

## HOUSING STRATEGIES FOR HOUSTON: EXPANDING OPPORTUNITIES

**H**OUSTON, one of America's largest and fastest growing cities, faces a daunting challenge: **by 2025, the city's population is expected to double with an additional two million citizens.** Will the marketplace be able to satisfy the housing needs of all of Houston's future citizens? Will there be an adequate supply of affordable housing throughout the City? With its laissez-faire philosophy of governance and free enterprise, can Houston remain a world-class, competitive, 21<sup>st</sup> century metropolis if some of its indispensable workforce cannot find decent, affordable homes inside the city limits?

While Houston's housing costs are comparatively low and have remained relatively stable, Houston's home ownership rate is below that of most American cities, and housing costs may soon be on the rise. In many neighborhoods, rising real estate values are already reducing housing affordability. And Houston faces other serious, persistent challenges: severe traffic congestion; air pollution; chronic flooding; fiscal imbalance; inadequately funded schools; and inadequately coordinated government services.

Conducting business as usual in Houston may not work during the 21<sup>st</sup> century in the face of dramatic demographic changes, widening income gaps, rising living costs, growing demands for public services, and greater need for enlightened environmental stewardship. Houston has a choice. It can do little or nothing, gambling that problems will somehow resolve themselves. Or it can craft a new vision for the City, adopting effective strategies to meet these interrelated challenges so that Houston remains dynamic, prosperous, and livable for all its citizens.

Achieving a new vision for Houston will require new thinking, inspired leadership, innovative policies, and changes in government structure. Among the City's most pressing problems:

- Houston has no "housing plan" to guide the City's housing policies and ensure that public and private sector housing investments are consistent with the City's needs and vision for how it should grow. Without such a plan, new housing will continue to be built haphazardly, without regard to the availability of physical and social infrastructure and public transportation. This will lead to even more traffic congestion, air pollution, risks of flooding, strained infrastructure, and overcrowded schools.
- Multiple City agencies share responsibility for making decisions affecting the City's housing stock, but with little coordination between them. No overall policy guides these housing decisions. No single City official is responsible for ensuring that decisions fit together in a coordinated fashion and are not duplicative or inefficient. Moreover, two-year election cycles and term limits make it difficult for most members of the City Council to develop sufficient knowledge about housing issues to play an active role in guiding the City's numerous housing-related activities.
- Growing shortages of affordable housing in many close-in neighborhoods force low- and moderate-income families to relocate to the periphery of the metropolitan area where land and housing are less expensive but far removed from jobs and public transportation. Without public transit access, such families depend completely on private automobiles, incurring burdensome transportation costs and contributing further to sprawl, traffic congestion, and air pollution. And the City's comparatively low home ownership rate suggests new efforts are needed to increase home ownership opportunities for low- and moderate-income Houstonians.

# RECOMMENDED STRATEGIES

To meet Houston's challenges, the team proposes seven interrelated strategies. These recommendations represent a unified set of policies and specific actions, each dependent on the others for maximum effect. The team hopes these recommendations stimulate a much-needed public conversation on how to expand housing opportunities, strengthen communities, and ensure Houston's future vitality.

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**1.** *Houston's Mayor and Council should appoint a cabinet-level housing "chief," equivalent to a deputy mayor, with authority both to shape city housing policies and to oversee, guide, coordinate and energize the City's disparate housing efforts.*

The housing chief would stimulate and facilitate housing production and improve coordination among multiple city agencies dealing with housing issues. To optimize resources, the housing chief should evaluate existing housing programs, policies and regulations, eliminating ineffective approaches and strengthening those that work. The housing chief also should mobilize the Land Assemblage Redevelopment Agency and use its property acquisition/disposition and land-banking powers to acquire and dispose of property to support neighborhood preservation and redevelopment.

**2.** *Under the leadership of the housing chief, the Mayor, City Council, and appropriate agency officials, Houston should adopt an enforceable, comprehensive, inclusive housing plan realistically tailored for Houston and persuasively developed through an open, transparent public process.*

The plan should set forth overall housing policies and identify: long-range housing production targets and home ownership goals; public sector funding needs and priorities; areas of the City intrinsically suited for increased housing density, as well as areas unsuited for higher densities; and residential neighborhoods and properties most in need of, and suitable for, revitalization and/or preservation. Viable, actionable housing policies

and plans should be linked to comprehensive land use and transportation plans for the City as a whole and for specific City sectors and neighborhoods.



