

Recommendations for Democratic Engagement Shared Ownership and Wealth Generation in Houston's Third Ward



PROJECT ROW HOUSES

Emancipation Economic
Development Council



DRAFT

Table of Contents

Acknowledgments	4
Forward	5

Introduction	6
Defining the Problem	8
A Call for Change	12
A Way Forward	14
About This Document	15
Timeline/what we did	16

Strategies	
1. Build Political Power	18
2. Strengthen Community Ownership	22
3. Increase Housing Choice	30
4. Generate Community Wealth	34

Zones	40
Catalyst Sites	46

Appendix	50
----------	----

INTRODUCTION

Acknowledgments

The MIT Community Innovators Lab Team is deeply indebted to Rick Lowe and Project Row Houses, not only for sharing their local expertise, but for displaying such generosity and hospitality during our visits to the Third Ward. We are also eternally grateful to have been able to draw from such a wealth of existing knowledge – from neighborhood plans created by local institutions and agencies to the many conversations held with residents, pastors, business owners, real estate developers, architects, non-profit leaders, city administrators, public officials and others invested in the future of the Emancipation Park neighborhood. The unique insights provided by these sources contributed immensely to our understanding of the context in which we were working, and ultimately helped to shape the direction of this document. Above all, we are honored to have been able to witness and contribute, even in some small way, to such a potent and transformative moment in the history of this community. We wish the Emancipation Economic Development Council and surrounding neighborhood all the best in their work ahead.

Authors

Yan Jie Christina Chen, MIT Department of Architecture
Kara Elliot-Ortega, MIT Department of Urban Studies and Planning
Leo Goldberg, MIT Department of Urban Studies and Planning
Danya Sherman, MIT Department of Urban Studies and Planning

Graphic Design

Kara Elliott-Ortega, MIT Department of Urban Studies and Planning

Project Management and Supervision

Allegra Williams, MIT CoLab Empathetic Aesthetics Program Fellow

Presented by

MIT Community Innovators Lab
Empathetic Aesthetics Program

Supported by

The Surdna Foundation

Forward

To some, the social inequities enabled and perpetuated by the entrenched forces of Houston's private market would seem inevitable. For the MIT Community Innovators Lab (CoLab), however, these circumstances have presented an opportunity to bring the experiences of the local community to bear in exploring alternative development paradigms and methods for activating economic democracy. Located within MIT's Department of Urban Studies and Planning, CoLab bridges practice-based knowledge and community-based values with academic research. It connects faculty and students with partner organizations at society's margins to transform communities in ways that benefit all.

This work has been made possible through CoLab's partnership with MIT Mel King Fellow and Founding Director of Project Row Houses, Rick Lowe. Under Rick's leadership as a community-engaged artist and activist, Project Row Houses was founded to catalyze community transformation through the celebration of African American art, history and culture. Remaining dedicated to the organization's mission while conducting his MIT fellowship, Rick sought to identify strategies for local economic development and cultural preservation that would not displace current residents.

Through CoLab's Empathetic Aesthetics Program, which connects artists and urban planners around pressing social justice concerns, a cross-disciplinary team of students and recent graduates assembled to engage with Rick on these issues. Drawing upon both technical planning expertise and community-based methods of inquiry over several visits to Houston, the team helped Project Row Houses support a community organizing and strategic planning process for a new neighborhood committee, the Emancipation Economic Development Council.

It has been an honor for MIT CoLab to partake in this mutually supportive community-university partnership, which provided the MIT team with a meaningful experience in equity and advocacy planning and a historic neighborhood with new tools to more democratically determine its future. We hope to continue this work together, for years to come.

Allegra Williams,
Empathetic Aesthetics Fellow

INTRODUCTION

Introduction

Nearly a century and a half ago, shortly after this nation's Civil War, several groups of African-Americans throughout Texas pooled their money to buy property. They sought a public space where they could celebrate June 19th—Juneteenth—the day in 1865 that they gained their freedom. In Houston's Third Ward, Baptist minister and former slave Reverend Jack Yates led one of these groups to purchase the land where Dowling and Elgin Streets meet, in what became the first public park in Texas and remained during the era of racial segregation one of the only municipal parks open to African-Americans. They called it "Emancipation Park."



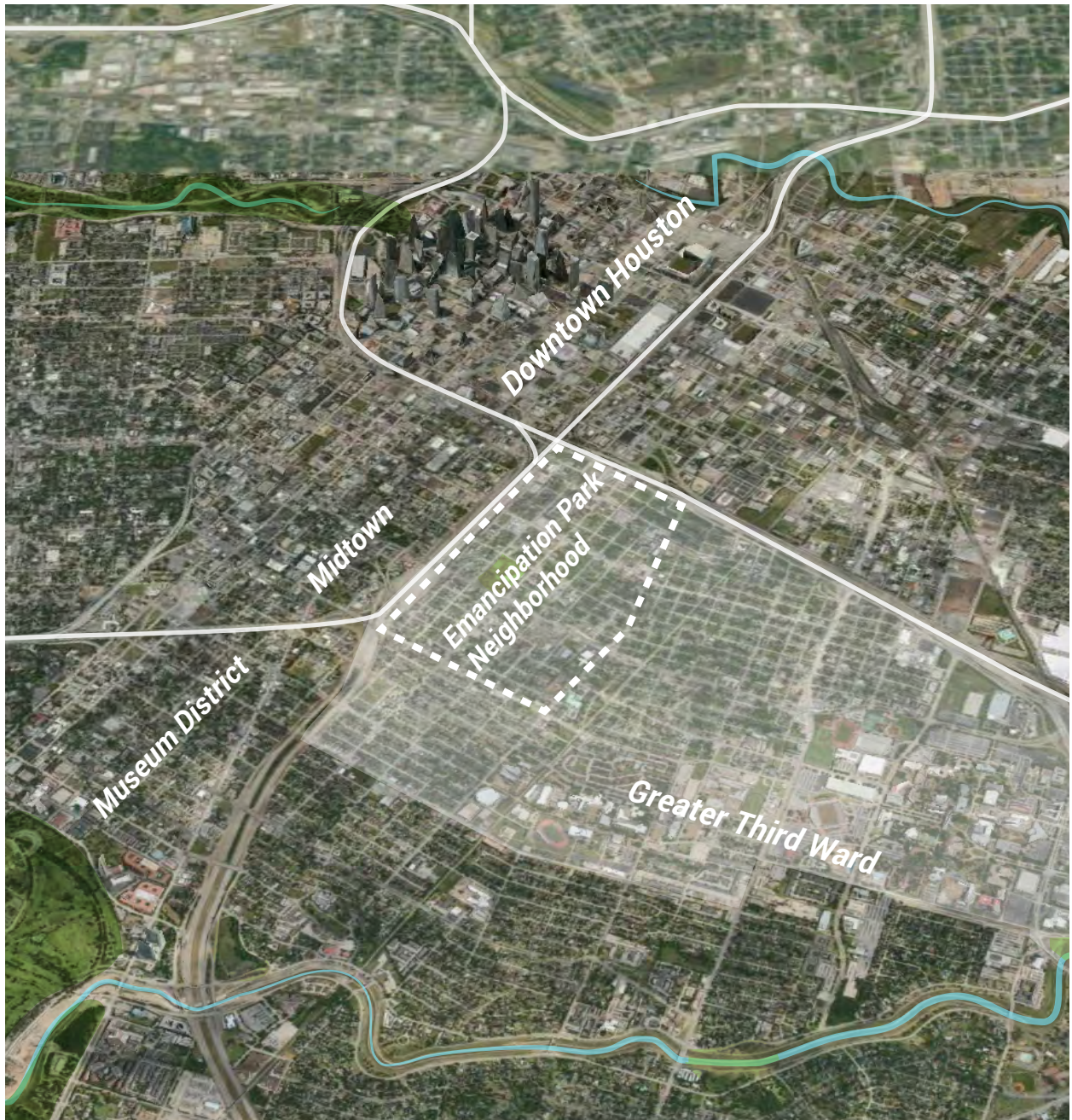
emancipation day celebration



emancipation park 2012



emancipation park 2015 renovation



INTRODUCTION

Defining the Problem

While serving as a bustling center for African-American culture and commerce in the 1950s, a significant percentage of the Third Ward's population was displaced by Houston's suburbanization in the 1960s and 70s. After the neighborhood was severed by the development of two major freeways in the 1980s, the following decades were characterized by blight and disinvestment. More recently, however, with the \$33 million renovation of Emancipation Park, and proposed light rail service extending to the Third Ward, there are growing neighborhood concerns amongst remaining residents that these public improvements and increasing private investment will spur further gentrification and significantly alter the character of this historically black neighborhood. Housing prices continue to rise dramatically, forcing many long-time residents out, and traditional shotgun-style row houses in varying stages of distress are quickly replaced by high-end townhomes. Meanwhile, many properties remain vacant and local businesses and residents struggle to survive in the midst of this transition. In many ways, the changes underway mirror what is happening in large cities throughout the country; in others, the problem becomes particularly acute in a place like Houston where, with little traditional zoning and fewer regulations, the free market is given free rein.

