission (Private)</td>
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<td>Proposition 51</td>
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<td>Worksource Portal</td>
<td>Job-training</td>
<td>$2.4 million (Mayor’s Fund)</td>
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<td>Make It in LA</td>
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<td>Mayor’s Operations Innovation Team</td>
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<td>Pilot Projects (Local)</td>
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Table 1: Summary of Incentives focused in South LA, as of 2016

received a $700-million federal grant to rebuild Watts’ Jordan Downs, one of many federally subsidized housing projects, which was originally developed as temporary housing for workers during WWII. Another $12 million was received from California’s cap and trade program to help launch Phase 1 construction of this housing redevelopment. Private real estate developers are also now beginning to invest in South LA. The Reef, an upscale high-rise apartment building approved by LA City’s Planning Commission in August 2016 illustrates renewed private sector interest but has also stirred fears about displacement due to gentrification.

Combined, these projects represent a great opportunity for the existing community if they can leverage them to create positive changes that benefit them while expanding South LA’s population and amenities. It is now, before development happens within the community, that South LA has the opportunity to define how it chooses to grow and prosper. Only now can South LA decide what development can and should do for the community. Armed with newly approved local, regional and state tools, including JJJ (affordable housing and labor standards), Measure M (transportation infrastructure), and Proposition 51 (school funding), the time for effective action by the South LA community is upon them.

It is not only site-specific grants, awards and incentives that have the potential to rebalance the job-housing equation in South LA. Metro approved $18 million in funding to begin preliminary engineering and planning for a new ECO RAPID Transit corridor that links the Gateway Cities that make up the eastern edge of South LA. At the same time, Mayor Eric Garcetti offered an investment of $2.4 million in new job-training initiatives and launched Make It in LA to support an evolving manufacturing ecosystem and new entrepreneurs. Los Angeles was also awarded a $70 million grant for a Clean Energy Smart Manufacturing Institute to implement a local headquarters. Of particular relevance, the Mayor’s Fund for Los Angeles, and the L.A. Coalition for the Economy and Jobs started a partnership entitled the Mayor’s Operations Innovation Team that is developing a strategy to leverage vacant and underutilized city-owned property for job creation – a collaboration with SOM’s LA office.

Although the revitalization of South LA has been in discussion since the 1990s, long before SLATE-Z was established, it has never been fully realized. There are many existing plans
Figure 6: LATTC Architecture and Built Environment Class. From left to right: Professor Marcela Oliva and her students; discussions on how to convert underutilized South LA alleys into active spaces of recreation, community gathering and local food cultivation; design study of a green canopy system envisioned by the students for the Living Alleys project.

(See Table 1), and much of the implementation is incomplete or occurring in silos, not necessarily concerned about the social impacts they can bring, such as displacement and gentrification.

“In metropolitan regions across the country, residents face constrained, expensive housing markets and rising income inequality. As neighborhoods change and housing demand shifts, landlords are presented with a new set of financial prospects. Displacement and evictions are central components of this changing landscape, altering the geography of race and class across regions.” UCLA-UC Berkeley. Urban Displacement Project, 2016.

SOM believes in an alternative system that does not promote exclusion and unequal growth. We acknowledge the many initiatives taking place with complementary interests, and believe that these institutions and leaders have built and continue to sustain the current momentum for the area’s renaissance. With this in mind, SOM’s Regen Cities initiative seeks to facilitate a conversation to develop a catalytic project in South LA that empowers the existing community to actively drive and benefit from these investments and subsequent transformations.

Community Power

The job-creation and career-training investments and initiatives go hand-in-hand with the fact that, according to data from the Bureau of Labor Statistics, Los Angeles combined with the Long Beach and Santa Ana metropolitan areas, represents the largest manufacturing workforce in the country. Such investments are also complementary to the various local initiatives in South LA, which reach far beyond education and jobs to the arts, entertainment and community building.

Having a considerable share of its students composed of South LA residents, the Los Angeles Trade Tech College (LATTC) plays a critical role in increasing educational attainment, skill level, and career training. The manufacturing sector demands qualified workers that are able to perform tasks that cannot be replaced by an automated machine. As shown by the analysis in this study, South LA residents represent a considerable share of the County’s working-class, but still, need to acquire the skills that will allow
them to access the 21st Century economy. Initiatives like LATTC’s Architecture and Built Environment Studio teach students how to use design and applied science to drive the improvement of their own neighborhoods, breaking the image that community colleges are restricted to manual labor training (See Figure 6). By leveraging state-of-the-art technology (such as digital modeling, 3D printing and 360-degree virtual reality representation), the students learn how to intervene in the built environment in a way that values and respects the local identity and culture. Not only does this prepare them for higher skill level jobs, but it also enables them to bring a desire for equitable development to South LA and beyond.