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**3.** *Houston's housing plan should include adoption of policies and legislation to increase production of affordable housing, both for sale and for rent, that: (a) economically motivate both non-profit and for-profit developers to produce mixed-income developments; and (b) ensure equitable distribution of such housing throughout the City to avoid creating stigmatized "projects" or low-income ghettos.*

Economic incentives could include: subsidies for land acquisition, infrastructure, site preparation, and construction; real estate tax abatement; investment tax credits; density bonuses; write-down of city-owned land costs; below-market interest rates on construction and permanent financing; and reduction or waiving of municipal fees.



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**4. To provide economic incentives for developers, and to bridge gaps between the price of housing and what some families can afford, Houston should increase locally generated funds devoted to affordable housing using a variety of methods.**

The City should issue bonds, allocate tax revenues, create a Housing Trust Fund, and more aggressively pursue state and federal dollars. It also should encourage greater investment by businesses, institutions and individuals whose interest would be served by helping finance housing development for their employees who are part of the City's indispensable workforce, so critical to sustaining Houston as a world-class, economically competitive city.

**5. Houston should publicly finance or directly undertake infrastructure improvements in inner-city neighborhoods where existing streets and utilities are failing or obsolete, and where housing development at higher densities is feasible and desirable.**

The City also should enact an "Adequate Public Facilities Ordinance" that allows higher densities and substantial new development only if existing or planned public facilities—roads, utilities, storm water system, public schools, police and fire services—will have adequate capacity to serve the additional population engendered by proposed development.



*No matter where they live or what their politics or socioeconomic status may be, Houstonians are proud of Houston's overall affordability and want the City to remain at the top of America's affordability list.*



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*Houston's historically dynamic, entrepreneurial culture has produced a globally competitive, vibrant, free-market urban economy, an increasingly robust cultural life, and abundant opportunities for a diverse citizenry. While the source of the City's wealth was once based on natural resources, its future rests on human resources.*

**6. Houston's government should help improve the capacity of potentially effective Community Development Corporations to increase affordable housing opportunities.**

The City should provide entrepreneurship training and public funds for targeted CDC projects in the neediest neighborhoods. Also CDC's should actively partner with private developers, who will continue to build most of Houston's future housing.

**7. Houston's government should encourage—or undertake with private sector and Community Development Corporation partners—development of several well designed "model" projects in key locations linked to transit and infrastructure, schools, and other community resources.**

Model developments at appropriate sites would demonstrate to Houstonians the viability, desirability, affordability, and profitability of alternative land use patterns, new types of architecture, mixed uses, higher densities, and demographic diversity.

*To house its diverse and growing population, Houston needs to energize and mobilize both human and economic resources.*

***Houston has a choice...it can craft a new vision for the City, so that Houston remains dynamic, prosperous, and livable for all its citizens.***

## Development of the Report on *Housing Strategies for Houston: Expanding Opportunities*

In 2002, the Houston Chapter of the American Institute of Architects launched an ambitious, collaborative process to help Houston formulate new housing policies to better address the many challenges the City faces over the next 25 years. In partnership with the Houston City Council, the business community, nonprofit community-based organizations and others, a broad-based Steering Committee was formed to direct the process, chaired by Houston City Council Member Gordon Quan.

After extensive consultation and evidence-gathering involving 15 subcommittees, the Steering Committee invited a team of national experts in housing and land use policy to examine the evidence and develop recommendations for new, forward-looking housing strategies for the City. The Final Report, written by team leader Roger K. Lewis, FAIA, with assistance from team member Steven Hornburg, summarizes what the team learned and what it recommends.

While all members of the Steering Committee do not agree with all of the report's recommendations, the Committee is unanimous in the belief that the report raises important issues worthy of a sustained public debate.

For more information about *Housing Strategies for Houston*, or to download a copy of the full report in PDF format, visit our website at [www.HousingHouston.org](http://www.HousingHouston.org).

For inquiries, telephone the AIA Houston Chapter office at 713-520-0155.

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