



# SHOULD I STAY OR SHOULD I GO?

*How Effective Transit Oriented Development Can Lead to Positive Economic Growth Without Displacing Latinos*

**Matt Barreto, Sonja Diaz, and Tyler Reny**

## Executive Summary

UCLA Latino Policy & Politics Initiative (LPPI) conducted an empirical analysis of Oakland California's Fruitvale Village, a multi-dimensional Transit Oriented Development (TOD) in the city's largest Latino neighborhood. We assessed various aggregate census tract socioeconomic outcomes to evaluate changes for those living within the Fruitvale Village TOD compared to those living in similar communities in the Bay Area and in California at large between 2000 and 2015. This study found that the Fruitvale Village TOD increased the socio-economic well-being of residents in the immediate neighborhood while preserving the area's diverse racial/ethnic diversity. Using an applied matching technique, the Fruitvale Village TOD outperformed comparison census tracts in both the Bay Area and statewide across these variables: reduction in residents without GED/high school degree, increase in residents with B.A. completion, increase in the number of residents who own homes, and increase in resident's median household income. There were no statistically significant differences in changes to the unemployment rate or average gross monthly rent. Finally, this study suggests that these positive changes were not driven by gentrification and, in fact, are similar in the magnitude to changes experienced in the Bay Area's most rapidly gentrifying census tract. This study presents a novel inquiry into the positive benefits associated with community-driven economic development, including TOD, in a heavily Latino community.

## Fruitvale & The Unity Council

In the early 1990s, the area surrounding the Bay Area Rapid Transit (BART) Fruitvale Station in East Oakland (see Figure 1) had the second-highest crime rate in the entire rail system. As more middle-income families and the businesses targeting them moved to the Bay Area's suburbs, the area peaked with retail vacancy rates between 0-50%. As a response to these conditions, in 1991 BART proposed the construction of a parking garage at the Fruitvale Station, and seemingly resigned to allow disinvestment in the area to continue (Chisholm, 2002).



**Figure 1: Fruitvale Village TOD**

Source: The Unity Council, 2016

The Unity Council, a non-profit organization founded in 1967 in Alameda County to address the substantive representation of Latinos in political and policy decisions, became the center of opposition to BART's plans. While the Unity Council had not previously engaged with BART before their opposition to the planned parking garage, they were well known for their community economic development portfolio, which included real estate acquisition and management (Unity Council). In response to this opposition, BART agreed for the Unity Council to serve as the conduit of community concerns and to incorporate area residents in the redevelopment process (Sandoval, et al. 2015). Through the use of Community Development Block Grants and Department of Transportation funds, the Unity Council conducted a series of economic, traffic, and engineering studies to support the creation of a \$100 million mixed-use development. The resulting 257,000 square foot Fruitvale Village TOD opened in 2004 and includes: forty-seven housing units, ten of which are affordable housing units with rents set between \$486 and \$1,029, community services for seniors and youth, a Head Start center, a public library branch, small businesses, and a charter high school (Urban Land Institute).

### TERMINOLOGY

**TOD** - While many terms such as transit village, transit-supportive development, and transit-friendly design are used, transit-oriented development is a catch-all term describing developments near, oriented to, or on mass transit facilities (Cervero, 2004). Most TOD definitions share common elements such as: mixed-use developments, compactness, pedestrian and cycle-friendly infrastructure, and the use of transit stations as community hubs.

**Community Economic Development** - Commonly defined as a process whereby collective action is applied to a community in order to improve all aspects of that community including economic, social, environmental, and cultural factors (Shaffer, et al. 2002; Biddle, 1966).

**Latino** - The term "Latino" derived from "Latin American," best reflects both the diverse national origins and the nearly unitary treatment of Latinos in the U.S. (Hayes-Bautista & Chapa, 1987). Data referring to non-white Hispanics is termed Latino for purposes of this report.

