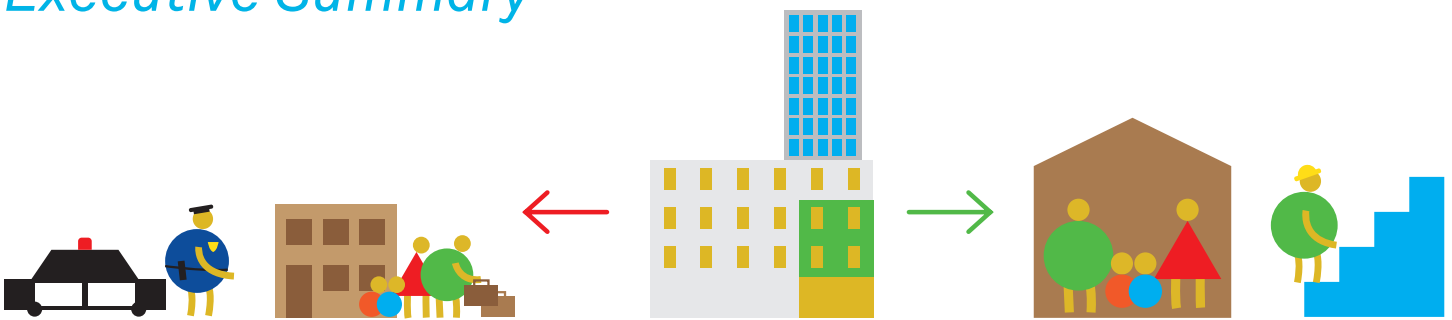


# Assessing Health and Equity Impacts of the Proposed Reef Development Project in South Central Los Angeles

## Executive Summary



### INTRODUCTION

The Reef Development Project plans for the total renovation and expansion of a commercial area in South Central Los Angeles – an area that is located in the Southeast Los Angeles Community Plan Area and the City’s 9th Council District. The project would cover 9.7 acres, and would include a 208-room hotel, two high-rise condominium towers, 528 mid-rise residential units, and 21 low-rise live/work residential units.

This research project, informed by a Health Impact Assessment framework, was conducted to provide empirical data on the potential health and equity impacts that the proposed Reef Development Project could have on the South Central Los Angeles community, and to propose recommendations to the developers and the City. The study was conducted with the additional goal to engage and empower community members, including neighborhood residents and stakeholders, to participate in the development process.

**Key Finding:** The Reef Development Project will place thousands of South Central Los Angeles residents at high or very high risk of financial strain or displacement.

### FINDINGS

Gentrification often results when developments like the Reef Development Project occur in neighborhoods like South Central. Gentrification can lead to financial strain and **indirect displacement** – a kind of displacement that occurs when residents and businesses are gradually priced out of the area and must involuntarily leave.

**An estimated 4,445 renters who live within ½ mile of the proposed Reef Development Project are already experiencing housing cost burdens and could be at high or very high risk of financial strain or displacement as a result of the development. An additional 39,311 renters who live between ½ mile and 2 miles of the project could be at moderate risk. Overall, 52% of the nearly 84,000 residents living within 2 miles of the project could be at risk of financial strain or displacement as a result of the Reef Development Project.**

Some focus group participants from the area anticipate they may become homeless.

*“I keep thinking, ‘What am I going to do if this doesn’t work out? Where am I going to go? Am I going to see my neighbors again? Where am I going to find this kind of community again? Going to have to start over. Going to be homeless, without a family.’”*  
—Anayetzy

## WHY THIS MATTERS TO HEALTH

Community residents who experience financial strain and/or displacement may experience a wide variety of chronic stress-related physical and mental illnesses, including anxiety, depression, hypertension, heart disease, obesity, diabetes, and sleep disorders. Additional constraints on health-protecting resources and exposures to health-damaging environments such as substandard and overcrowded housing could further contribute to a variety of negative health outcomes. Disruption of social networks can lead to additional health challenges, including exposure to fragmented social environments that have higher rates of violence and sexually transmitted diseases.