As MIT Professor Noam Chomsky has written in *Profit Over People*, "freedom without opportunity is a devil's gift, and the refusal to provide such opportunities is criminal..." When the forces of the private enterprise, aided by public policy, push and keep poorer people out of a gentrifying neighborhood, or when they do not invite investment to provide for the basic needs of people still living there, real opportunity is little more than an illusion. One the assumptions central to the recommendations of this document is the belief that gentrification is not, in fact, an inevitable or "natural" occurrence, but the result of a complex set of decisions—both public and private—which has limited the opportunities of lower-income African-American residents eventually and involuntarily displaced. When private corporations and developers guide public policy, a community's vision for its own growth and prosperity becomes trumped by those interests. This entrenched power structure creates significant barriers to democratic participation and social equity in the Third Ward. It raises questions about the very value set underpinning the current political economy of the city, and whether the community's values are adequately reflected within it.



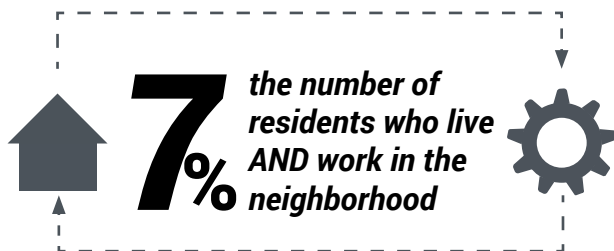
Demographics

**Two or
More Races** 8%

White 17%

Black or African American 74%

**Emancipation Park
Neighborhood
Total Pop: 3928**



Median Household Income

\$21,324

63.4% of households are occupied



75%
of those households
are renters

**paying an average rent of
\$707
/month**

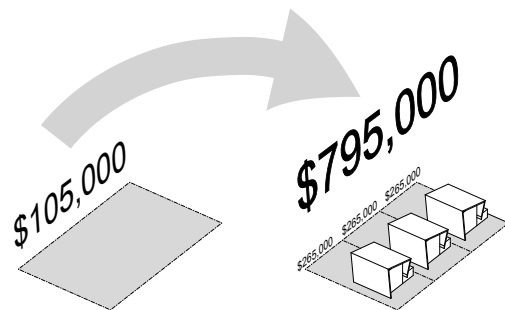
source: 2013 U.S. Census

INTRODUCTION

In the summer of 2015, 5.7% of the property in the Emancipation Park Neighborhood was in the process of replatting.



Developers replat to make a bigger profit - \$10,000 - \$120,000 net profit by splitting 1 parcel into 3



The character of the built environment and the residents of the neighborhood is changing at a rapid pace.



These developments become luxury townhouses that sell for much higher prices than surrounding homes.

\$489,900 - Saint Emanuel St. Enclave



\$418,888 - The Villas on Hadley



These changes are having an enormous effect on the neighborhood:

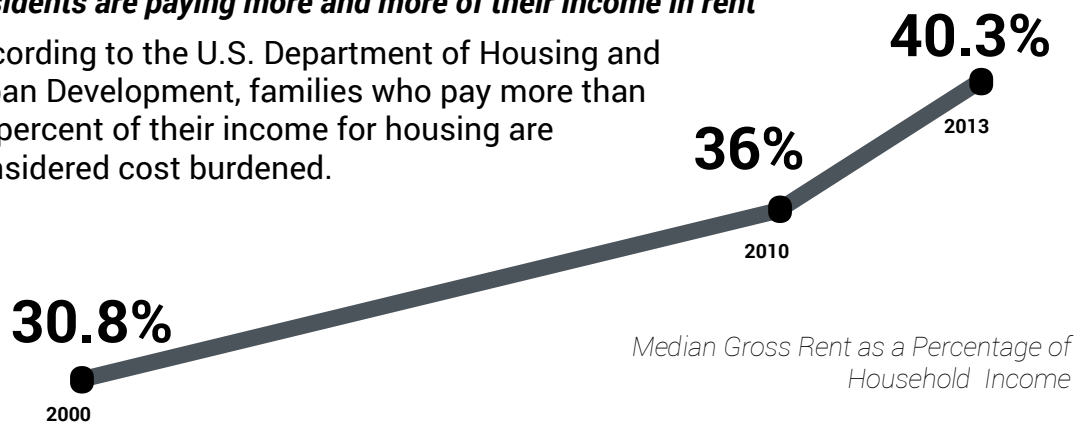
average vacant property values have
more than doubled
since 2012

Property taxes have increased drastically,
with some ***property tax***
assessments increasing
up to 158% *from 2014 and 2015*



Residents are paying more and more of their income in rent

According to the U.S. Department of Housing and Urban Development, families who pay more than 30 percent of their income for housing are considered cost burdened.



INTRODUCTION

A Call for Change

Voices in the Third Ward seem to be searching for something altogether different that better represents their values. They are searching for something that provides housing for seniors and for the poor. Something that ensures that the benefits of public investment accrue to the entire community. Something that preserves not only historic row houses, but neighborhood relationships. Something that provides better work opportunities and livelihoods, without displacing those in greatest need. Something that invites more commerce and public life to its corridors and streets, and offers more community control over its own destiny in and outside the corridors of power. In short, people are seeking greater democracy. The answer, then, must be to actively reassert the public interest in Houston and the Third Ward—to organize politically around halting unwanted development and guiding desired development, to democratize the ownership and control of land so that it is used justly for the community's benefit, to provide a range of housing options, to pursue strategies for community wealth generation by the many rather than conventional business attraction and retention for the few, and to revive by design a sense of place and centeredness with spaces that celebrate the neighborhood's rich culture and draw people into the public realm.

Values / What we heard

- Keep existing residents in the neighborhood, especially those most vulnerable to displacement, by creating pathways for wealth-building and community ownership and control
- Provide a functional organizing body that utilizes all community resources effectively and efficiently, and is a conduit for bringing in external resources and political organizing
- Develop place-based strategies that ensures all new development balances preservation with development
- Preserve African American legacy of the neighborhood

A Way Forward

The following recommendations are offered as possibilities, as ways in which these articulated values might be exercised in practice. In that sense, the report is meant to serve more as a compass guiding community values for decision-making than as a roadmap charting a single course of action. For example, what kinds of housing, whom it will serve, and where it will be built, are questions that must necessarily come from a democratic visioning process. Similarly, what specific types of businesses are grown, how they are designed, and where they are built, are details for residents to determine themselves, while the recommendations instead point to how they might be grown for greater democratic and local ownership. What is most important is that these processes are highly inclusive and participatory, and lead ultimately to meeting the needs of people in the community. When projects, policies or proposals are presented—whether public or private—community members may evaluate each with simple tests. Does this further the community’s vision and the public interest? Does everyone have a say in its approval? Does it lead to more democracy and shared ownership, more freedom and opportunity?

While members of the Third Ward can clearly see the pressures of gentrification mounting, it can often seem a daunting task to stop them. In the face of large and complex forces changing the nature of the neighborhood at such a rapid pace, what can anyone really do? Yet, we know the truth Dr. King spoke—that “human progress never rolls in on wheels of inevitability.” The history of the Emancipation Park neighborhood, reflected already in the actions of the recently formed Emancipation Economic Development Council, shows that collective action, guided by collective wisdom, may create the kind of place where freedom and opportunity is given room to grow.