## Methodology

To empirically assess the impact of the Fruitvale Village TOD on the socioeconomic status of its residents, LPPI applied a matching technique using data from the United States Decennial Census in 2000 and the 2015 American Community Survey. This technique takes into account the timing of the intervention in relation to data collection (See Figure 2). Employing a statistical matching technique to create a baseline measure to assess the impact and direction of the 2003 Fruitvale Village TOD (census tract 4061) intervention, we identified two sets of census tracts most similar to the Fruitvale Village TOD census tract using the 2000 Census data. We identified the top 1% of matches for both the nine-county Bay Area and then statewide using a similarity score index (See Figure 3). We then employed an outcome index using data from the 2015 American Community Survey to assess the impact of the intervention over a decade after its erection. To control for gentrification, we also compared the Fruitvale Village TOD to the fastest gentrifying census tract in the Bay Area located in Uptown Oakland.

Figure 2. Timeline

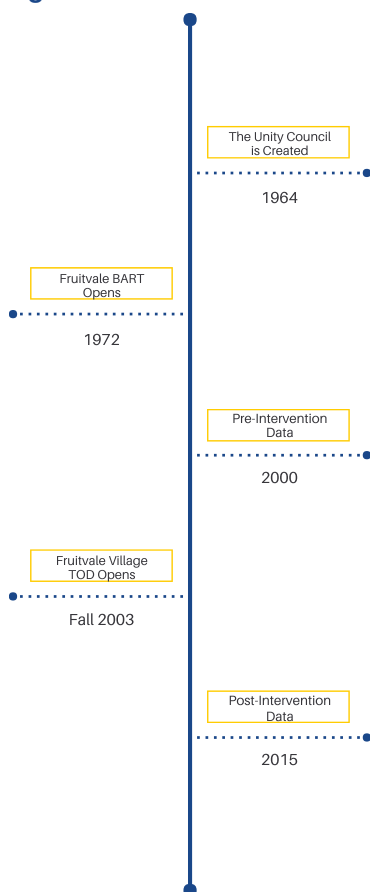


Figure 3. Index Variables

### SIMILARITY SCORE INDEX VARIABLES (2000 DATA)

Race/Ethnicity  
Average Gross Monthly Rent  
Median Household Income



### OUTCOME INDEX VARIABLES (2015 DATA)

Change in Race/Ethnicity  
Change in Cost of Living: Average Gross Monthly Rent  
Change in Median Household Income  
Percent of Residents who own Homes  
Percent of Residents without GED or High School Equivalent & with a Bachelor of Arts  
Percent of Residents who are Unemployed

## Matching Technique 101

To isolate the impact of the TOD intervention, a matching technique allows researchers to compare neighborhoods that are nearly identical to each other but for the intervention. Mathematically speaking, you take the square root of the sum of the squared differences across all the matching variables (*in this study it is the similarity score index*).

$$\text{Euclidean Distance} = \sqrt{(\text{Latino}_A - \text{Latino}_B)^2 + (\text{Black}_A - \text{Black}_B)^2}$$

For example, if we wanted to match only on Latino and Black population for a Tract A that is 25% Latino and 15% Black and a Tract B that is 26% Latino and 10% black, the distance between the two tracts would be:

$$\begin{aligned}\text{Euclidean Distance} &= \sqrt{(0.25 - 0.26)^2 + (0.15 - 0.10)^2} \\ &= 0.051\end{aligned}$$

## Bay Area Matches

In the Bay Area, we compared the Fruitvale Village TOD to 1,319 Census tracts across the nine Bay Area counties. The top 12 matches were found in Contra Costa (six), Alameda (four), and Santa Clara (two) counties (See Figure 4). Table 1 details the similarity score index averages for each of the three counties as compared to the Fruitvale Transit TOD in 2000, which provides the study's comparison baseline.