Multi-generational traumas can result from serial forced displacement resulting in a condition called “**root shock**”. Black and Latin@ residents who located to South Central Los Angeles to escape racial and political discrimination and violence brought with them the memories and traumas of previous displacements, which could be exacerbated by this project.

## THE CONTEXT

Displacement and financial pressures from the Reef Development Project will happen within the context of ongoing challenges with housing affordability and homelessness that are happening in the area.

- Los Angeles lost 65% of state and federal funding for affordable housing between 2009 and 2014
- Over half a million affordable rental homes are needed in the city
- Lack of affordable housing is the main cause of homelessness in the U.S.
- Los Angeles has the largest homeless population of any urban area in the U.S.

Most South Central Los Angeles households are occupied by renters and nearly half of residents are in poverty. On average, neighborhood residents earn half the household income as the City as a whole. Many businesses do not have leases for their business spaces, or have leases that will expire soon.

	South Central	City of Los Angeles
Average household income*	\$36,830	\$77,000
Residents in poverty*	45%	22%
Renters*	79%	62%
Median monthly rent for 1 bdrm apt**	\$1000	\$1830
> 1 person per room (overcrowded)*	41%	14%
Workers who took transit to work*	26%	11%
Workers who drove alone to work*	49%	67%

\* 2009-2013 American Community Survey

\*\* *Zumper.com*, Sept. 2015

Residents are already struggling intensely to afford housing, and are engaging in a variety of methods to address this problem: by making difficult choices on what necessities to do without, by living in overcrowded and substandard housing, and by looking for additional sources of income.

Despite these challenges, residents and small business owners in the neighborhood have developed strong social ties and a sense of attachment to the area, and they want to stay. Many of the residents and businesses in South Central have been in the neighborhood for 10-20 years or more.

Residents of the neighborhood came to South Central seeking economic opportunity, and built a thriving community. Over time, however, the city began to engage in a variety of different policies that led to increased segregation, concentrated poverty, and limited opportunity. This was followed by prolonged civic disinvestment that has perpetuated poverty and segregation to this day.

## RECOMMENDED ACTIONS

The developers of the Reef Development Project and the City of Los Angeles have a unique opportunity to develop this property in a way that reduces the potential to further traumatize and harm the physical and mental health of current residents through increased financial strain and displacement.

Rather than continuing the legacy of racism and segregation through the replacement of current residents with those who hold more economic and political power, the developers and the City have an opportunity to engage in a cutting-edge trauma-informed

approach to community development. Trauma Informed Community Building (TICB) is a new innovative approach to development that recognizes the existing community as assets and uses these assets as the building blocks for the future. Developers and the City of Los Angeles should work together to ensure that the Reef Development Project is developed using the four guiding principles of TICB: 1) Do no harm, 2) Acceptance, 3) Community empowerment, and 4) Reflective process. Findings from this study show that the community already has assets such as social cohesion among community members and among small business owners and the community. The development should be structured in a way that honors and enhances these assets.

The project should be developed in collaboration with community members to ensure that economic opportunities and affordable housing options are incorporated into the plan. As Benjamin Torres, President and CEO of CDTech states, “South LA residents aren’t trying to keep outsiders out of their backyards; they just want a fair opportunity to be able to stay.” In addition to these overarching recommendations to take a TICB approach and to develop the project with community members, we also recommend a number of specific actions for the developers to implement directly and/or through a community benefits agreement, and also for the City to consider.



*“If they’re going to go forward with [the Reef development], ... take us into account and [have] opportunities for us. Don’t leave us out. Don’t discriminate against us. We’re human beings and we have needs. We are not living for free. We are paying our rent with the sweat from our brows. Right now, we aren’t making it. We aren’t even living day-to-day. I want this to be considered. But they’re not going to take us into account. They’re pushing us to the brink.”*

—Natividad



*“We gotta remember that this used to be a healthy community. We gotta work on rebuilding up what we used to have.”*

—Cynthia

## ABOUT THIS REPORT

This study is based on a Health Impact Assessment (HIA) framework. HIA is a public engagement and decision-support tool that can be used to assess project plans and make recommendations to improve health outcomes associated with those plans. The fundamental goal of HIA is to ensure that health and health inequities are considered in decision-making processes using an objective and scientific approach, and engaging stakeholders in the process.

