Change comes to revived City Heights
Is gentrification of the area next?

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As Maria Martinez-Cosio drives her aging Volvo down the streets of City Heights, she is still amazed at the shining physical renewal that Sol Price and William Jones and others have wrought. In her judgment, Price and Jones worked a miracle -- but the miracle is in need of a midcourse correction.

"City Heights proves that even with the best of intentions, urban revival leads to gentrification -- which means that many of the people the project intended to help will, in the end, be forced out," says Martinez-Cosio, a former KSDF reporter and UCSD doctoral candidate. She has just completed a study of one slice of Price's experiment in organic urban renewal -- "the bricks and mortar piece."

What meets the eye is truly impressive.

Where buildings once dissolved into decay and crime, now stands a bright, new shopping center, with an Albertsons supermarket, a Blockbuster video outlet, a Starbucks. Nearby is the state-of-the-art Rosa Parks Elementary School and the Mid-City Continuing Education Center where Latinos and Somali immigrants take English, computing, nursing and parenting classes. Close by is a busy, postmodern library wired for the Internet by Cox Cable and the framing of new townhomes, rising like skeletons on the rebound. Some residents call City Heights "San Diego's Ellis Island," and they say it with pride.

"Today, most residents love City Heights and most of the improvements. The only complaint you'll hear from people here about Albertsons is that it sells liquor," she says.

A decade ago, many considered this an urban lost cause. In 1990, the City Council issued a declaration of emergency because of the increasing crime rate and poor standard of living. In that year, "about half the population lived in poverty; in those families, someone went to bed hungry most nights," says Martinez-Cosio. More than 20 buildings were built on an old dump; the ground was contaminated with toxic levels of lead and even radioactive waste. The Environmental Protection Agency is now cleaning them up.

The revival of City Heights was launched in the mid-1990s by Price, a philanthropist who had previously set the retail market on its head with his Price Club chain (now Costco) and Jones, a former city councilman. The combined efforts of Jones' for-profit developments and Price's nonprofit San Diego Revitalization Corp. comprise what is probably "the leading project in the country in terms of a comprehensive approach to
community revitalization," according to Robert Turner, who heads San Diego's Local Initiatives Support Corp., as quoted in The San Diego Union-Tribune last Sunday.

True enough, says Martinez-Cosio. "But you have to look a little deeper to see what Price is really up against," she adds. With a grant from UCSD's Civic Collaborative, she spent 15 months studying the redevelopment effort. She also poured over U.S. Census figures for the region, comparing the reality of those numbers with the Price project's own mission statement, with its goal of making "City Heights a community that retains its current residents and attracts new ones."

If, according to the June 2000 statement, residents are "completely priced out of the neighborhood . . . we failed in our mission." By this definition, has the mission failed? No, says Martinez-Cosio. At least not yet.

Here are some of the study's findings:

With a current population of 73,000, City Heights is increasingly brown, young and middle- to upper-income. During the past decade, the population grew by 20 percent, and the San Diego Association of Governments projects another 18 percent growth in the next three years.

In all but two census tracts, the black population fell dramatically. More than 3,700 have moved out. While low-income blacks moved out of the northeastern corner of City Heights, a large number of middle- and upper-class Asian households moved in.

All of City Heights' 16 census tracts showed a marked increase in Hispanic residents. Overall, the Latino population is growing in every neighborhood in City Heights, and of these newcomers, most are Latino families with higher incomes. "Some residents who left the community are coming back, and some are buying property as investments. Residents tell me that many owners are from out of town," says Martinez-Cosio. "The change in Latino residents suggests that the people gentrifying City Heights are predominantly upper-middle-class Latino professionals."

Incomes are rising. City Heights' average income is $25,914, up substantially from the 1990 average of $11,020. "There's been an incredible increase in the number of people making $75,000 or more," she says. "These are the people who are finding housing."

Rents of one-bedroom bungalows average between $900 and $1,200, compared to $232 to $300 in 1990. Since that year, property values have doubled and in some cases tripled. A 600-square-foot bungalow that sold for $60,000 in 1990 is selling for up to $200,000 today. In 14 of the 16 census tracts, home ownership rates remained unchanged or declined.

Expensive housing shouldn't come as a surprise, not in San Diego. But Martinez-Cosio makes the case that in City Heights, as bad as the conditions were a decade ago, "at least people without stable incomes had a place they could afford to live, a place close
to jobs." Price's commitment has lowered crime and increased the quality of living. But "many of the residents aren't reaping many economic benefits -- even though the project was supposed to be for them."

The moral of her study?

"Nonprofit and government organizations must plan for gentrification, place more emphasis on building affordable housing, and make sure that people have a living wage so they can continue to live in their neighborhoods," says Martinez-Cosio. "And the city should make far more effort to know how a neighborhood's makeup is changing. It's amazing how little governments know about their own neighborhoods, and how much they learn when it's too late."

Next Sunday: Answering the challenge -- Coming innovations by Price and others around the country.

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