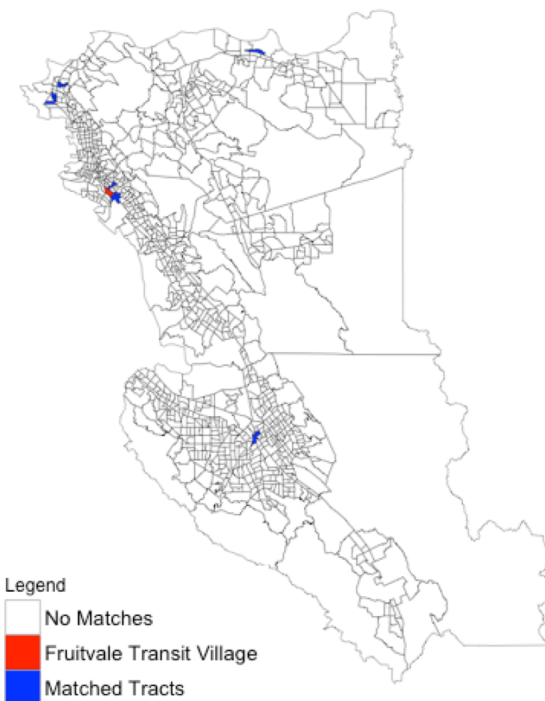
## Bay Area Percent Changes 2000-2015

Over this study's fifteen year period, the similarity score index variables experienced substantial changes across all indicators. Important for purposes of this study is that Fruitvale Village TOD's Latino population remained almost unchanged (less 1% decrease), yet both median household income increased by almost 50% and median gross rent saw an 82.75% increase, both of which were higher than the statewide match averages (See Table II).

**Table I. Bay Area Matched Tracts Similarity Score Index Data**

	% Latino 2000	% Black 2000	% White 2000	% Asian 2000
<b>Census Tract</b>				
Fruitvale Village TOD	63.2%	12.3%	11.9%	9.7%
Average Alameda County Matches	51.1%	22.9%	7.9%	14%
Average Contra Costa County Matches	55.2%	20.3%	12.7%	8.4%
Average Santa Clara County Matches	56.36%	3.6%	24.2%	12.5%
Average All Bay Area Matches	53.8%	18.8%	11.5%	11.9%

**Figure 4. Bay Area Matched Tracts**



**Table II. Bay Area Matched Tracts, Percent Change Between 2000-2015 for Similarity Score Index**

	% Change Latino	% Change Black	% Change White	% Change Asian	% Change Median Household Income 2015 Median	% Change Median Gross Rent 2015 Median
<b>Census Tract</b>						
Fruitvale Village TOD	-0.96%	-4.41%	-0.43%	+5.69%	+47.17% \$50,573	+82.75% \$1,261
Average Alameda County Matches	+5.15%	-8.09%	1.02%	+1.18%	+22.84% \$41,214.75	+73.29% \$1,132.25
Average Contra Costa County Matches	+10.83%	-4.77%	-6.0%	+0.73%	+30.35% \$48,021	+60.69% \$1,087.25
Average Santa Clara County Matches	-11.57%	1.8%	4.07%	+6.91%	+59.91% \$51,661	+83.51% \$1,231
Average All Bay Area Matches	+4.7%	-5.34%	-0.71%	+2.18%	+32.59% \$46,026	+70.61% \$1,130

## Bay Area Outcomes

### Homeownership

While homeownership rates decreased on average for all Bay Area matches, Fruitvale Village TOD experienced an **8.2% increase** in homeownership between 2000 and 2015 (See Table III). The only other matches to experience a positive increase in homeownership were Santa Clara County's two census tracts. This is especially poignant given the negative impact on homeownership and mortgage availability that resulted from the Great Recession and the current affordability and housing stock crisis in the Bay Area.

### Unemployment & Median Household Income

Between 2000 and 2015 Fruitvale Village TOD experienced an almost **50% increase** in the median household income, which was substantially higher than the average of all Bay Area matches during this period (See Table II). However, unemployment rates between 2000 and 2015 remained relatively unchanged; Fruitvale Village TOD experienced a 1% increase in residents who are unemployed, whereas the average of the region's matches saw a .13% decrease.