The following methods were employed in this project:

- Review of the scientific (peer-reviewed) and grey (non peer-reviewed) literature;
- Analysis of existing data sources, such as the American Community Survey and from the Los Angeles County Department of Public Health;
- Focus groups with residents of South Central Los Angeles; and
- Interviews with small business owners, the principal of a local school, a researcher from the University of Southern California, and a pastor from a local church.

This project was conducted by Human Impact Partners of Oakland, CA in partnership with Esperanza Community Housing Corporation and Strategic Actions for a Just Economy. Further guidance, direction, content, and framing was provided by advisory committee members from: Community Development Technologies, TRUST South LA, Physicians for Social Responsibility – Los Angeles, Natural Resources Defense Council, Public Counsel, St. Francis Center, Advancement Project, All People’s Community Center, Los Angeles County Public Health Department, Occidental College, and a community advocate/column writer.

This project was supported by funding from The California Endowment.

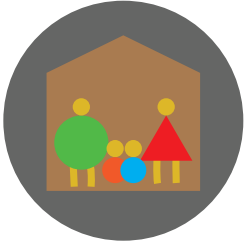
Human Impact Partners works to transform the policies and places people need to live healthy lives by increasing the consideration of health and equity in decision-making.

For more about Human Impact Partners or to access the full report and sources cited in this summary, visit: [www.humanimpact.org](http://www.humanimpact.org).



## RECOMMENDATIONS

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### Produce and Protect Affordable Housing:

Affordable housing should be provided, with a diverse strategy of both producing new on- and off-site units and preserving old units. An emphasis should be put on providing housing for families, and a significant portion of housing should be set aside for extremely low income people.



#### *Through Developer*

New on-site units at levels of affordability that reach very low income and extremely low income residents.

Example: On-site housing: 25% of units affordable to very low income households.

Total rental apartments for renters: 15% for residents with very low incomes (those who make less than 50% of the area median income) and 10% for residents with extremely low incomes (those who make less than 30% of the area median income).



#### *Through Developer & Community Benefits Agreement*

Funds for acquiring land and building new off-site units.

Funds to preserve and rehab existing units.

Example: \$20,000,000 paid to City Affordable Housing Trust Fund or community benefits fund for affordable housing.



#### *City*

Target new investments and policies to achieve new off-site affordable units.

Preserve old/existing affordable units.



### Prevent Displacement:

Programs should be put in place to prevent the displacement of local residents from their homes. Measures should include staffing for renter advocacy and organizing initiatives, funds for tenant associations and emergency rental assistance, enforcement of existing renter protections,

and the establishment of new renter protections in the surrounding neighborhoods.

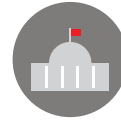
To achieve neighborhood stabilization goals, resources should prioritize residents who are most vulnerable to displacement in the areas closest to the project site.



#### *Through Developer & Community Benefits Agreement*

Funds for staffing tenant organizing/advocacy and legal services initiatives.

Funds for tenant associations and emergency rental assistance.



#### *City*

Funds for tenant associations and emergency rent relief.

Enforcement of existing renter protections.

Establish enforceable “anti-displacement/no net loss” zones within a 1-mile radius of the project site. Create a community-City partnership to monitor and collaborate around anti-displacement efforts.



### House and Protect the Homeless:

Funding should be provided to house and protect the homeless in the area. In addition to producing/financing permanent supportive housing, their rights to rest and to maintain possessions in encampments must be protected and they should be provided with facilities and case management services.



#### *Through Developer*

Provide on-site rent-free facilities for case management services. Maintain rent-free status for 20 years.



#### *Through Developer & Community Benefits Agreement*

Funds for permanent supportive housing for chronically homeless residents.

Funds for case management services.



#### *City*

Provide facilities and case management services.

Enforce/enact policies to protect the rights of the homeless.



## Create Good Jobs and Career Pathways for Local Residents:

A Community Jobs Training and Placement program should be created to provide jobs for local residents, including construction jobs created by the development and permanent jobs with the businesses located on site after construction.

Funding should be provided for workforce development and job pipelines. Local high schools should be partners in developing career pathways for students, and the community should have an ongoing role in monitoring jobs programs.



