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LA Metro will try to prevent gentrification near its future rail lines by 'land banking'

Metro would partner with county to buy land before speculators make affordable housing impossible



LA Metro trains (L Line, formerly Gold Line) pull into the Del Mar Station in Pasadena with apartments adjacent to the tracks, station, part of transit-oriented development. The LA Metro Board on Thursday, June 23, 2022 passed a motion to create a land-banking operation to buy up land near future transit projects in order to prevent highend projects from going up and property prices rising, something known as gentrification. (Photo by David Crane, Los Angeles Daily News/SCNG)

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Whenever LA Metro builds a train line, land prices and property values near its stations skyrocket, edging out low-income renters and mom-and-pop business owners. In their place, developers put up luxury condos or shiny strip malls attracting wealthier and often whiter clientele.

That's the negative side to the mission of Los Angeles County's transit agency, which is to provide transit options near where people live, remove cars from freeways and reduce tailpipe emissions and greenhouse gases.

The LA Metro Board of Directors voted on Thursday, June 23 to pursue land-banking as a tool to prevent gentrification near its future transit projects. By buying up land early in its planning process, the mega transit agency can "bank" the property, then sell it to affordable housing developers — but with requirements that guarantee low-rents and prohibit speculation.

"It is really a sound idea, to not only create affordable housing but to preserve it — to preserve communities that have been there so long that tend to get priced out when there's any kind of a change," explained Los Angeles County Supervisor and LA Metro Board Member Sheila Kuehl.

The examples of transit-caused gentrification are many.

In Highland Park, the Gold Line (now the L Line) has fueled increased rents and its longtime Latino community is being displaced because they can't afford the higher monthly rents. Old buildings are torn down and replaced by high-end housing encircling the light-rail station. The housing is being rented or purchased by professionals who can ride the train to and from work into Downtown Los Angeles and avoid the hassle of freeway gridlock.

In Pasadena, luxury apartments and fine dining eateries have sprung up next to the Del Mar and Memorial Park stations of the L Line. The proximity to the light-rail station is a selling point to future tenants who can afford top-level rents. And in North Hollywood, the Red Line (now B Line) subway station set off a commercial and residential boon. It boosted the local economy — but only for those who could afford higher rents and inflated prices of goods and services nearby.



The North Hollywood Red Line/Orange Line Station on Lankershim Boulevard with new residential space behind it on Thursday, June 23, 2022. (Photo by Dean Musgrove, Los Angeles Daily News/SCNG)

LA County Supervisor Holly Mitchell, also a Metro board member, voted for the land-banking plan because she's concerned about communities in South LA along Slauson Avenue being priced out of apartments and shops once Metro builds its Rail to Rail project, a pedestrian and bikeway with links to transit and room for future housing.

Many in the heavily black and brown working-class community worry that the 5.1 mile bike and pedestrian path, which would link up to the Blue Line (now A Line) and the not-yet-completed Crenshaw/LAX transit line, (K Line) would compound existing gentrification forces.

"Some community members are concerned about what that investment will do to their ability to afford rent in their community," Mitchell said.

Metro is also concerned about gentrification along a planned light-rail line that would connect downtown Los Angeles to southeast L.A. County, known as the West Santa Ana Branch (named after an old Pacific Electric Line's Santa Ana route in L.A. County). It would serve the cities and communities of downtown Los Angeles, unincorporated Florence-Graham, Vernon, Huntington Park, Bell, Cudahy, South Gate, Downey, Paramount, Bellflower, Cerritos and Artesia.

Another area of concern includes land speculation along the Los Angeles River, something the Los Angeles County Board of Supervisors voted to address last week.

L.A. County allocated \$50 million for the land bank, to begin buying up land. It has identified 22 new potential project sites along the 51-mile-long river corridor. The idea is to acquire land for affordable housing and housing for homeless individuals, so-called "green banking."

"To ensure residents do not get displaced from their communities as a result of new investments in infrastructure, it is critical that we establish a land bank for the region to acquire, manage, and redevelop properties for community development," said Supervisor Hilda Solis, who is also an L.A. Metro board member, in a prepared statement after the Board of Supervisors' vote last week.

"This will preserve affordable housing and increase affordable housing next to transit," said Alfonso Directo, Jr., advocacy manager with the Alliance for Community Transit.

Metro is studying a partnership with Los Angeles County's Community Land Trust Partnership Pilot Program. It would work as follows: The county would be buy the land near a Metro project. Metro would hold and manage the land, and then sell it to an affordable housing developer.

Metro CEO Stephanie Wiggins will report back to the board in October, to explain how the land bank partnership with L.A. County would work.

In June 2021, Metro updated its housing policy to include land banking. But the transit agency cannot buy up land unless it is needed for a transit project. And even then, it can only do so after the project's environmental documents are approved.

That could put Metro behind the eight ball, because land prices would have already begun to rise. In contrast, the county has no restrictions, so the county can buy land at any time. That's why the partnership between Metro and the county is key, officials said.

"Unfortunately, developers have seen this (LA River Plan, Metro rail projects) as a prime opportunity to gentrify communities," Solis said on Thursday. "It can be difficult for affordable housing developers to compete for land."

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