### Educational Attainment

In terms of educational attainment, Fruitvale Village TOD experienced remarkable gains with respect to both decreasing the percent of residents without a GED/or high school equivalent and increasing the percent of residents with a B.A. between 2000 and 2015. For both outcome variables, Fruitvale Village TOD outperformed the average of Bay Area census tract matches almost **twofold** (See Table IV). Further, Fruitvale Village TOD **more than doubled** the percent of change across both outcome variables in comparison to the average of Alameda County matches, its county of residence.

**Table III. Bay Area Matched Tracts Percent Change**

Census Tract	% Homeownership		% Change (2000-2015)
	(2000)	(2015)	
Fruitvale Village TOD	27.12%	35.32%	+8.2%
Average Alameda County Matches	32.55%	24.44%	-8.11%
Average Contra Costa County Matches	48.81%	45.88%	-2.93%
Average Santa Clara County Matches	15.84%	26.22%	+10.39%
Average All Bay Area Matches	36.54%	33.37%	-3.17%

**Table IV. Bay Area Matched Tracts Percent Change GED/High School Equivalent & B.A. Completion**

Census Tract	% Change	
	Without a GED % GED 2000 Blue % GED 2015 Yellow	B.A. Completion % BA 2000 Blue % BA 2015 Yellow
Fruitvale Village TOD	-12.04% 47.88% 35.83%	+13.31% 12.08% 25.39%
Average Alameda County Matches	-5.33% 46.85% 41.52%	+5.51% 11.11% 16.61%
Average Contra Costa County Matches	-2.07% 44.41% 41.69%	+3.16% 6.71% 9.87%
Average Santa Clara County Matches	-13.44% 36.02% 22.58%	+19.41% 23.07% 42.48%
Average All Bay Area Matches	-6.22% 44.03% 37.8%	+7.82% 11.27% 19.09%

## Bay Area Findings

Between 2000 and 2015, Fruitvale Village TOD experienced **substantial increases** across these outcome variables:

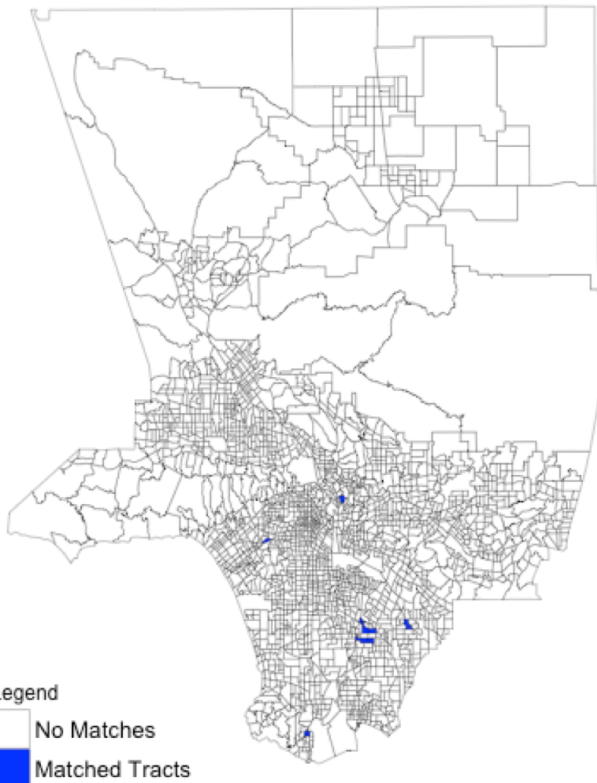
1) **homeownership**, 2) **median household income**, and 3) **educational attainment**. Further, all of these increases were well above the average for all Bay Area matches. For the remaining outcome variables, namely average gross monthly rent and unemployment, Fruitvale Village TOD was not significantly different from the direction and magnitude experienced by the region's average matches. The positive magnitude of these outcomes coexist with the fact that Fruitvale Village TOD's **Latino population remained almost entirely unchanged** (-1%, See Table II). These findings all take place during the fifteen year period that included the Great Recession and the continued housing affordability and income inequality crises.