INTRODUCTION

About This Document

The organization of the following recommendations reflect the simple approach of “Do what you can, and do it together.” As people learn from each other and from their experiences, they may find their notion of what can be done expanding exponentially. Nevertheless we have chosen to focus on four important and mutually supporting strategies to begin. The first strategy situates political organizing as both an immediate levee to stem the tide of gentrification, as well as a foundational step toward future progress in developing ways of working together. Strategy two discusses steps toward establishing a Land Trust, which would remove land from the speculative reach of private interests and hold it in common for the community’s benefit. Strategy three proceeds from there to suggest the development of a range of affordable and mixed-use housing options that can help to preserve and enhance the cultural character of the Third Ward. Strategy four presents new, more democratic models of generating community wealth instead of subsidizing corporate profits. Finally potential catalyst projects are identified along the Dowling Street Corridor that can inspire better design guidelines neighborhood-wide and demonstrate how all of these strategies might be synthesized on specific sites. Understanding that different circumstances exist within the neighborhood, the authors have divided the study area into four zones, and attempted to further tailor each strategy to its most appropriate starting point. This is not to say that the following strategies are not relevant to all of the zones in the Third Ward, but that each may be applied in a slightly different manner for better results. Lastly, our hope is that these recommendations are taken not as the upper limits of a narrow horizon, but rather, under the community’s guidance, the embarking point to a wider vision beyond it.

INTRODUCTION

INTRODUCTION

Timeline / Process

June 9 2015 —————> *June 2015* —————> *July 14 2015* —————>

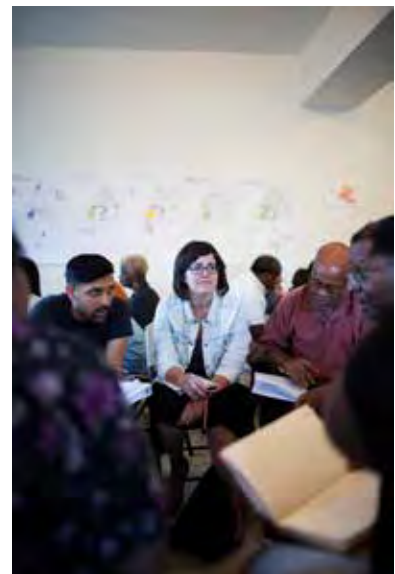
PRH brings MIT Team and stakeholders together to respond to neighborhood displacement and disinvestment



Data Collection & Analysis / Community Input through Conversations



Community Presentation #1: Making the Case for Collective Community Action



INTRODUCTION

July 2015 —————> **August 18 2015** —————> **October 2015-Present**

*Neighborhood Council Forms
(Emancipation Economic
Development Council)*

*MIT Develops Strategic
Planning Recommendations*



*Community Presentation #2:
Strategic Actions Proposed
to Address Neighborhood
Concerns*

*Council Sub-committees Form
to Implement Plan*



*Final Document and
Next Steps*



STRATEGIES

1. Build Political Power

Overview

Building political power is a foundational step towards realizing the kinds of changes the neighborhood hopes to see. Political organizing and engagement will also play an essential role in ensuring the success of the other strategies proposed in this document, from strengthening local ownership to maintaining housing affordability and generating community wealth. Change of this magnitude will require a critical mass of concerned, educated and vocal stakeholders to pave a way forward. Political power is much more than a means to achieve specific ends, however. This strategy is ultimately about disrupting longstanding power structures and ensuring that public interest leads private interests, not the other way around. It is about democratizing many realms of public life – political, economic, planning and spatial design - and moving a community towards self-determination.

Action Areas

1. Shape Current Development

Given the immense development pressure and rapid pace of gentrification near Emancipation Park, organizing concerned residents and other local stakeholders to speak out in the interests of the Emancipation Park community against unwanted development may be an effective initial step towards addressing mounting concerns. For more information on the process of speaking at Planning Commission meetings - the city's official forum for discussing development projects - please see Appendix A, pg. 50.

Economic Democracy Defined

A socioeconomic philosophy proposing to shift decision-making power from private interests to a larger group of public stakeholders.

4. Grow the Next Generation of Leadership

Building greater awareness and education of critical community concerns can help to inspire a new generation of leadership amongst the Emancipation Park community, and to encourage local residents to seek positions of political office. Collectively identifying and supporting this type of new leadership can help ensure that specific community concerns are voiced and addressed by those in a position to make appropriate changes.

Precedent

Center for Urban Pedagogy (CUP) Toolkits for Advocacy & Education

The Center for Urban Pedagogy works with graphic designers and community organizations to create educational materials around various social and economic issues. CUP projects “demystify the urban policy and planning issues that impact our communities, so that more individuals can better participate in shaping them.” These flyers help New York City residents understand how banks can invest responsibly (left) and show residents how to advocate for capital improvements within their neighborhood park (right).



STRATEGIES

2. Guide Future Policy

In addition to attempting to alleviate more immediate neighborhood concerns by speaking out against unwanted development, political organizing can also help with longer-term aspirations and proactive approaches to shaping the future of the community. Citywide or neighborhood planning initiatives, such as Houston's General Planning process, provide ideal avenues for public input that can improve the local economy, transportation system, physical design of the neighborhood, and other issues related to quality of life. As many policy decisions are made at the local level, and many tend to favor private interests over the public good, engaging in local and statewide elections can also provide an avenue to gain support for issues of importance to the broader neighborhood.

3. Generate Broader Awareness, Engagement and Capacity

Creating more democratic structures for decision-making requires that people understand both how to participate in political processes, and the value of their contribution. The creation and distribution of educational materials explaining how new development is affecting local property values and how residents can get involved, or providing for greater familiarity with the City's open data platform and process for contesting unwanted development, for instance, can be effective ways to generate broader support behind issues that are important to the community as a whole. Similarly, local media campaigns can serve as an effective means for reaching greater numbers of people and demonstrating neighborhood solidarity while simultaneously illuminating inappropriate behavior of private developers or corporations.

2. Strengthen Community Ownership

Overview

Despite the challenges posed by gentrification, property speculation and poverty, the Emancipation Park neighborhood has considerable assets with which to pursue community development that honors the past and builds on the vision of current residents. The twin forces of gentrification and poverty that are central to this document can be traced to the prevailing concept of land as a commodity. To eradicate these forces, therefore, land must be thought about in a different way. The founders of Emancipation Park understood this well. Out of the Civil Rights movement in the 1960s, African-Americans pioneered the community land trust model which sought to replace private market logic with the concept of democratic land ownership—that land ought to be held in common by the community for public benefit. Through creation of a land trust in the Emancipation Park neighborhood, current residents could also ensure long-term stewardship of land in the public interest while preserving neighborhood affordability and community character.

Action Areas

1. Commit to Collective Land Ownership

An initial step towards creating a land trust is having interested parties make a commitment to collective ownership of and decision-making over their land. The members comprising the Emancipation Economic Development Council, who already own a significant percentage of land in the neighborhood, are in a unique position to impact the direction of development and help ensure long-term affordability for residents by entering into such an agreement together.

Land Trust Origins

The land trust model originated during the civil rights movement as a way to secure agricultural land for poor African American farmers. The first urban land trusts developed in the 1980s to fight blight and preserve affordable housing. (Right: Farming on the land trust in Albany, Georgia.)



“Land – rural or urban – is more than just land; it’s the space where social, economic, and community decisions are made, and it is the place of neighborhood, culture and livelihoods...It’s really about engaging community to decide together what they want on their land.”

– Holt Giménez

2. Seek Technical Assistance and Legal Support

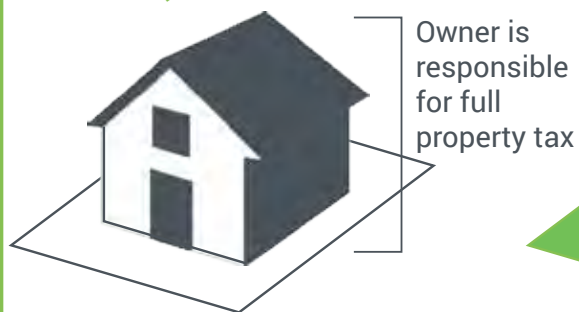
There are a number of local resources for interested stakeholders to pursue once making the collective commitment to share ownership and decision-making rights over their land. The process of seeking additional resources and knowledge about what possibilities exist is essential to making educated decisions about the future of the trust. The community can draw upon the significant local expertise that already exists through people like Dr. Jeffrey Lowe, who has written widely on the subject, and the University of Texas Law School Free Legal Clinic which has assisted other land trusts, including the Guadalupe Neighborhood Development Corporation in Austin, during their initial planning phases. The Local Initiatives Support Corporation of Greater Houston (LISC) provides seed grants for local organizing efforts and also has connections to additional financial resources that could benefit a new land trust. Given that community land trusts are exempt from the land portion of property tax assessments under Texas State Law, it would be valuable to connect with the Harris County Tax Office and learn more early on about the process of exempting land trust properties. For more information on sources of financing, the Guadalupe Neighborhood Development Corporation Land Trust in Austin, TX, and financial benefits of land trusts, please see Appendices B-D, pg. _.

