

East End

North

Southeast

Main Street

Uptown

University

# Urban Corridor Planning

## Phase II and III Report City of Houston

May, 2008

The **Planning** Partnership  
in collaboration with:

Asakura Robinson Company

Gunda Corporation

Cushman & Wakefield LePage

Working Partner



# Foreword

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June 27, 2008

Dear Urban Corridor Planning participants,

It is an exciting and interesting time for the City's Urban Corridor Planning initiative.

After a long and productive process, the work of our consultants is coming to a close. They conducted a vast amount of research into the neighborhoods and conditions along METRO's light rail corridors, engaged in a thoughtful conversation with the community through a series of public workshops, and put tremendous effort into producing ideas and recommendations. These ideas and recommendations are contained in reports that we are now releasing.

In addition to our consultants' work, we have received input from ongoing dialogue with our Stakeholder Group, citizens and businesses in the corridors, and the real estate and development community. We are considering all of this input as we determine how we will go forward with modified City policies for development and infrastructure. Whatever we adopt, it has to make sense for Houston. Therefore, it is important to understand that actual development and infrastructure policies drafted by the City may differ from the guidelines presented in the consultants' reports.

The City will continue working to develop new policies that will smoothly integrate the Urban Corridors concepts into our communities. We look forward to the continued involvement of our citizens and businesses as we move ahead.

Sincerely,

Carol Abel Lewis, Ph.D.  
Chair, Houston Planning Commission

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Executive Summary

Urban Corridor Planning

Urban Corridor Planning Report

Houston is one of the fastest growing municipalities in North America, economically and demographically. Notwithstanding that, it is becoming increasingly evident that its historical growth and suburban development patterns are unsustainable for the long-term vitality of the city. With a growing recognition of the fiscal and environmental costs of Houston’s traditional car-oriented development model, concepts related to urban intensification, smart growth, sustainability and Transit Oriented Development are gaining broad acceptance by the public, local planners and government entities at all levels.

With the development and operation of the Main Street Corridor and an expanded light rail system being actively planned for five other connected Corridors (East End, Uptown, Southeast, North and University), there are enormous opportunities for economic development, capital investment and the creation of an improved quality of life within a rich and diverse urban environment over the long term.

The purpose of this Urban Corridor Planning Study is to establish a strategy, informed by an extensive stakeholder and community consultation process, to implement Transit Oriented Development in proximity to the planned higher-order transit facilities. Transit Oriented Development is a form of development that is higher density, based on high quality design standards and scaled to the pedestrian. It supports a mix of uses with active uses at grade, places

emphasis on a high quality pedestrian realm and results in an urban environment that is attractive, walkable and transit supportive. Higher density, pedestrian-friendly and transit-supportive Urban Corridors will ultimately maximize transit ridership potential.

This Report is designed to provide an overall summary and analysis of the six Corridors and establish general policy directions and recommendations for the development of the Urban Corridors. Additional analysis, development concepts and Corridor-specific recommendations are provided in separate reports for each of the six Corridors. This Report should be read in conjunction with each of the Corridor-specific Reports.

The Planning Strategy

A key component of the Urban Corridor Planning Study is the delineation of Development Opportunity Areas and Stable Areas in order to promote and focus Transit Oriented Development in specific areas, while protecting the physical character of Stable Areas. In doing so, the Study identifies a range of local, state and federal programs and ‘tools’ that are available to focus, promote and enhance Transit Oriented Development within the Opportunity Areas. In addition, there are complementary programs available to ensure the enhancement of protection of Stable Areas.

The delineation of Development Opportunity Areas is also used as the basis for the design guidelines detailed in each of the Corridor-Specific Reports.

Strategy for Success

The City of Houston is at a critical point in its evolution. Decisions made today can result in positive long-term changes in the urban structure, and consequently in enhanced economic competitiveness, environmental sustainability and quality of life. Notwithstanding that, a significant amount of political will and City investment will be required throughout this transformation process to overcome critical obstacles related to the City’s existing planning framework and financial feasibility of building Transit Oriented Development.

The following is a list of important actions that the City should implement to ensure that their vision is achieved and the benefits of Transit Oriented Development are realized.

- ☐ Establish the vision;
- ☐ Identify a champion for change;
- ☐ Lead through investment;
- ☐ Allow the private sector to respond to the market;
- ☐ Establish the array of approaches and tools that are required;
- ☐ Measure success incrementally; and,
- ☐ Understand that success takes commitment, cooperation and time.