## Statewide Matches

Statewide, we compared the Fruitvale Village TOD census tract to approximately 7,049 census tracts. We identified the top 12 matches, all of which are located in Los Angeles County (See Table IV and Figure 5). The similarity between the Fruitvale Village TOD and census tracts in Los Angeles County reinforce the statewide importance of the Unity Council's community economic interventions for the state's plurality.

**Figure 5. California Matched Tracts:**  
Los Angeles County



**Table V. California Matched Tracts Similarity Score Index Data**

Census Tract	Latino 2000	Black 2000	White 2000	Asian 2000	Median Household Income 2000	Median Gross Rent 2000
Fruitvale Village TOD	63.2%	12.3%	11.9%	9.7%	\$34,363	\$690
Average CA Matches	68.1%	9.4%	14.7%	5.2%	\$33,873	\$683

**Table VI. California Matched Tracts, Percent Change Between 2000-2015  
for Similarity Score Index Data**

Tract	% Change Latino 2015	% Change Black 2015	% Change White 2015	% Change Asian 2015	% Change Median Household Income 2015	% Change Median Gross Rent 2015
Fruitvale Village TOD	-9%	-4.4%	-4%	+5.7%	+47.2%	+82.8%
Average CA Matches	62.3%	7.9%	11.5%	15.4%	\$50,573	\$1,261
	+6%	0%	-4%	-1.6%	+39.2%	+66.5%
	74.1%	9.4%	10.7%	3.6%	\$47,153	\$1,137

## Statewide Percent Changes 2000-2015

The income and rental shifts between 2000 and 2015 at the statewide level mimic those found in the Bay Area matches (See Tables II and VI). Both the Fruitvale Village TOD and average California matches experienced increases in median household income and median gross rent, though the Fruitvale census tract's percent change was greater than the percent change across both variables compared to statewide matches. In addition, the Fruitvale Village TOD and the average statewide matches experienced decreases in their White populations, but the statewide matches experienced larger losses (4% vs. 0.4%).

Conversely, the statewide matches experienced an increase in their Latino population (6%), small decrease in their Asian population (1.6%), and no decreases in their Black populations (0%), compared to the Fruitvale Village TOD's 4.4% decrease in Black residents, less than 1% decrease in Latinos, and almost 6% increase in Asian residents. These changes take shape during the fifteen year period that Latinos became California's plurality and significant statewide increases in the growth of the Asian/Pacific Islander population.

## Statewide Outcomes

### Homeownership

In contrast to the Bay Area matches' decrease in the rate of homeownership between 2000 and 2015 of 3%, the statewide matches experienced a decrease of less than 1% (See Tables III and VII). This of course occurred during a time period that was marked by the housing bubble and the Great Recession. Conversely, the Fruitvale Village TOD's rate of homeownership **increased almost 10%** during this period, representing tremendous growth (See Table VII).

### Unemployment & Median Household Income

Similar to the Bay Area matches, the statewide matches experienced a small decrease in the rate of unemployment between 2000 and 2015, whereas Fruitvale Village TOD experienced a slight increase just under 1% (See Table VIII).

Compared to the average for Bay Area matches, the statewide matches percent change between 2000 and 2015 for median household income was almost double (32.6% compared to 66.5%). Further, Fruitvale Village TOD's percent change for median household income was 82.8%, well above both the regional and statewide match averages (See Tables II and VI).

### Educational Attainment

The average statewide matches experienced less substantial gains between 2000 and 2015 with respect to a reduction in the number of residents without GED/high school equivalency and B.A. completion compared to the Bay Area matches and the Fruitvale Transit TOD (See Table IX). Fruitvale Village TOD's educational gains were not only positive and substantial across both outcome variables, but also well above both Bay Area and statewide match averages.