STRATEGIES

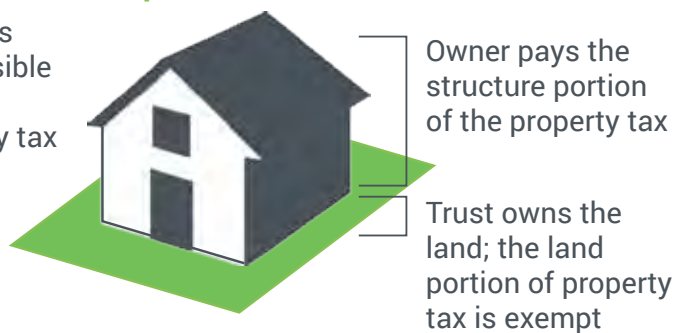
How a Land Trust Works

A land trust is an organization that ensures the long-term stewardship of land in the public interest while preserving investments in affordable housing, open space and other public resources. In a land trust, property ownership is shared between leaseholders that own the structures, and an organization that retains ownership over the underlying land. By dividing the ownership of land and improvements in this way, land trusts facilitate the permanent affordability of housing or commercial uses, and other properties in the trust remain under communal stewardship, protected from speculative investors.

Status Quo



Proposed Land Trust



3. Determine an Organizational Structure

Although a variety of different governance models exist for land trusts, and each CLT must determine which model is most appropriate for their community, it is important to take into consideration how any given model will impact the collective decision-making power of the community over the long-term. One entity in the community must serve as the lead organization for the land trust, and it is important to determine carefully who is in the best position to represent local interests. While certain leadership models may provide financial benefits to a CLT in the short term, they may limit the trusts ability to involve the community in decision-making that is truly democratic over the longer-term. In order to ensure that democratic leadership and responsible decision-making prevail, and that trusts maintain stability over the longer-term, most CLTs adopt a model where power is split equally between three constituencies, with one third representing interests of lease holders or tenants of the trust, one third representing the interests of non-lease holders within the surrounding neighborhood, and one third representing public officials.

STRATEGIES

4. Build Capacity through Outreach and Education

As discussed in the previous strategy on Building Political Power, the strength of a land trust is dependent upon a well-organized and informed community that is committed to shared decision-making for the greater good. The more land owned collectively through a land trust, therefore, the better position it will be in both politically and financially. Once the organizational structure of the land trust is determined, involving other local institutions and businesses, neighborhood renters and other smaller property owners would significantly deepen its reach and impact. A certain set of properties in the neighborhood have been identified whose owners would benefit from participating in a land trust and who should be the initial focus of outreach efforts. These properties are family-owned and have not been subject to speculative land deals which require short terms returns. The structures on these properties are relatively old and often in need of repairs. Most of these properties are rented out by owners who live in the Houston suburbs while some are owner occupied. Developing brochures and other outreach materials to explain the benefits of the land trust to them directly will be an important first step in increasing local involvement. Please see Appendix __, pg. __ for more information on preservation opportunities through a land trust.

Preservation Opportunities Map

This map indicates properties that would be suitable partners for a land trust.



Property Criteria:
Privately owned
Ownership has not changed since at least 2005
No new construction or remodelling since at least 2000

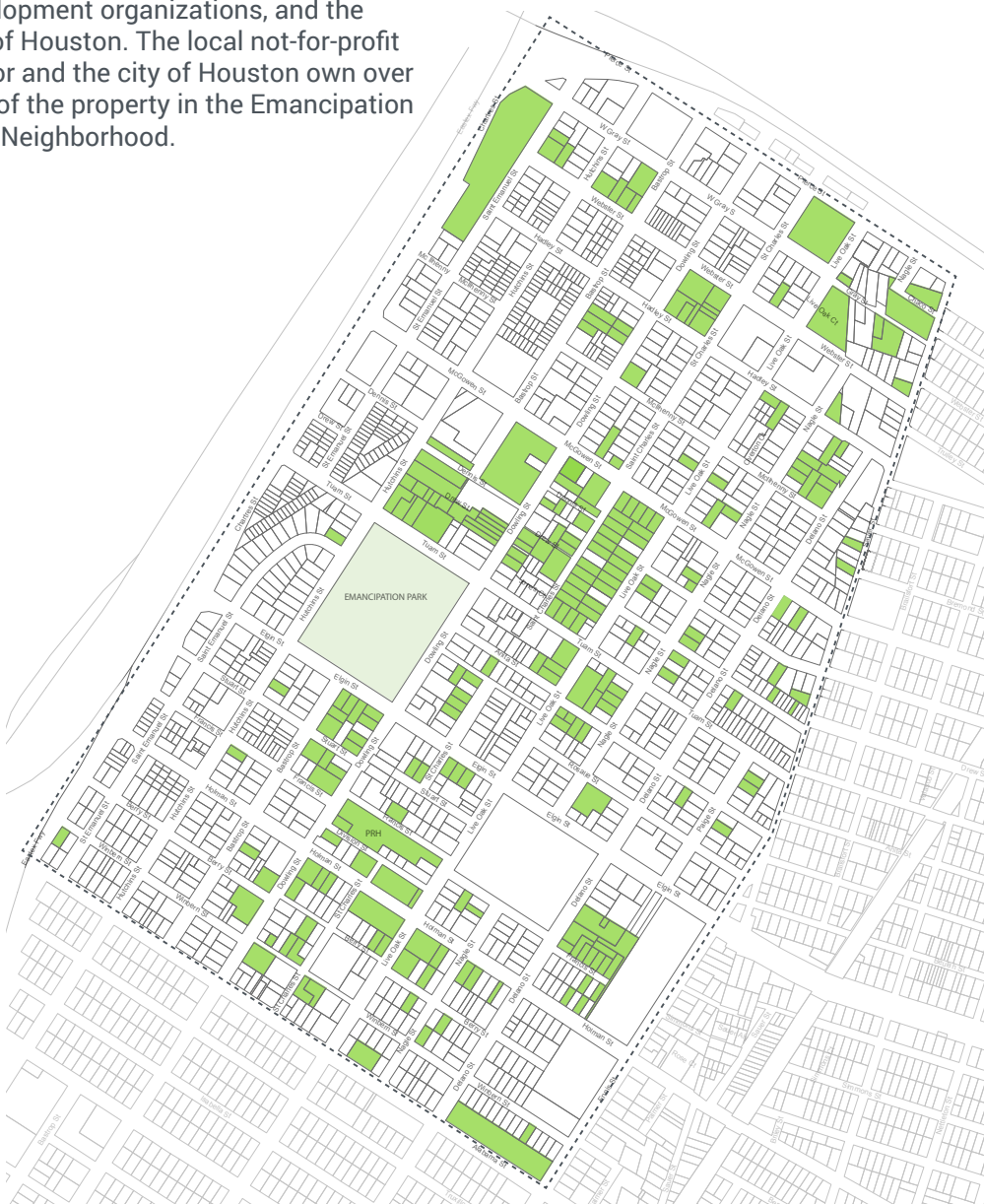
STRATEGIES

5. Work with Community Partners to Acquire Land

A community land trust would begin with a significant advantage in its access to land through like-minded and willing partners. With the transfer of parcels, they will have effectively played the informal role of a land bank, where unused or underused land is managed and later repurposed or conveyed for future development. Indeed, the Midtown TIRZ has performed this role in its past collaboration with Project Row Houses, and is well positioned to continue this critical link in the potential expansion of a community land trust. Acting as a land bank, the TIRZ could use its authority and resources to acquire blighted properties, clear land titles, and clean sites with any environmental issues in preparation for their transfer to and eventual redevelopment on the community land trust. See appendix F, pg. ___ for more on this model in Philadelphia, which provides a sound precedent for the interaction between land bank and land trust.

Property Owned by Non-Profit and Community Organizations

This map shows all of the property owned by the Midtown TIRZ, Project Row Houses, church community development organizations, and the city of Houston. The local not-for-profit sector and the city of Houston own over 20% of the property in the Emancipation Park Neighborhood.



STRATEGIES

6. Construct and Manage Structures on Land Trust Properties

Once a land trust is firmly established within the community, it can begin to seek financing to construct homes and/or businesses on its land, in a process that closely involves the community. In this way, a CLT can generate additional revenue to maintain its operations and acquire new property to further expand its reach. Some CLTs decide not to become active developers of the land and instead partner with more experienced community development corporations to fill that role. The following sections on Increasing Housing Choice and Generating Community Wealth will further examine the possibilities for constructing both homes and businesses on land owned by a land trust. Appendix G, pg. ____ also contains additional information on Real Estate Development through Land Trusts.

Tax Breakdown for Delano Street Property

	<u>2014</u>	<u>2015</u>	<u>2015 in Land Trust</u>
Appraised Value	\$52,434	\$81,600	\$6,600
Land Value	\$43,750	\$75,000	\$0
Improvement Value	\$8,684	\$6,600	\$6,600
Back Taxes & Fees	\$3,863	\$5,211	\$0
Annual Taxes Due	\$1,348	\$2,098	\$170
Taxes Due (including back taxes and fees)	\$5,211	\$7,309	\$170

Exemption from the land portion of property taxes would be worth over \$1,900 to the owners of this Delano Street property in 2015. Forgiveness of back tax would be worth another several thousand.

STRATEGIES

3. Increase Housing Choice

Overview

As political power and community ownership are being strengthened through the establishment of a land trust and other means, it becomes much easier to realize many of the changes the neighborhood would like to see, such as increasing access to a range of housing options to preserve the character and affordability of the Third Ward. There is broad consensus that affordable and mixed-use housing development is important to the revitalization of a neighborhood, and the Emancipation Park community is no exception. The construction of new homes on vacant and underutilized lots can achieve a number of important objectives simultaneously, including creating a safer environment, providing revenue for a land trust, local CDCs and/or churches, producing opportunities for current residents to remain close to public transit, jobs and other services, and attracting new families who can support local businesses and contribute to the cultural and civic life of the community.

Action Areas

1. Identify Needs and Priorities

Determining and building consensus around the most pressing community needs, whether it be for senior housing, co-housing, or a larger-scale mixed-use development, will be an essential first step in any development process. Agreement around priorities can be reached through a variety of means, from holding a series of community meetings to conducting a neighborhood survey. One of the primary benefits of a land trust lies in its ability to directly address local community needs and aspirations through its model of democratic decision-making.

2. Locate Potential Project Sites

Accounting for the current distribution of land uses in the area and the preferences communicated by community members, it is apparent that while opportunities exist for smaller scale developments to the east and south of Emancipation Park, a housing development strategy should focus on adding density to the area north of the park. In this part of the neighborhood, there are many large adjacent vacant lots owned by local organizational stakeholders that could provide the footprint for

Precedent: Mixed-use Development Meeting Local Needs

Boston's Villa Victoria mixed-use housing development embodies a successful implementation of many of the aspirations of the Emancipation Park community. Facing displacement through urban renewal in the 1960's, Boston's Puerto Rican community mobilized to gain control of a large parcel of land. The resulting housing complex, completed in 1976, included 435 low income units as well as a credit union, an arts center, community spaces and a preschool, all of which the local community had specifically identified as neighborhood needs. The design of the complex was also a product of public engagement and advocacy, where expansive public green spaces and private gardens contributed to a welcoming and safe environment for residents.



STRATEGIES

larger-scale developments without detracting from the character of the neighborhood. In many cases, in order to produce tracts of land sufficient in size for larger-scale developments, conversations will need to be initiated and facilitated amongst various land-owning institutions or individual property owners so that land can be acquired and aggregated by a land trust or developer. Developing outreach materials and workshops to convince owners of vacant property to sell or donate land, or to collaborate on a joint venture may be an important step in the process. The specific needs of a site (in terms of size, proximity to transit, and so forth) will largely be determined by the use of the property and whom will be inhabiting it.

3. Develop Project Plans with the Community

The success of any individual development project is largely dependent upon the involvement and support of the local community. In projects initiated by a land trust, there is already an established level of collective buy-in and investment towards developing projects that will serve the neighborhood as a whole. Whether or not a project is formally developed by a land trust, a number of factors will need to be considered, including the size, design, density, use-type, income mix, amount of landscaping/green space, parking requirements, and management/maintenance structure.

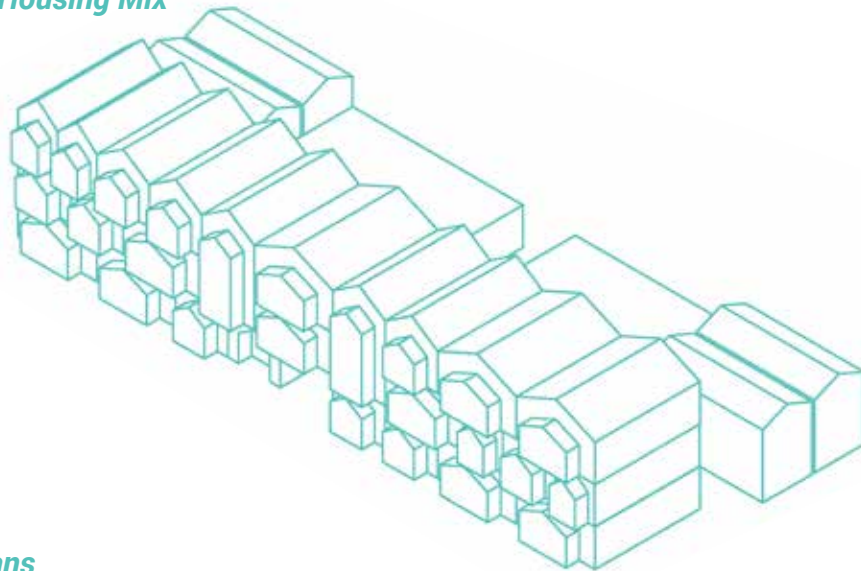
4. Secure Resources, Attain Land-Use Permissions, and Begin Construction

There are many opportunities that can be explored to finance development projects. Either a land trust or independent CDC can access a variety of local and federal funding programs. Once project funding is in place, attaining land-use permissions should be a relatively easy final step before beginning construction. In cases where parking, setback, or other such regulations do become a hindrance, project partners can, with the support of a vocal community, petition for exemptions from requirements or advocate for local ordinance changes that better address local needs. For more information on financing sources for new development, see Appendix H, pg__.

Example of Diverse Housing Mix

4 studios / 600ft²
 9 standard 800ft²
 10 large 1200ft²
 2 units 1600ft²
 4 units of 1700ft²
 800ft² lobby
 6825ft² parking

total: 40,225ft²



Sample Housing Plans



4. Generate Community Wealth

Overview

In contrast to the long-standing economic system, which prioritizes the interests of private corporations over those of smaller businesses, a strategy of generating community wealth would encourage a healthy and self-sufficient local economy through the participation of a broader group of residents, businesses, anchor institutions, and other key stakeholders. Given that nearly 50% of those working in the Emancipation Park neighborhood earn \$33,000 per year or less, and that over 40% of workers must commute at least 20 miles per day between home and work, exploring this alternative approach to growing a more democratic, equitable and sustainable local economy ought to be an urgent priority. Residents and local organizations in the Third Ward are already beginning to support and incubate cooperatively-owned businesses and to benefit from increased coordination with the medical, cultural, and educational sectors invested in their local economy's success. These small wins have the potential to multiply exponentially in ways that both preserve the neighborhood's unique character and position it to reemerge as the vibrant commercial and cultural hub it once was.

Action Areas

1. Formalize Communication and Cooperation Amongst Existing Businesses, Institutions and other Key Stakeholders

Identifying shared priorities and avenues for collaboration is an essential step towards generating local wealth amongst residents, businesses, universities, institutions and other key stakeholders. One potential means by which to increase communication and cooperation amongst these groups is through creation of a Local Business Association or a Business Improvement District, which can provide a unique organizing mechanism for all those invested in the future of their local economy. Such an organization could, for instance, help ensure that the neighborhood redevelops in a way that benefits those most vulnerable to displacement by supporting businesses that will serve local needs, ensuring that new businesses pay its employees a living wage, and creating a welcoming environment for minority or women-owned businesses. Educational institutions can also develop formal partnerships with local organizations by directing student and faculty resources towards local needs and engaging them to use the city as a classroom.

2. Address Local Needs through Development of Small and Cooperatively-Owned Businesses

Cooperatively owned businesses, which strive to keep wealth in the neighborhood and promote a healthy local economy, have a long history in African-American communities. One priority would be to identify new or existing spaces for smaller start-ups or cooperative businesses to share offices or other resources while keeping costs low. A number of small and cooperatively-owned businesses are already being incubated in the Emancipation Park neighborhood, and could benefit from additional resources. More of these types of businesses could also be developed if local needs were identified through anchor institutions and other stakeholders.

3. Advocate for Policies that Support the Local Economy and Improve the Environment

In order to bring about long-term improvements within a neighborhood, sound economic development policies ought to also benefit the local environment. Advocating for anchor institutions and larger-scale Third Ward businesses to conduct a comprehensive survey of their contracts and adopt policies that prioritize local purchasing of large amounts of goods and services -- as opposed to sourcing them across the country or overseas -- would reduce waste and support a healthier local economy. Advocating for policies such as a Parking Management District in the Emancipation Park neighborhood could similarly support the development of smaller businesses without the needless parking requirements that hinder such developments, while limiting automobile traffic in the area.

Precedent: New Orleans Re-fresh Project

In an effort to revitalize New Orleans' Broad Street, a struggling commercial corridor running through several historically low-income African American neighborhoods, a main streets organization called Broad Community Connections, helped to finance the Re-Fresh Project. Among the tenants of this public-private development were Tulane University's Center for Culinary Medicine, Boystown Center for Children and Families, the Crescent City Community Land Trust, a culinary work readiness and leadership program, an on-site teaching farm, and the country's first low price point Whole Foods, among many others.

STRATEGIES

Precedent: Cleveland Greater University Circle Initiative

Founded in 2005 as a grassroots effort to revitalize a Northeast Ohio neighborhood, the University Circle Initiative seeks to leverage the collective financial, political, and intellectual resources of over a dozen large public, private, and philanthropic organizations through long-term collaboration and community engagement. Thus far, the initiative has funded the development of transportation infrastructure and new housing, provided support to local schools and youth programs, and created comprehensive workforce development programs. These workforce programs have incubated three new worker-owned cooperative businesses that were identified as potential “buy local” opportunities from the anchor institutions, and support local hiring.

<http://democracycollaborative.org/>



4. Provide Job Training and Employment Opportunities to the Local Workforce

In a neighborhood where the unemployment rate is high, and only a small percentage are living in close proximity to where they work, more job placement and training opportunities are needed for current residents. Anchor institutions and larger-scale businesses ought to work through local community organizations to more readily and consistently provide information about employment opportunities, as well as assistance with resumes, interview preparation and other relevant trainings. Over the longer term, these neighborhood anchors could create a program to help the workforce anticipate which sectors are growing. For instance, the medical campus could anticipate needing to increase hires of technicians over the next 5-10 years. In response, community groups could begin creating and funneling local residents to educational and vocational programs to help prepare them for these types of careers.

Local, Cooperatively-owned Business: NuWaters Coop



STRATEGIES

5. Support the Development of a Vibrant Cultural and Commercial Corridor

Once a vibrant commercial corridor, Dowling Street has the potential to reinvent itself as a cultural hub for the neighborhood. By harnessing the power of grassroots organizing and community control through a land trust, tax burdens could be reduced and property along the street could be designated for cultural and commercial uses generating community wealth. Exploring design guidelines like a form-based code and other regulations, such as a Parking Management District, could further help encourage the development of the corridor as a pedestrian-friendly, culturally dynamic neighborhood destination that could support a mix of businesses and housing developments along its length. Rebranding the corridor by changing the name of the street back to its original 'Emancipation Avenue' would also contribute to a revived neighborhood identity.

Emancipation Avenue Name Change

Residents and community leaders gathered at a press conference in October 2015 to speak out in favor of changing the name of Dowling Street, which honors the legacy of a former confederate leader, to Emancipation Avenue, which would instead honor the African-American heritage of the Emancipation Park neighborhood.



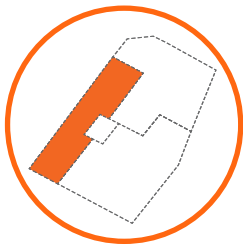
NEIGHBORHOOD FRAMEWORK AND ZONES

Neighborhood Framework and Zones

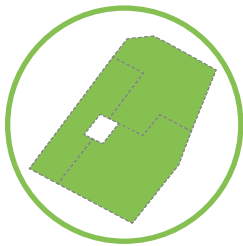
This neighborhood framework contextualizes the four strategies into different neighborhood zones that are based on the property ownership, physical scale and design, vacancy, and development patterns. While any of the strategies may be applied to any of the four zones, this framework connects policy or organizing concepts to the on-the-ground conditions while prompting the question of how any one development opportunity or vision connect to the neighborhood and surrounding context.



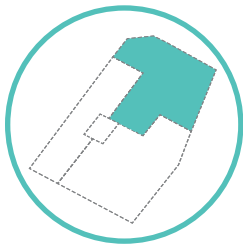
STRATEGIES BY ZONE



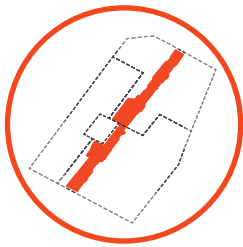
1. Build Political Power



2. Strengthen Community Ownership



3. Increase Housing Choice



4. Generate Community Wealth

NEIGHBORHOOD FRAMEWORK AND ZONES

NORTH

The northern area of the neighborhood has the most vacant property, with some entire blocks vacant. There are also property owners who own entire blocks, or pieces of blocks, so that more contiguous parcels are under the same ownership. This means that there are fewer roadblocks to higher density development. Combined with the proximity to downtown, the northern zone could house many new affordable and mixed-use housing units, thereby increasing the purchasing power of the neighborhood.

characteristics:

more vacant property, proximity to downtown

opportunities:

higher density development, mixed use/mixed income, attract new residents while maintaining neighborhood character



NEIGHBORHOOD FRAMEWORK AND ZONES

WEST



The western side of the neighborhood is dominated by townhouses, due to its proximity to Midtown. This is the area with the most completed townhouse developments as well as the area with the most replats. This makes the western zone the most immediately contested space in the neighborhood.

characteristics:

concentrated platting/replatting, proximity to Midtown, rapid townhouse development and gentrification

opportunities:

engage political process and building political power when parcels come up for plat approval, secure remaining single family homes

NEIGHBORHOOD FRAMEWORK AND ZONES

SOUTHEAST

The southeast houses most of the affordable homes or apartments in the neighborhood. Preservation of affordability, scale, and architecture through strengthening of community ownership should be a high priority in this zone. A land trust would provide the organization required to engage multiple property owners, residents and other stakeholders in democratic decision-making, while offering financial relief and protecting this existing residential area from unwanted development.

characteristics:

Existing residential area, smaller scale, scattered vacant properties

opportunities:

infill development, “preservation” of scale and affordability, adaptive reuse, strengthening community control and ownership



NEIGHBORHOOD FRAMEWORK AND ZONES

DOWLING STREET



Dowling Street runs the length of the neighborhood and is a main access road with potential to once again serve as a vital economic, cultural and commercial corridor. Scattered vacant lots and property owned by organizations such as Project Row Houses are opportunities to build infill commercial or mixed use developments that can generate community wealth and support local business development.

characteristics:

major thoroughfare, mix of vacant and occupied property, mix of ownership some existing commercial activity, access to Emancipation Park

opportunities:

generating community wealth, small business, cooperative and incubator development, creation of business association or council, mixed use and mid density development

Catalyst Sites

These renderings show examples of what it might look like to implement the four strategies on catalytic sites along the Dowling Street Corridor: one focused on housing development, and the other on commercial development.



Example of Housing Development - Trinity East Property (Tuam and St. Charles)

1. Building up to the lot line (small setback) creates sense of activity on street
2. Single development site holds a variety of housing options and densities
3. Design keeps architectural and social context in mind with addition of porches
4. Parking is located inside block, not facing the street



CATALYST SITES

Example of Commercial Development - Looking North at Dowling and Holman Streets

1. Concentrated commercial development builds off of and supports local business
2. Reduced parking requirements and street parking minimizes parking lots
3. Small or no setbacks and windows provides vibrant commercial experience
4. Windows create transparency and interest along the street





Appendix

A. Process for Participating in Planning Commission Meetings

Staying up to date with development patterns and platting requests can inform engagement with the planning commission and other political processes. Most information and data can be found online, although some websites are more accessible than others.