### Recommendations for Implementation

A coordinated long-term commitment on a number of fronts and by a number of entities including the City, METRO, state and federal agencies, as well as local business owners and landowners, will create a favorable private sector investment climate to support Transit Oriented Development. A combination of fiscal initiatives, economic development programs, capital investments and regulatory measures are essential to achieving the objectives for the development of the Urban Corridors. The following are 17 key implementation recommendations:

1. Build, operate, maintain and expand the transit system;
2. Establish a Transit Oriented Development team to lead strategic decision making and facilitate Transit Oriented Development through an expedited approvals process;
3. Amend the Major Thoroughfare and Freeway Plan by identifying and designating Transit Streets and transit stations;
4. Prepare a Transit Oriented Development Ordinance as a parallel chapter to Chapter 42;
5. Require the preparation of a phasing plan where a development proposal does not achieve all of the desired Transit Oriented Development objectives, to ensure that the objectives are met over the long term;
6. Support and improve the local school district;
7. Establish and/or expand TIRZ, PIDs and MMDs to provide the necessary management structures and funding capacity to augment City investments in infrastructure and support pedestrian realm enhancements and redevelopment opportunities;
8. Establish and acquire public Rights-of-Way;
9. Build, enhance and maintain the pedestrian realm using the Capital Investment Program together with TIRZ, PIDs and MMDs to reduce overall costs to developers;
10. Build affordable housing using available local, state and national affordable housing programs;
11. Build public parking to augment the overall supply and reduce costs to developers;
12. Build infrastructure using the Capital Investment Plan to anticipate and support higher density forms of development along the Corridors;
13. Build new civic buildings on the Corridors to signal a commitment to continued public investment and transit;
14. Build a demonstration Transit Oriented Development project to influence the rate and form of change;
15. Establish public-private partnerships to foster opportunities for Transit Oriented Development within the Urban Corridors
16. Provide financial relief for brownfield remediation to increase the feasibility of the redevelopment of brownfield sites for Transit Oriented Development;
17. Provide financial incentives to entice the development industry to build Transit Oriented Development in appropriate locations;
18. Promote economic development opportunities so that investments in the Urban Corridors go beyond capital improvements and include investment in business promotion, job creation and other initiatives critical to the vibrancy of the Corridors.



| List of Participants* |               |                   |               |                |               |             |               |                    |              |                |                  |             |           |             |            |             |              |              |            |             |                |                |                 |              |                 |                  |              | Urban Corridor Planning |                  |             |            |               |              |              |               |                |               |            |             |                |             |             |                |                |                 |            |                 |                    |                   |         |          |               |                 |              |               |             |            |                  |                         |              |          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## Urban Corridor Planning