**Table VII. Statewide Matched Tracts Percent Change**

Tract	% Homeownership		% Change (2000-2015)
	2000	2015	
Fruitvale Village TOD	27.1%	35.3%	8.2%
Average CA Matches	36.4%	35.6%	-0.8%

**Table VIII. Statewide Matched Tracts Percent Change Unemployment**

Tract	% Unemployment		% Change (2000-2015)
	2000	2015	
Fruitvale Village TOD	9.2%	10.1%	0.9%
Average CA Matches	10.7%	10.4%	-0.3%

**Table IX. Statewide Matched Tracts Percent Change GED/High School Equivalent & B.A. Completion**

Tract	% Change Without a GED		% Change B.A. Completion	
	% GED 2000 Blue	% GED 2015 Yellow	% BA 2000 Blue	% BA 2015 Yellow
Fruitvale Village TOD	-12.04%	47.88%	+13.31%	12.08%
		35.83%		25.39%
Average CA Matches	-9.1%	44.3%	+2.6%	11.8%
		35.2%		14.4%
Average All Bay Area Matches	-6.22%	44.03%	+7.82%	11.27%
		37.8%		19.09%

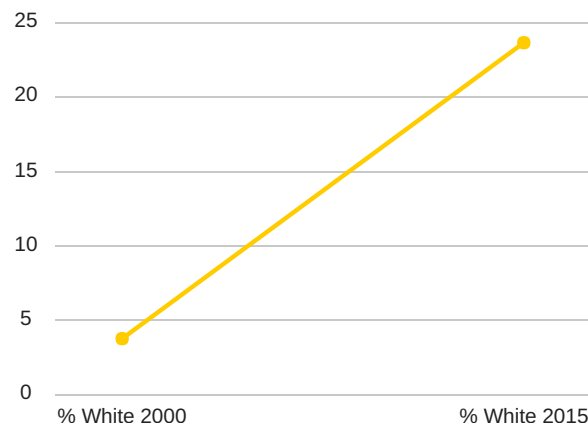
## Statewide Findings

Between 2000 and 2015, Fruitvale Transit TOD experienced larger positive increases across the same three outcome variable clusters in comparison to the statewide matches: 1) **homeownership**, 2) **median household income**, and 3) **educational attainment**. As with the Bay Area matches, the magnitude and direction of Fruitvale Village TOD's socioeconomic gains were larger than those of the statewide matches, all of which are located in Los Angeles County. Given the housing affordability crisis, the median gross rent increased substantially for all matches (Bay Area & statewide), representing minor differences with those of Fruitvale Village TOD (\$131-\$124 dollar differences respectively). Finally the similarity of the statewide matches to the Fruitvale Village TOD supports the statewide significance of these findings for socioeconomically disadvantaged communities, especially California's Latino communities.

## Controlling for Gentrification

To control for gentrification, we compared the Fruitvale Village TOD to the most rapidly gentrifying census tract in the Bay Area, Alameda County's Census Tract 4027. We measured the growth in White residents by census tract between 2000 and 2015, and using this measure concluded Census Tract 4027 was the most rapidly gentrifying (See Figure 6). It is important to note that Census Tract 4027, which encompasses "Uptown Oakland" is located approximately four miles away from the Fruitvale Village TOD.

**Figure 6. Percent of White Population Growth 2000-2015 for Census Tract 4027**



## Gentrification Outcomes

Between 2000 and 2015, Census Tract 4027 experienced sharp decrease in their residents of color compared to the more muted changes experienced by the Fruitvale Village TOD (See Table X). Further, Fruitvale Village TOD experienced larger increases in both median household income and homeownership compared to Uptown Oakland. Both tracts saw decreases to the percent of residents without a GED or high school equivalent and increases to the number of residents with a B.A. With respect to unemployment, Uptown Oakland reduced the percent overtime by 3.4% compared to Fruitvale Village TOD's increase of almost 1%.

