Impact of Chinese Immigrants in San Gabriel City

1. Introduction

In the past few decades, San Gabriel Valley's Chinese population has been increased rapidly. There are mainly two different types of Chinese: wealthy buyers investing in luxury houses and commercial projects; immigrants purchasing homes in safe neighborhoods with good educational resources. These immigrants and investors with increased purchasing power have been gradually changing the living environment in San Gabriel Valley.

The City of San Gabriel is one of the most Asianized city in San Gabriel Valley. According to 2010 U. S. Census, 60.7% of all residents in San Gabriel City are Asian. With upwardly mobile Chinese population and strong tourism market, there has been an unprecedented wave of Chinese investment. The City embraces Chinese investors because these investments stimulate local economy and increase tax revenues. The city promotes itself as "business-friendly" and established Economic Development Programs to be supportive. As a result, single-story homes have been replaced by mega-mansions and adding luxury hotels.

However, as a city with 238 years' history, it is worrying that the pace of development and Asianization here is too fast. The Mission District in San Gabriel City (SGC) has long been a center for Spanish culture and art in California, but as new comers, Chinese people are not aware of the rich history here. Their projects are modern and dense, changing the skyline of the city as well as the lifestyle of the residents.

It is obvious that Chinese immigrants have had great impacts on City of San Gabriel. But it still need to be examined whether these impacts are positive or negative. This paper aims to dig out the answer by analyzing impacts from different aspects, including demographic change, historical preservation, crime rate and housing price. After the analysis, possible ways to mitigate negative impact will also be proposed.

2. Data and Methodology

The main data source of my project is American Fact Finder. I use LA County Census Tract shapefile as base map, 2013 Census Tract as data source, and downloaded the shapefile of San Gabriel City from SCAG to show the boundary of my research area.
For the demographic analysis, since I want to show the demographic change over time, I decide to use line charts. The data is from Census 2000 Summary File and 2009-2013 5-Year American Community Survey. I compared San Gabriel City with the whole LA County because they have similar economic environment and thus their poverty rate and unemployment rate are more comparable.

For historical preservation analysis, I found the address of cultural resources on the city's website and geocoded them. In order to see the relationship between Latino population and historical sites, I created a choropleth map to show Latino population distribution and combined it with the location of cultural resources. Corresponding to this map, I used the same method and created a map showing Chinese population distribution and the location of new developments. Since mixed-use projects are more dense and have greater impact, I use large red dots to highlight them. Last but not least, in order to see the impact of new developments on historical sites, I combined these two layers together and created a buffer of 1000 feet radius around historical sites. In this way it is very clear whether new developments will affect the view in historical area.

The data of crime analysis is mainly from City-data.com and San Gabriel City Police Department. I found an arrest report with all the crime arrested addresses in 2015 and geocoded them to see their relationship with Chinese population distribution and new developments.

For housing price analysis, I searched on zillow.com for the housing price change in the last 10 years and compared it to LA County. For a clearer picture, I also found the number of housing units sold in 2009-2013 American Community Survey and combined it with Census Tract shapefile. I created a dot density map since I want to see where the most active housing market is.

The data I found has some limitations. Since San Gabriel is a fairly small city, there are only 10 Census Tracts within city boundary, which is not defined enough. So all the maps I created using Census Tract is just a vague picture of the truth. If I could get the data of more defined population distribution, the spatial relationship could have been more clear. Also, in the map of housing price, some area is completely empty because some Census Tracts do not have sales records in them. The statistics might be not very accurate since the margin of error is quite high in the table. The map would be more reliable if I could get more accurate data.

3. Analysis

3.1 Demographic Change over the Past 10 Years
In 2000, San Gabriel City was already the congregating spot for Chinese with the population percentage of 33.6%. After 10 years' rapid increase, the percentage has become as high as 42.2% in 2010. Chinese population in the whole Los Angeles County, in comparison, increased steadily from 3.5% to 4.0%.

On the Contrary, although the Latino population in LA County has increased from 44.6% to 47.7% in ten years, their density in San Gabriel City actually declined from 30.7% to 25.70%. The cohort of Chinese immigrants is obviously one reason that Latinos are moving out of the city where they've been living for hundreds of years.

As the percentage of Chinese population increases, poverty rate in San Gabriel City has also dropped significantly from 15.9% to 13.3%, while the poverty level in LA County almost remained the same. The unemployment rate has been steady, too. After the recession in 2008,
the unemployment rate in San Gabriel City only increased by 0.6%, while the rate in LA County increased by 2.4%.

Apparently Chinese immigrants have positive impacts on local economy and residents' living standard. Lots of law firms have been opened for immigrants and those real estate investments bring here jobs, which keeps unemployment rate steady and drags the poverty rate down.

