



East San Gabriel Valley Area Plan: Draft Economic Development Element Summary



1. VISION

The East San Gabriel Valley (ESGV) plays a vital role in economic development by attracting investment, developing a resilient workforce, and providing for an economically and fiscally sustainable region.

2. EXISTING CONDITIONS

Changing Industries

Industry sectors in the ESGV that grew faster in terms of number of jobs than the Los Angeles County average included the fields of construction, educational services, transportation, and health care and social assistance. Industry sectors with growth that was lower than the Los Angeles County average included manufacturing, wholesale trade, and retail trade.

Primary Economic Sectors

Key economic sectors within ESGV communities include retail (14.5%); wholesale trade (12.6%), educational services (11.6%), manufacturing (9.5%), and accommodation and food services (8.9%). Taken together, these sectors accounted for over half, or 57%, of total employment in 2020.

Job Centers

The communities of Avocado Heights, Rowland Heights, and Hacienda Heights represent nearly three-quarters of total employment across the ESGV. A majority of jobs are concentrated in the southwest portion of the Planning Area, clustered along the Southern Pacific Railroad right-of-way. Hacienda Heights and Rowland Heights, in the sections north of State Route 60, also have high employment concentrations in the industrial areas that cluster along railroad lines. Industrial uses are also adjacent to residential uses in the South San Jose Hills community.



Resident Workforce

ESGV residents are primarily employed in the fields of health care and social assistance (14.2%), manufacturing (12.5%), retail (10.5%), and transportation and warehousing (7.1%).

3. ISSUES & OPPORTUNITIES

Jobs-Housing Imbalance

The ESGV houses nearly 100,000 employed residents, but contains fewer than 36,000 jobs. This indicates that the ESGV is a net exporter of workers, and that the majority of residents must travel elsewhere to reach their primary place of employment. Top work destinations for employed ESGV residents include Orange County (13.8% of total outbound commuters), the City of Los Angeles (13.6%), and the Gateway Cities subregion (10.4%).

This jobs-housing imbalance is due in large part to the overwhelming share of land in ESGV that is dedicated to residential land uses, as opposed to commercial and industrial land uses. This also underscores the need for preserving any remaining land dedicated to employment-generating uses, where possible.

Need for Revitalization of Commercial Areas

ESGV has seen little new office, industrial, or retail development activity over the past decade. Many of the ESGV's commercial centers and jobs-rich industrial buildings are aging and in need of revitalization. In the absence of new private investment on the immediate horizon, adaptive reuse of existing employment-generating space is more likely in the near to mid-term. Many industrial/flex buildings in the ESGV will need substantial renovation to compete in nearby markets for employment sectors with higher growth potential.

Workforce Training

Many residents in the ESGV are employed in the manufacturing sector, which represents 12.5% of total employment. Manufacturing is forecasted to see the steepest decline in local employment over the next decade. Forecasts for growth in the retail sector have also been dampened due to the COVID-19 pandemic. Residents employed in these sectors may be more susceptible to unemployment, particularly those without adequate job training. This makes workforce training efforts targeted to the needs of ESGV working residents a crucial part of its economic development strategy.

Workforce Education

Nearly one-quarter of ESGV's employed residents aged 30 or older do not have a high school diploma. Some of these residents may struggle with basic language skills or lack qualification to enter specialized technical and vocational programs. Meanwhile, 28.3% of the ESGV employed residents aged 30 or older have attended some college, but do not have an associate degree. Some of these residents may have received technical or vocational education to earn certifications or professional licensure. These residents with a high school diploma, but no college experience may be appropriate to target for vocational training opportunities.

4. RECOMMENDATIONS

Accessible Workforce Training and Job Opportunities

Robust workforce training and job placement resources should be provided to ESGV residents, with a focus on industries with local long-term growth potential to reduce the need for employed residents to travel far for quality jobs.

Maintain Job-Creating Uses and Provide Nearby Workforce Housing

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Existing and new job-creating uses in the ESGV should be supported and cultivated based on industries with long-term growth potential, and housing options should be provided near job-centers that are affordable and buffered from environmental impacts.

Streamlined Commercial and Industrial Revitalization Programs

Resources to improve and revitalize sites, such as development incentives, are provided to commercial and industrial property owners to increase economic growth, employment, and efficiency.

Equitable Economic Development

Prioritize underinvested communities for capital improvements to support new investment and create jobs, while providing support services, grants, and rental assistance to small and minority-owned businesses.

Environmentally Just Economic Development

Residential areas and other sensitive uses should be proximate to, but buffered from major job-centers, especially hazardous uses; incentives should be offered to local business to upgrade existing uses to be environmentally sustainable.