**Table X. Comparison of Census Tract 4027 to Fruitvale Village TOD (2000-2015)**

Tract	% Change				% Change		% Change		% Change	
	Latino	Black	White	Asian	Median Household Income	Median Gross Rent	Homeowners	Unemployed	College B.A.	GED
	% Latino 2000	% Black 2000	% White 2000	% Asian 2000	2000 Median	2000 Median	% 2000	% 2000	% 2000	% 2000
	% Latino 2015	% Black 2015	% White 2015	% Asian 2015	2015 Median	2015 Median	% 2015	% 2015	% 2015	% 2015
Fruitvale Village TOD	-9.9%	-4.4%	-4.4%	+5.7%	+47.2%	+82.8%	+8.2%	+9.9%	-13.3%	-12%
	63.2%	12.3%	11.9%	9.7%	\$50,573	\$690	27.1%	9.2%	12.1%	47.88%
	62.3%	7.9%	11.5%	15.4%	\$50,573	\$1,261	35.3%	10.1%	25.4%	35.8%
Census Tract 4027 (Uptown Oakland)	-6.7%	-14.2%	+23.6%	+3%	+39.2%	+77.1%	-2.2%	-3.4%	+17.7%	-13.3%
	23.1%	59.9%	3.7%	7.9%	\$30,359	\$634	17.5%	11.7%	11.2%	41.3%4
	16.4%	45.6%	27.6%	8.2%	\$47,153	\$1,123	15.5%	8.3%	29%	28.1%

## Gentrification Findings

This study suggests that after the intervention in 2003, Fruitvale Village TOD experienced substantial increases in college degree attainment, GED attainment, home ownership, and median household income relative to similar tracts in the Bay Area and across all of California. In comparing Fruitvale Village TOD to Uptown Oakland's census tract 4027, these outcomes were not driven by displacement of Black or Latino residents. This study finds that Fruitvale realized improvements that look similar or better than those in the most rapidly gentrifying census tract, without the population replacement. This study provides empirical support for the positive impact of the Fruitvale Village TOD on the socioeconomic standing of its residents, even controlling for gentrification.

## Conclusion

This empirical study evaluates the impact that community-driven economic development and culturally responsive TOD can have on the socioeconomic outcomes of residents, including Latinos. The Unity Council's positive intervention, the erection of a multi-use TOD, led to overall increases in income, educational attainment, and homeownership rates. Gentrification was not the reason for these socioeconomic gains. This study suggests that the racial/ethnic composition of the area studied remained almost unchanged, especially with respect to Latino residents. Given the continued demographic changes and rising costs of living, this study provides insight into how TOD, coupled with positive community-based intervention, can improve the economic and social well-being of residents without resulting in displacement.

Moving forward, city and local governments should consider Fruitvale Village TOD as a case study for positive community transformation. This analysis presents a novel case study into the role of TOD within Latino communities at a time where cities and states are planning large scale transportation projects and grappling with the housing affordability crisis. This inquiry's timeframe included the most tumultuous period of economic uncertainty this century, the Great Recession, and yet the intervention analyzed was found to positively impact residents' socioeconomic standing, outperforming any positive impacts experienced by similarly situated communities in the region and statewide. Finally, this study underscores the potential for development to benefit residents without resulting in displacement.

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## LPPI's Mission

Founded in 2017, UCLA Latino Policy & Politics Initiative (LPPI) is a comprehensive think tank that addresses the most critical domestic policy changes facing communities of color in states and localities across the U.S.

### For more information, visit:

UCLA LPPI  
3250 Public Affairs Building  
Los Angeles, CA 90095-1656

[latino@luskin.ucla.edu](mailto:latino@luskin.ucla.edu)  
[latino.ucla.edu](http://latino.ucla.edu)



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@UCLAlatino