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# Table of Contents

|   |            |   |            |
|---|------------|---|------------|
| <b>Executive Summary</b>  | <b>i</b>   | <b>3. Context/Background Analysis</b>   | <b>24</b>  |
| <b>List of Participants</b>   | <b>ii</b>  | <b>3.1 Demographic Market Overview</b>  | <b>24</b>  |
| <b>Acknowledgements</b>   | <b>iii</b> | 3.1.1 Residential Densities in the City of Houston                            |            |
|   |            | 3.1.2 Increasing Employment Densities in City of Houston                      |            |
|   |            | 3.1.3 Economic Snapshot of the Houston Area                                   |            |
|   |            | 3.1.4 Real Estate Markets   |            |
|   |            | 3.1.5 Development Pragmatics for Higher Density Development                   |            |
|   |            | <b>4. The Planning Strategy</b>   | <b>32</b>  |
|   |            | <b>4.1 The Plan</b>   | <b>32</b>  |
|   |            | <b>4.2 Principles</b>   | <b>32</b>  |
|   |            | <b>4.3 The Big Picture</b>  | <b>34</b>  |
|   |            | <b>4.4 Land Development Concept Plan</b>                                      | <b>36</b>  |
|   |            | <b>5. Design Guidelines for TOD</b>   | <b>38</b>  |
|   |            | <b>5.1 Introduction</b>   | <b>38</b>  |
|   |            | <b>6. Implementation</b>  | <b>40</b>  |
|   |            | <b>6.1 Observations and Obstacles</b>   | <b>40</b>  |
|   |            | <b>6.2 Strategy for Success</b>   | <b>45</b>  |
|   |            | <b>6.3 The Tool Box</b>   | <b>47</b>  |
|   |            | 6.3.1 Approach  |            |
|   |            | 6.3.2 Application   |            |
|   |            | 6.3.3 Strategy for Development Opportunity Areas - Enhance, Promote and Focus |            |
|   |            | 6.3.4 Strategy for Stable Areas - Enhance and Protect                         |            |
|   |            | 6.3.5 Costs and Benefits  |            |
|   |            | <b>6.4 Making It Happen</b>   | <b>58</b>  |
|   |            | 6.3.1 Recommendations and Responsibilities - Who Does What                    |            |
|   |            | <b>Appendices</b>   | <b>72</b>  |
|   |            | <b>A.1 Development Opportunities Tool Box</b>                                 | <b>72</b>  |
|   |            | <b>A.2 Stable Areas Tool Box</b>  | <b>99</b>  |
|   |            | <b>A.3 Glossary of Terms</b>  | <b>106</b> |
| <b>1. Introduction</b>  | <b>2</b>   |   |            |
| <b>1.1 Purpose</b>  | <b>2</b>   |   |            |
| 1.1.1 Report Organization   |            |   |            |
| <b>1.2 Process</b>  | <b>3</b>   |   |            |
| 1.2.1 Study Process   |            |   |            |
| <b>1.3 Study Area</b>   | <b>4</b>   |   |            |
| 1.3.1 Overall Study Area  |            |   |            |
| <b>1.4 Consultation</b>   | <b>6</b>   |   |            |
| 1.4.1 Consultation Strategy   |            |   |            |
| 1.4.2 Kick-off Input  |            |   |            |
| <b>2. Transit and TOD</b>   | <b>10</b>  |   |            |
| <b>2.1 Rationale</b>  | <b>10</b>  |   |            |
| <b>2.2 Transit Planning Principles</b>  | <b>11</b>  |   |            |
| 2.2.1 There is a direct relationship between transit ridership and distance from the station. |            |   |            |
| 2.2.2 Density drives transit ridership.   |            |   |            |
| 2.2.3 Land use has a significant impact on transit use patterns.                              |            |   |            |
| 2.2.4 Urban design has an impact on ridership.  |            |   |            |
| <b>2.3 Description of Transit Oriented Development</b>  | <b>15</b>  |   |            |
| 2.3.1 Definition  |            |   |            |
| 2.3.2 Transit Oriented Development Prototypes   |            |   |            |
| <b>2.4 The Benefits of Transit Oriented Development</b>                                       | <b>22</b>  |   |            |

# 1 Introduction

This chapter introduces the Urban Corridor Planning Study and the study area.

## 1.1

### Purpose

As one of the fastest growing municipalities in North America - both in demographic and economic terms - the city of Houston is facing, and will continue to face, the pressures associated with its current rapid growth. It is estimated that the metro area's population will grow by another 3 million persons by 2025.

Historically, growth in Houston has been accommodated in a suburban development pattern that has responded to the desire to live and work in low density, relatively discrete and homogenous districts.

Over the past decade, however, the financial and environmental costs of the suburban development pattern have become more evident. So evident, in fact, that planning concepts related to intensification, smart growth and sustainability have moved to the forefront of the public's perception of good planning.

These planning concepts reflect the desire to ensure that the accommodation of future growth balances financial responsibility with environmental protection and the creation of sustainable, livable, diverse and successful communities.

Urban Corridor Planning in Houston concentrates on the areas surrounding the light rail currently being developed

by METRO on six Corridors, with special emphasis on Transit Stations. From a transportation perspective, the City and METRO are committed to the implementation of an integrated road and transit network that will support both existing development and planned growth. This commitment is confirmed in METRO Solution's Phase 2 program.

Comprehensive and coordinated transit will have to play a much larger role in moving people to and from, and within the city. It is the goal of the City of Houston to establish a strategy to implement Transit Oriented Development in proximity to the planned higher-order transit facilities and, as a result, to ensure that transit ridership potential is maximized. As such, lands within the six Urban Corridors are expected to evolve with a physical form that is higher in density, human in scale, and designed to be pedestrian-friendly and transit-supportive.

The achievement of this vision requires a fundamental modification to the function and character of the six Urban Corridors that are planned to include these transit facilities. They must evolve from primarily high-speed vehicle routes to multi-purpose Urban Corridors that accommodate a balance among truck and automobile traffic, transit facilities and pedestrians.