City of Houston Plat Tracker

<https://edrc.houstontx.gov/edrc>

The Plat Tracker is a website that manages plat applications for the Planning Commission. It is also where planning commission meeting dates and agendas are posted. The Commission meets every other week, and the agenda lists all the details of the plat requests up for review at the upcoming meeting. The meeting agenda is a good way to find out about which plats are up for review, includes the following useful information about each application:

- subdivision plat name
- application number
- subdivision plat type
- county, city, precinct, census tract number, zip code, school district
- if the application is within a TIRZ, Management District, Historic District, or Super Neighborhood
- land use
- number of lots that are part of the application
- name of the developer and applicant company
- phone number associated with the application
- a PDF of the subdivision application, which includes plans

All of this information can be helpful – the spreadsheet of the agenda can be sorted by location, in order to quickly identify which plat applications are occurring in the Third Ward. An internet search of the subdivision plat names can often result in real estate articles or websites that contain more information such as renderings, property information, and selling prices. Townhouse developments often have websites to advertise and sell the units - these sites often contain photos, plans, and renderings and may have links to other properties owned by the same developer.

My City Houston

<http://mycity.houstontx.gov/mycity2/>

My City Houston is a visual mapping tool that can quickly show where plat applications are under review as well as visualize other public city data.

1. To see current plat applications, zoom into the map to view the neighborhood.
2. Click on Map Layers and select Planning and Dev. Click Map Layers again to close the layer menu.
3. Check the box next to Planning and Development and then scroll down and check off the box next to PlatTracker Plats to see the plat applications.
4. Zoom into the map to see more detail. You can check off boxes for Property Lines, Easements, and Boundaries to see the changes that the plats are requesting. In this image, the plat is turning two parcels into ten parcels with a driveway or easement in the middle.
5. To find out more information about a given plat, click on the Identify tool at the top of the page. Then click anywhere inside the boundaries of the plat. The selected plat will be highlighted blue and the Identify box will contain information about the application, including:
 - name of the subdivision
 - status of the application
 - type of application
 - application ID number
 - You can use the subdivision name to locate the application in the Planning Commission agenda

Other data resources

Houston Municipal Code

https://www.municode.com/library/TX/houston/codes/code_of_ordinances

Chapter 42 of the Houston Municipal Code contains all of Houston's regulatory information around subdivision, developments, and replatting. The information in the code is fairly technical. The following are highlights that might be particularly useful.

- Chapter 42 Article II Division 1 Sec 42-23 Classes of Subdivision Plat – Includes
- Chapter 26 Article VIII Sec. 26-492 Parking Spaces for Certain Types of Use Classifications – Includes a table describing how many parking spaces are required for different land uses.
- Chapter 42 Article III Div 3 Building Lines – Includes a Table of Minimum Building Line Requirements describing the setback requirements for different kinds of streets, like Major Thoroughfares like Dowling St.

APPENDIX

Harris County Appraisal District Public Data

<http://pdata.hcad.org>

The Harris County Public Data site contains data for residential and commercial properties, such as ownership, addresses, land use, number of units, building style, building vacancy, and business type. This data is not straightforward and requires knowledge of database programs such as Access or Excel, or mapping software like GIS.

B. Sources of Financing for Land Trusts

Land trusts qualify for a variety of funding mechanisms. Across the country, land trusts receive federal housing funds through allocations from city and county housing agencies. Tax increment revenues can also be channeled to land trusts. Surveys show that about half of CLTs also receive private donations. In Houston, potential sources of financing include:

- Community Development Block Grant (CDBG) Program (development and operations)
- HOME Investment Partnerships (HOME) Program (development)
- City of Houston Tax Increment Reinvestment Zones (TIRZ) and the TIRZ Affordable Housing Set-Aside (development and operations)
- Federal Low-Income Housing Tax Credits, administered in Texas by the Texas Department of Housing and Community Affairs (TDHCA) as the state's Housing Tax Credit (HTC) Program (development)
- Federal Historic Preservation Tax Credits, administered by the U.S. Department of the Interior, through the National Parks Service (development)
- Foundations, private donations and corporate philanthropy (development and operations)
- TIRZs provide a particularly promising source of financing and land donation because of their mandate to spend revenues on affordable housing.
- With support from the Journey Charitable Foundation, the Houston Local Initiatives Support Corporation (LISC) offers small seed grants for community engagement and organizing that could be used to help with the establishment of a land trust. Grants are available to resident leaders and non-profits in neighborhoods connected to LISC, including the Third Ward, and range from \$500-\$2500. For more information, contact Contact Devonte Hardy (dhardy@lisc.org) or 713-597-6837.

C. Financial Benefits of a Land Trust

Property taxes are based on the market value of land plus the market value of improvements (structures) on the land. The calculation for the annual property tax on a property can be summarized like this:

$$\text{Annual property tax due} = \text{property tax rate} * (\text{market value of land} + \text{market value improvements})$$

For properties containing smaller, older structures, the market value of the land is much higher than the market value of the improvements. This is not usually the case, as shotgun houses and other older homes in the Emancipation Park neighborhood are perfectly suited for a strategy that relieves owners of the land portion of tax assessments.

Owner-occupied houses already receive the homestead tax exemption that limits tax increases to 10% every year. These properties would benefit from a tax exemption on the land portion of the property, but most renter-occupied houses do not receive the homestead exemption and would benefit even more.

CLT Expenses

- Rent, utilities, office expenses;
- Salaries, benefits, payroll expenses;
- Marketing materials and expenses;
- Homebuyer education materials, training resources;
- Legal expenses;
- Accounting and bookkeeping expenses; and
- Training and professional development expenses.

CLT Revenues

- Ground lease fees and rental income
- Sales transaction fees
- Commercial rents
- Grants (see financing section)

APPENDIX

Texas State Law No. 402 ch. 383 (2011) Exempts community land trusts from the land portion of tax assessments. A land trust can be incorporated as a nonprofit or other type of agency whose land holdings are also tax exempt.

How it Works

The trust would acquire a property (via donation) and then lease the structure portion (the entire property except the land itself) back to the original owner in a long term (99 year) lease. The acquisition cost would be zero as would the cost of the lease. Rather than a purchase, this transaction is closer to a contractual agreement to a set of benefits and restrictions placed on the property owner.

The homeowner receives:

- Property tax relief
- Back tax and lien relief
- Home renovation grant

The homeowner accepts:

- Resale price restriction
- Rent control for rental properties
- Offering the right of first refusal to the land trust a.k.a the trust has the first change to buy when the owner decides to sell

Land trust foreclosure prevention programs in St. Paul, Oakland and Chicago have used the same principle to keep families in their home who would otherwise be evicted. In return the families agree that when they sell their home they will do so at an affordable price rather than the full market value.

In addition to the overarching benefit of common land ownership and decision-making power in their community, all members of a land trust would have specific tax benefits, depending upon their role in the trust. The following details the benefits afforded to various groups involved.

Owner-Occupants:

- Many owner-occupants of older homes in the neighborhood are elderly and in need of assistance in maintaining their homes.
- Though they benefit from the homestead tax exemption, the gradual increase of property assessments can be a drain on these households.
- Entering their homes into the trust would give these families access to home

renovation grants and relief from back taxes.

- These households would benefit from maintaining residence in the community and retaining their asset (their home) to pass on to their children or heirs.
- These historic homes could be renovated and thus help to maintain the traditional architectural character of the neighborhood.

Renters:

- Many of the neighborhood's long-standing residents are current renters who will not have the opportunity to live in the new townhouses being built in the neighborhood, due to lack of affordability.
- Preserving the current rental housing stock and putting limits on rent increases are their best chance to stay in the area.

Rental Owners:

- Absentee owners of rental units do not receive the homestead exemption and are exposed to the rapid increase in property tax assessments. This diminishes the profitability of owning rental units and incentivizes owners to sell.
- Entering their properties into the trust would relieve owners of much of their tax burden, and thus maintain the profitability of being a landlord in the area.
- Over time, the financial benefits of entering the trust would outweigh the short-term revenues of selling to developers. For a typical shotgun property (5k sqft lot, ~700 sqft home):
 - The average monthly rent is \$707
 - Average annual taxes due (status quo): \$1,436
 - Average annual taxes due (in trust): \$369
 - Average annual savings to trust owners: \$1,069
 - In trust, annual income – taxes: $(\$707 * 12) - \$369 = \$8,115$
 - Revenue to the owner on sale: Average sales price for the lot: ~\$100K. Sales costs: ~6% of \$100k = \$6,000. Net revenue on sale = ~\$94,000
 - In 12 years, the revenue from the rental would surpass the revenue from the sale: $12 * \$8,115 = \$97,380$

D. Precedent of a Land Trust in Austin, TX

Guadalupe Neighborhood Development Corporation

In 2012, after serving its community for three decades as an affordable housing developer, the Guadalupe Neighborhood Development Corporation incorporated as a land trust to expand homeownership opportunities to low and moderate-income

APPENDIX

households. The newly formed CLT, which is the first in the State of Texas, has been beneficial to both the GNDC and the City of Austin as it ensures long-term affordability, neighborhood stability, and a high return on public investments made towards housing development projects.