3.2 Historical Preservation Analysis

San Gabriel City has a variety of historical and significant architectural structures that are worth protecting, which is very rare in Southern California. These pre and post-American structures include adobes more than 150 years old. Thus, Mission District is established by the City in order to protect these cultural resources.

This map shows that most of the cultural resources are located in the northern part of the city, especially in the Mission District. Most of the Latinos in the City are still living around these historical sites. In Mission District, more than 30% residents have a Hispanic origin.
Chinese population are concentrated mainly in the southern part of San Gabriel City. The map shows quite clearly that more than half of the residents along Valley Boulevard are Chinese, while on the northern part of the City, Chinese residents only take up less than 30%.

The geographic location of newly constructed projects highly correlates with the location of Chinese immigrants and investors. There are four large mixed use projects along Valley Boulevard. Two of them are luxurious hotels with retail on the ground floor and the other two are multi-family units with retail space. The developers of these four projects are all Chinese and the major users of these projects are Chinese immigrants and tourists as well. According to this map, although development is happening everywhere in the City, the most drastic change is occurring in the South, where most of the Chinese people congregates.
If we put the cultural resources and new projects together on the same map, we can see their spatial relationship clearly. Those dense new projects are located quite far away from the existing historical sites. In a 1000 feet radius, which is a fairly long distance, there is no new project blocking the view and destroying the sense of history.

Although there are concerns that new developments might cause negative effects on those precious cultural resources, in fact most of them are located in Asianized communities where there are few historical sites. City of San Gabriel also established several rules to regulate the appearance of new building structures located in Mission District so that they can blend into existing environment. So far the impact of new development is very limited.
3.3 Crime Analysis

Crime Index per 100,000 Population

Source: City-data.com

Spatial Relationship between New Projects and Crime Spots

San Gabriel City Boundary
- Streets
- Crime Arrested Location
- Newly Constructed Projects
- Large Mixed Use
- Multi Family
- City Projects
- Retail/Office

Chinese Population Percentage
- 0.0% - 15.0%
- 15.1% - 30.0%
- 30.1% - 40.0%
- 40.1% - 50.0%
- 50.1% - 72.6%

0 0.25 0.5 1 1.5 Miles
The crime index in San Gabriel City has been decreasing faster than U. S. average and quite steady in past five years. This means that Chinese immigrants and investors did not bring here more crime. Spatially, crime arrested spots distributed evenly in the entire city. Neither is there any obvious spatial relationship between crime spots and new developments, nor does crime rate has anything to do with Chinese population distribution. San Gabriel City has been a relatively safe place for a long time, and the immigration of Chinese has not changed this fact so far.

3.4 Housing Price Analysis

Chinese immigrants and investors buy a large number of houses each year in San Gabriel City. Lots of them pay all cash in the deal. Since demand surpasses supply, housing price has been pushed up greatly in the last ten years. In 2006, median sale price in San Gabriel is $597,000, which is slightly more expensive than the LA County average. However, in 2015, median sale price in SGC has increased by $82,100 to $679,100, while the median sale price in LA county declined to $509,000. Median housing price in SGC is now $170,000 higher than in LA county.
This map also tells the same story. According to 2009-2013 American Community Survey, most houses sold in that period values more than $500,000. The most active housing market is located in the area where there is more Chinese.

4. Conclusion and Suggestions

Taking all the analysis above into consideration, Chinese immigrants have stimulated local economy greatly. They invest in large mixed-use projects, open retail spaces and bring new jobs to the community, which drags poverty rate down. The newly constructed modern projects are away from historical sites, thus they are not problematic from historical preservation's perspective. Also, crime rate remains stable and San Gabriel City is still a safe place to live in.

On the other hand, more and more immigrants are flooding into San Gabriel City, taking up Latino’s living space. Surely there will be even more modern building structures invested by Chinese. Thus, it is hard to say whether San Gabriel City could still retain its historical core after several decades. Chinese’ real estate investment fever also led to drastic increase in housing price. If this phenomenon continues, which stands a good chance, there might be gentrification
problems. Residents whose family have been living here for hundreds of years might have to move out and make room for Chinese simply because they cannot afford to live here anymore. Continuously decreasing Latino population makes it even harder to protect existing Spanish cultural resources.

There are several methods to mitigate these negative impacts. Affordable housing is one way to keep Latinos stay in their home town. Skycourts is the first mixed-use project with affordable housing in SGC, which was completed in early 2014. The City may encourage developers to build more affordable housing through density bonus or tax deduction. Another approach is to communicate with Chinese immigrants and let them know the importance of cultural heritage. City of San Gabriel is the first City in the U. S. which opened an account on Weibo, the Chinese version of Twitter. It is a great attempt to communicate with Chinese immigrants and investors both in the U. S. and in China. If new media is used wisely, immigrants can be educated in a pleasant way and will protect the historical core of the city spontaneously.

Reference: