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**Transit-Oriented Development & Commercial Gentrification:  
Exploring the Linkages**  
Report prepared for UC CONNECT

**Authors**

Karen Chapple, UC Berkeley & Anastasia Loukaitou-Sideris, UC Los Angeles  
with Silvia R. González, Dov Kadin & Joseph Poirier

**Key Support**

Statistical analysis by Zachary Popp, cartography and other editing by Matthew da Silva.  
Geocoding support by Patty Frontiera. Editing by Miriam Zuk. This research was funded by the  
California Department of Transportation via the University of California Transportation Center.

**Acknowledgements**

The authors are grateful for the research assistance of Anastasia Yip from UC Berkeley, and from  
UCLA, Katrina Braehmer, Mario Garcia, Delia Esmeralda Arriaga, Lucero Ramos, Liana Katz,  
and Rafael Gonzalez. The authors would like to thank Paul M. Ong and Chhandara Pech from  
the UCLA Center for Neighborhood Knowledge for helpful comments and feedback.

**September 2017**

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*For the full reports, contact:*

*Professor Karen Chapple, University of California-Berkeley, [chapple@berkeley.edu](mailto:chapple@berkeley.edu) or*

*Professor Anastasia Loukaitou-Sideris, University of California-Los Angeles, [sideris@ucla.edu](mailto:sideris@ucla.edu)*

# I. Executive Summary

As central cities in California continue their renaissance, commercial gentrification is often identified by residents as a concern. For many, commercial gentrification means the intrusion of new businesses that force out a favorite food shop or a longstanding retail store because of higher rents. For others, it means an influx of hip cafés, trendy retail boutiques, and gourmet fast food restaurants - places that change the fabric of their familiar neighborhood, for better or for worse. For many merchants, commercial gentrification can have implications for economic survival, as increased rents may lead to displacement and business closures.

This report was born out of these concerns, which we uncovered when interviewing community stakeholders as part of our earlier research on residential gentrification in Los Angeles and the Bay Area (See Chapple, Loukaitou-Sideris, Waddell, Chatman, & Ong, 2017). Over the course of this past work, interviews with community members and planners revealed rapidly-changing storefronts to be a recurring concern. As we looked deeper into this phenomenon, we found that potential relationships between commercial gentrification and transit-oriented development (TOD), transit ridership, and traffic safety were relatively unexplored.

This report focuses on the San Francisco Bay and Los Angeles regions and addresses gaps in our understanding of the relationship between commercial gentrification and TOD, rail transit ridership, and traffic safety. The primary elements of this report are:

- A literature review of research on commercial gentrification.
- The development of a quantitative metric that defines commercial gentrification based on four objective parameters.
- Statistical analyses that explore associations between commercial gentrification and rail transit stations, changes in transit ridership, and traffic safety.
- Qualitative examinations of four case study neighborhoods: two in Los Angeles and two in the Bay Area.

Using these methods, we produced the following research findings:

- Commercially gentrified stations are generally characterized by an influx of eateries, cafés, and bars.
- Proximity to a transit station is likely not associated with commercial gentrification. More important factors that may relate to commercial gentrification are the demographic characteristics of a neighborhood, particularly the percent of non-Hispanic black, foreign-born, and renter residents, as well as overall population density. In some contexts, residential gentrification may lead to commercial gentrification.
- Commercial gentrification may contribute to increases in total, cyclist-involved, and pedestrian-involved average annual crashes around rail transit stations. It is unclear if this is directly due to the phenomenon of commercial gentrification or if it is related to an increase in traffic that occurs in commercially gentrified areas.
- Commercial gentrification does not appear to have a significant effect on rail transit ridership. Residential gentrification in Los Angeles, on the other hand, may lead to reduced rates of transit ridership in the decade after the residential gentrification occurs.

- Merchants generally indicated that rising rent costs were the most prominent aspect of neighborhood change putting pressure on their businesses' bottom line.

Following these conclusions, we recommend the following as prudent municipal, state, and regional policies to mitigate traffic crash impacts and empower transit-oriented development:

- While our quantitative research does not find a significant relationship between a neighborhood's proximity to transit and commercial gentrification, this may not represent a universal truth, and this issue certainly requires further probing. Policymakers should not simply assume that transit neighborhoods are not susceptible to commercial gentrification.
- The relationship between residential and commercial gentrification also needs further exploration. The results of this study are rather mixed, and it is not clear when and where one type of gentrification follows the other, or which comes first. We suspect that there may not be a universal pattern, and this relationship may change from one neighborhood to the other.
- Our findings indicate that commercial gentrification is context-specific. Policymakers, therefore, should not only rely on aggregate data but also seek to identify what is happening on the ground in specific commercial transit neighborhoods. Commercial neighborhood stakeholders, such as merchants, property owners, and realtors can provide good information about gentrification trends, business closures, relocations, rent increases, etc.
- Commercial gentrification in a transit neighborhood is often accompanied by an increased incidence of crashes involving pedestrians and cyclists. This may well be because more pedestrians and cyclists are present in the neighborhood, increasing rates of exposure. Regardless of cause, the increased occurrence of crashes tells us that policymakers should focus resources towards traffic calming, safe streets infrastructure provision, and other proven traffic safety improvements.