E. Outreach to Preservation Properties through a Land Trust

The spreadsheets and accompanying maps containing contact information for potential property owners that could be reached out to about the land trust have been made available directly to Project Row Houses and the Emancipation Economic Development Council, and are therefore not included in this report. Please contact them directly for more information.

F. Precedent of Philadelphia Land Bank Supporting a Land Trust

As described in the main document, the Midtown TIRZ could potentially play an important part in the development and on-going support of a community land trust, given its powers enabled by municipal ordinance to acquire blighted, deteriorated, or undeveloped property for preservation, restoration, beautification, conservation, or other public purposes.

In 2011, Philadelphia residents organized for their city to adopt a collaborative and supportive approach to the growth of CLTs through a campaign to 'Take Back Vacant Land' and enable more control over the city's 40,000 vacant parcels. Through the campaign, residents argued for establishment of a city land bank that would assemble and manage vacant properties that could then be transferred to community land trusts. The campaign was a highly successful, and in 2014, a new city ordinance was put in place to establish the Philly Land Bank Alliance. Through a transparent and equitable process, the city's land bank now manages and sells city-owned vacant land, and has diverse representation from the local community who can weigh in on both community benefit as well as price when making decisions regarding property sales. The land bank also clears land titles of any back taxes and liens as part of the sale.

G. Real Estate Development through a Land Trust

While we have focused a considerable amount of attention on the capacity of a new land trust in the Third Ward to preserve existing homes and maintain affordable housing in the neighborhood, the Trust also has the capacity to undertake real estate development with partner organizations.

There are three primary mechanisms through which the land trust can shape development. When the trust acquires a...



...vacant lot...

It can pursue new development much as a CDC would. It might partner with local churches, CDCs or developers to build affordable housing or mixed-use facilities that provide space for the arts or small businesses. In housing developments, homeowner units are most commonly developed by land trusts, but two of the largest CLT's in the country – the Dudley Street Neighborhood Initiative and the Burlington Community Land Trust – operate hundreds of rental units as well. Rental units can be managed by an outside company whose ground lease with the trust stipulates its rent levels.



...property with structures suitable for preservation...

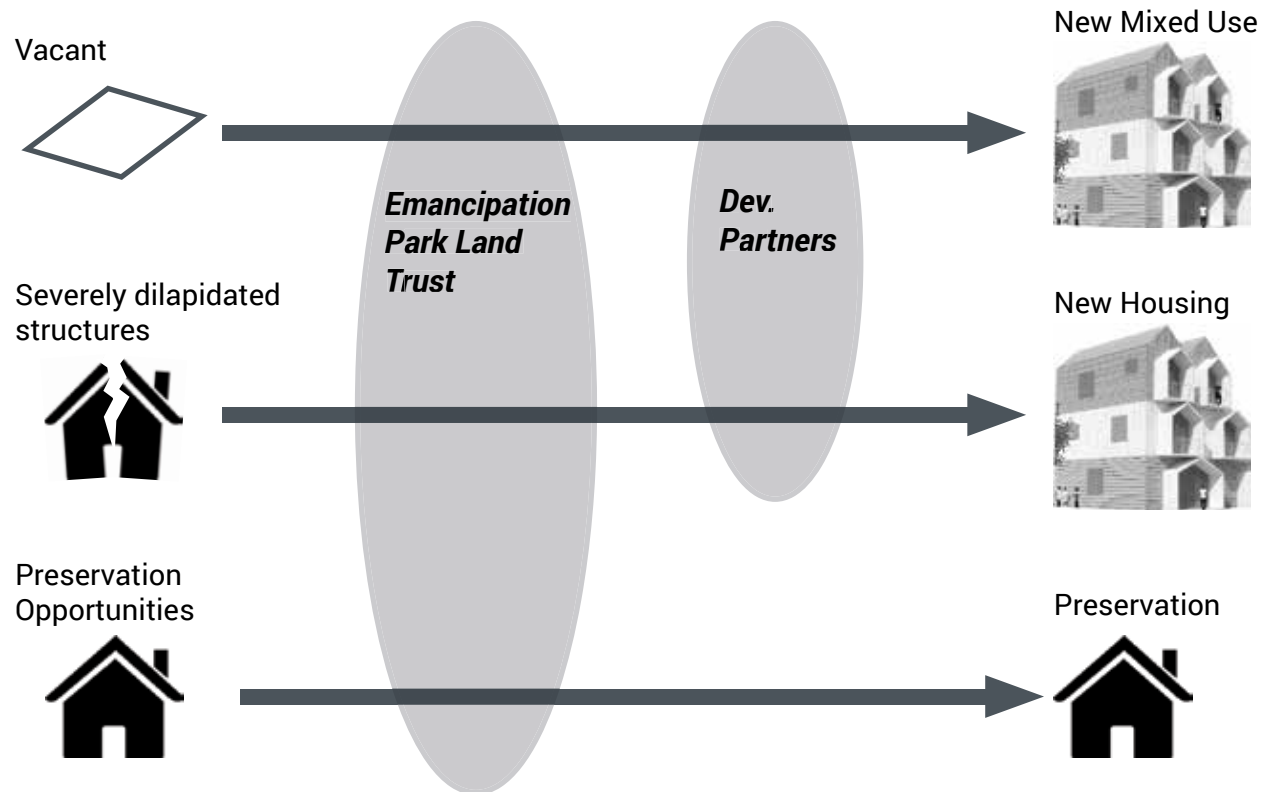
It can carry out the leaseholder strategy described earlier, keeping existing homeowners and renters in place through 99 year leases with tax exemption benefits stemming from the Trust's ownership of the land.



...property with a dilapidated structure...

The trust can facilitate the redevelopment of the property while maintaining an equity stake for the property owner. Some buildings in the Emancipation Park neighborhood have severe structural flaws and may be beyond saving from a structural or financial standpoint. These properties are likely to be left to further deteriorate or be sold to outside developers, only to be replaced by luxury housing. The Trust can offer an alternative through which property owners and (possibly) renters can be offered equity and/or a unit in a new housing development built on the lot.

APPENDIX



<u>Property Type</u>	<u>Objective</u>	<u>Action 1</u>	<u>Action 2</u>
Vacant Lot	Develop new housing or business facilities	Acquire lot	Develop new affordable, cooperative or mixed use housing development
Dilapidated Structure	Develop new housing while supporting the occupants of the structure.	Enter property into trust and demolish structure	Develop new housing with unit and/or equity stake for owners of demolished structure
Preservation Opportunity	Preserve existing affordable housing whether ownership or rental	Enter property into trust	Use renovation grants and tax relief to support the property materially

Many shotgun house lots have a 600-900 square foot home on a 5,000 square foot lot. Townhome developers are redeveloping these properties with three ~1,500 square foot townhomes. The Trust could redevelop such a lot to yield more, slightly smaller units. For example, a 1,500 square foot lot can support three duplex buildings containing six total units (a partial parking exemption may be required). With help from affordable housing subsidies, the increase in density would allow the former shotgun owner to receive an ownership stake or a unit in the new property. Renters could enter in a rent-to-own arrangement through which part of their monthly rent would build equity in the property.

H. Financing New Housing Development

Identifying funding sources is integral to project planning. A combination of City-administered CDBG grants, Low-Income Housing Tax Credits and philanthropic dollars should be sufficient to get a large affordable housing project off the ground, particularly since land acquisition costs figure to be low or nonexistent. Potential sources of primary and gap financing for affordable housing in the City of Houston may include, but are not limited to:

Community Development Block Grant (CDBG) Program

- HOME Investment Partnerships (HOME) Program
- City of Houston Tax Increment Reinvestment Zones (TIRZ) and the TIRZ Affordable Housing Set-Aside
- City of Houston Department of Housing and Community Development reimbursements for storm sewer infrastructure improvement related to affordable housing development
- Federal New Markets Tax Credits, administered by the U.S. Treasury for economic development projects
- Federal Low-Income Housing Tax Credits, administered in Texas by the Texas Department of Housing and Community Affairs (TDHCA) as the state's Housing Tax Credit (HTC) Program
- Federal Historic Preservation Tax Credits), administered by the U.S. Department of the Interior, through the National Parks Service
- The U.S. Department of Housing and Urban Development 202 Program, providing federal subsidies for qualifying seniors' supportive housing projects