Moreover, there are several small local businesses and co-ops that thrive in South LA (See Figure 7). The KAOS Network, directed by filmmaker and artist Ben Caldwell, is a cultural “factory” working to translate art and expression to jobs and opportunity. Newer community organizations like the East Side Riders Bike Club and shop, founded by John Jones III, and long-established businesses like Mixografia, a second generation print maker and gallery operated by Shaye Remba, play a significant role in the continued building of South LA’s social capital. Despite being independent of one another, together these leaders represent a growing sense of community and will to improve South LA. Connecting small grassroots initiatives such as these through private-public partnerships has the potential to transform South LA from the bottom up. This will not only put the local community in the leadership position where they can meaningfully benefit from revitalization, but it can also inform how development should enhance and preserve neighborhood identity and character.

A New Economic Development Model

Public-Private Partnerships (PPP or P3s) have been a tool for urban development in Europe and Canada since the 1950’s, and this type of procurement is only now becoming a part of the American lexicon. An evolution of this concept, the P4, has begun to include “people” as a critical component of the development equation. The degree to which “the citizen’s power in determining the end product” (Arnstein, 1969) is allowed, however, is still in flux.

One way to understand true, meaningful community engagement is through Arnstein’s Ladder of Citizen...
Participation. The bottom rungs describe levels of “non-participation”, in which power-holders manipulate citizens by advising, educating and persuading them, instead of allowing citizens to actually inform the planning process. The middle rungs progress to various levels of “tokenism”, in which the first steps toward legitimizing citizen participation are taken, but the “climb” is interrupted by the power-holders’ continued retention of the right to decide. When a significant social reform is achieved, in which decision-making is a result of negotiations between citizens and power-holders, it means that the top rungs of the ladder have been reached: Citizen Power. Although this model was conceived many decades ago, it was only until the mid-1990’s that effective participation and benefits to the broader community were significantly incorporated as a measure of its success (Boyle, Slyke and Rogers, 2015).

An “inclusion revolution” is called for by PolicyLink, a non-profit organization that guides city governments and communities in seeking solutions for more equitable cities. PolicyLink advocates for “All-in Cities”, which would bring opportunity to low-income people and communities of color through economic development. PolicyLink stated goals to implement focused policy and systematic changes in order to achieve measurable results include:

1. Grow good, accessible jobs that provide pathways to the middle class;
2. Increase the economic security and mobility of vulnerable families and workers;
3. Cultivate homegrown talent through a strong cradle-to-career pipeline;
4. Create healthy, opportunity-rich, neighborhoods for all;
5. Build resilient connected infrastructure;
6. Increase access to high-quality, affordable homes and prevent displacement;
7. Expand democracy and the right to the city; and,
8. Ensure policing and court systems.

Relative to specific regional economies, these goals consider ways in which complex and dynamic cities are establishing metrics to evaluate and make the most of the unique conditions and assets of a defined area. By doing this, the success of the jobs and businesses created by development can be measured based on the impact on workers and entrepreneurs within the desired economic growth outcomes.

Inclusive urban development can be called different names and have different study frameworks, guidelines and implementation approaches. Whether environmentally-oriented, focused on racial minorities or concerned with poverty reduction, they all seek the same outcome: meaningful community participation and capacity building.

**Conclusion**

SOM examined Los Angeles County’s historic growth pattern that produced some areas of concentrated wealth and well-being and other areas characterized by urban decay. We identified South LA as an area in most need of Regeneration through the Health Topography Methodology. Four key potentials for the area’s revitalization are highlighted:

- Its strategic geographic location;
- Demographic characteristics and trends;
- The multiple investments and incentives simultaneously focused on this area; and,
- The grassroots power inherent in its local leadership and businesses.

These potentials can drive the inclusive well-being of South LA, leveraged by a new economic development model that ties the components together into a single effort. To facilitate the implementation of a new, non-exclusive system, SOM wants first to promote a better understanding of the problem, considering it’s multiple elements. The only way to build this understanding is to learn from the community itself, having the people from South LA to lead the process of change.

As such, SOM went beyond the data-driven research and interviewed entrepreneurs, community leaders, educators, and decision-makers, seeking to better perceive their point of view of what South LA is, what they see as issues or challenges, and what prospects they see for their community. As a subset of the leadership within a much larger community, they voiced the necessity of changing the image of South LA as a dangerous and violent place, where poor people live, segregated ethnically, socially and economically from surrounding prosperity. These stakeholders expressed a common will to develop a stronger sense of community and identity in their neighborhoods, as well as the desire for a more integrated program to provide job and other empowerment opportunities. They demonstrated a common
interest in building on the assets of the community and its people.

To strengthen this effort, we are interested in increasing the communication and coordination between the existing incentives, investments and local initiatives, and also in expanding and maximizing the community’s engagement through multiple outreach strategies. Furthermore, SOM aims to help empower the community to actively envision and design a strategic intervention that would effectively “move the needle” on equity, self-determination and economic development indicators.

In South LA, the old economic development model that focused on publicly-subsidized investment in large-scale developments (industrial, housing, retail, mixed-use, etc.) and indirectly benefited the community is outmoded. Instead, a new economic development model must start with a catalytic project of, by and for the people of South LA. Augmenting the P3 process, this catalyst can focus citizen participation effectively, providing support for local businesses and entrepreneurs to grow and prosper. The expected outcome is a process and a project that generates jobs and opportunities from within, in an equitable, closed-loop cycle of economic prosperity.

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