### *Through Developer*

**Examples:**  
Construction jobs for the development: 40% local hiring, with 20% for disadvantaged residents including those who are homeless or aged-out foster youth.

Future retail jobs: 50% local hiring, with 30% for disadvantaged residents.

Maintenance jobs: 100% local residents and require a living wage.



### *Through Developer & Community Benefits Agreement*

Establish a policy through the CBA for community-based monitoring and enforcement of local and targeted hiring policies. Provide funding to support this activity.

Funds for workforce development and job pipelines, including community-based training and placement programs.

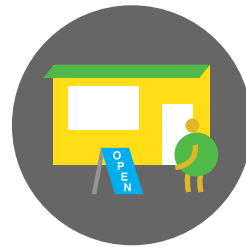
Example: \$300,000 to community benefits fund to support Jobs Coordinator and the creation of a Community Jobs Training and Placement program.



### *City*

Funds for workforce development and job pipelines to supplement project-related funds.

Leverage existing City services to bolster Community Jobs Training and Placement program.



## Support Small Businesses:

Small businesses, both on- and off-site, should be supported with funding, support, and technical assistance. Care should be taken to support existing community-serving small businesses in the neighborhood. Innovative models that enhance economic security for residents vulnerable to displacement – such as cooperative businesses run by local residents – should be supported.



### *Through Developer*

**Example:** Create incubator space for local and community-based small businesses.

Provide a percentage of retail space at discounted rent levels for community-serving businesses that are culturally and economically accessible to local residents.



### *Through Developer & Community Benefits Agreement*

Funds for support and technical assistance for both on-site and off-site small businesses.

Example: 10% of retail space for community-serving businesses at discounted rent.

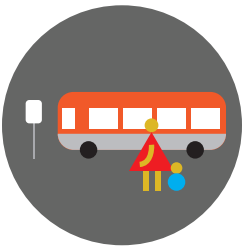
\$300,000 for small business support fund.



### *City*

Support and technical assistance for both on-site and off-site small businesses.

Establish programs/policies to protect off-site businesses from displacement due to rising rents.



### Maintain Public Transit Use by Local Residents:

Access to public transit should be maintained for those who most utilize it and depend upon it – the current residents of the neighborhood. Utilize actions listed above for housing and economic development to avoid replacing current transit-users living in a transit-oriented neighborhood with new residents who will be less likely to use transit.



#### Through Developer

Provide monthly transit passes to tenants living in affordable housing units on site.



#### Through Developer & Community Benefits Agreement

Funds to provide monthly transit passes to tenants living in affordable housing units off site.



#### City

Maximize City, County and transit agency services for low-income transit riders in the area.



### Protect the Safety and Security of the Community:

The safety and security of the community should be protected. Police should be available to protect the residents of the area, but at the same time, programs should be put in place to make sure that neighborhood residents, including homeless residents, are not criminalized or targeted by police or other security staff.



#### Through Developer

Create event programming on site to raise awareness and build capacity among community members and security professionals around anti-criminalization practices.

Rules and regulations should be put in place so that low-income residents are not discriminated against, by management or other residents, within the development.



#### Through Developer & Community Benefits Agreement

Programs should be put in place to make sure that neighborhood residents are not criminalized or targeted by security staff.

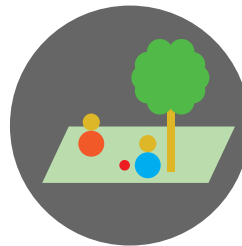
Establish a community board overseeing the policies and practices of on-site and off-site security.



#### City

Work in collaboration with the on-site community oversight board to extend the anti-criminalization policies and practices to include City and County police forces.

Police should be available to protect the residents of the area, but at the same time, programs should be put in place to make sure that neighborhood residents are not criminalized or targeted by police or other security staff.



### Provide Green Space for Neighborhood Residents:

Green space created by new development should be made public and open to neighborhood residents, with space planned for community gardens and local produce sales. Funding should be provided to create and improve off site parks and to carry on active programming for children and families.



#### Through Developer

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#### Through Developer & Community Benefits Agreement

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