The visual attractiveness and image of the Urban Corridors is of prime importance. Development, of both buildings and the pedestrian realm, throughout these Urban Corridors shall be characterized by high quality urban design. Development related and scaled to the pedestrian



is required on all lands within the Urban Corridors, and particularly in proximity to the Transit Stations.

It is important to recognize that these six Urban Corridors will develop incrementally over a long period of time. It is critical that all private sector development initiatives be supported by a reciprocal commitment by the City and other public agencies to create the components of the pedestrian realm. The improvements to the pedestrian realm and public infrastructure must be developed in concert with private sector investment.

1.1.1  
Report Organization

This report is organized into 2 parts, the Urban Corridor Planning Report and the Corridor-specific Reports.

The **Urban Corridor Planning Report** provides an overall summary and analysis of the Urban Corridors and includes study-wide policy direction and recommendations for the development of the Urban Corridors.

Augmenting the overall report, the six **Corridor-specific Reports** - one for each Corridor - provide further Corridor specific analysis, development concepts, design guidelines and recommendations. These reports are color-coded by Corridor for easy reference.

1.2

Process

1.2.1  
Study Process

Urban Corridor Planning is being completed in three phases. Phase 1 was launched in June 2006. A community workshop was held in August 2006 during which the project was introduced. At this workshop, a presentation described national urban trends and strategies to build competitive, successful cities, and table groups discussed issues, challenges and opportunities of Urban Corridor planning. The community workshop revealed several key messages that provided direction for Phase 2:

- Create a connected multi-modal network and provide alternative transportation options – including more transit service and streets friendly to pedestrians and bicycles.
- Protect the unique character of existing neighborhoods and preserve historic buildings, homes, landmarks and community treasures.
- Develop urban standards and ordinances that enable, encourage and allow urban development.
- Create neighborhood centers and great places.
- Develop pedestrian-friendly destination places, neighborhood serving amenities and neighborhood center.

- Preserve and expand parks, open space, green space Corridors and trails.
- Encourage and support more urban infill development.
- Make new development sustainable.
- Provide affordable housing in mixed-income neighborhoods.

The purpose of Phase 2 is to define:

- a broadly shared community vision for redevelopment of Corridors and areas near transit that are supportive of neighborhood revitalization and growth; and,
- short term and long term actions and strategies to coordinate public and private investment to implement the vision.

Phase 2 was completed in three primary tasks. Task 1 - Preliminary Assessment - involved the collection and review of background information (such as reports, strategies, studies, data bases), site inventory and briefing sessions with key contacts in each Corridor. Task 2 - Concept Plans - involved the community wide and Corridor specific workshops, and preparation of the recommendations for land development, mobility, parking, infrastructure, the pedestrian realm and urban design. Task 3 - Implementation - focuses on the implementation strategy and includes information sessions to discuss recommendations.

Phase 3 focused on establishing the priorities for Transit Oriented Development in each Corridor with a targeted implementation strategy.

## 1.3

### Study Area

#### 1.3.1

#### Overall Study Area

The overall study area includes six planned Urban Corridors.

With the exception of the Uptown Corridor and portions of the North Corridor and University Corridor, the Urban Corridors are located within the IH 610 Loop. The study areas are defined by a 1/4 mile boundary on each side of the respective Corridor's proposed alignment. All Transit Street and station locations in this report are based on information provided by METRO and the City of Houston as of December, 2007.

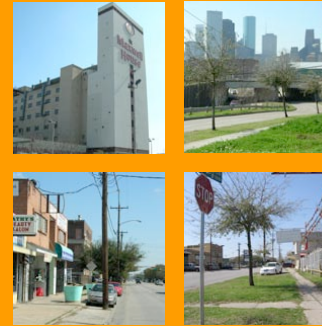
As indicated, Corridor-specific analysis, concept plans and recommendations are contained in the six Corridor-specific Reports. Each Report is color coded as shown on the images to the right.

### Main Street



Recently completed and operational north-south LRT line.

### East End



Planned east-west line that connects to the existing Main Street line and runs east along Harrisburg Boulevard.

### Uptown



Planned north-south line along Post Oak Boulevard.

### Southeast



Planned line connects to the existing Main Street line and runs southeast down Scott Street and MLK Boulevard to the Palm Center.

### North



Planned north-south line that extends north from the existing Main Street line up N. Main Street and Fulton Street to the Northline Mall.

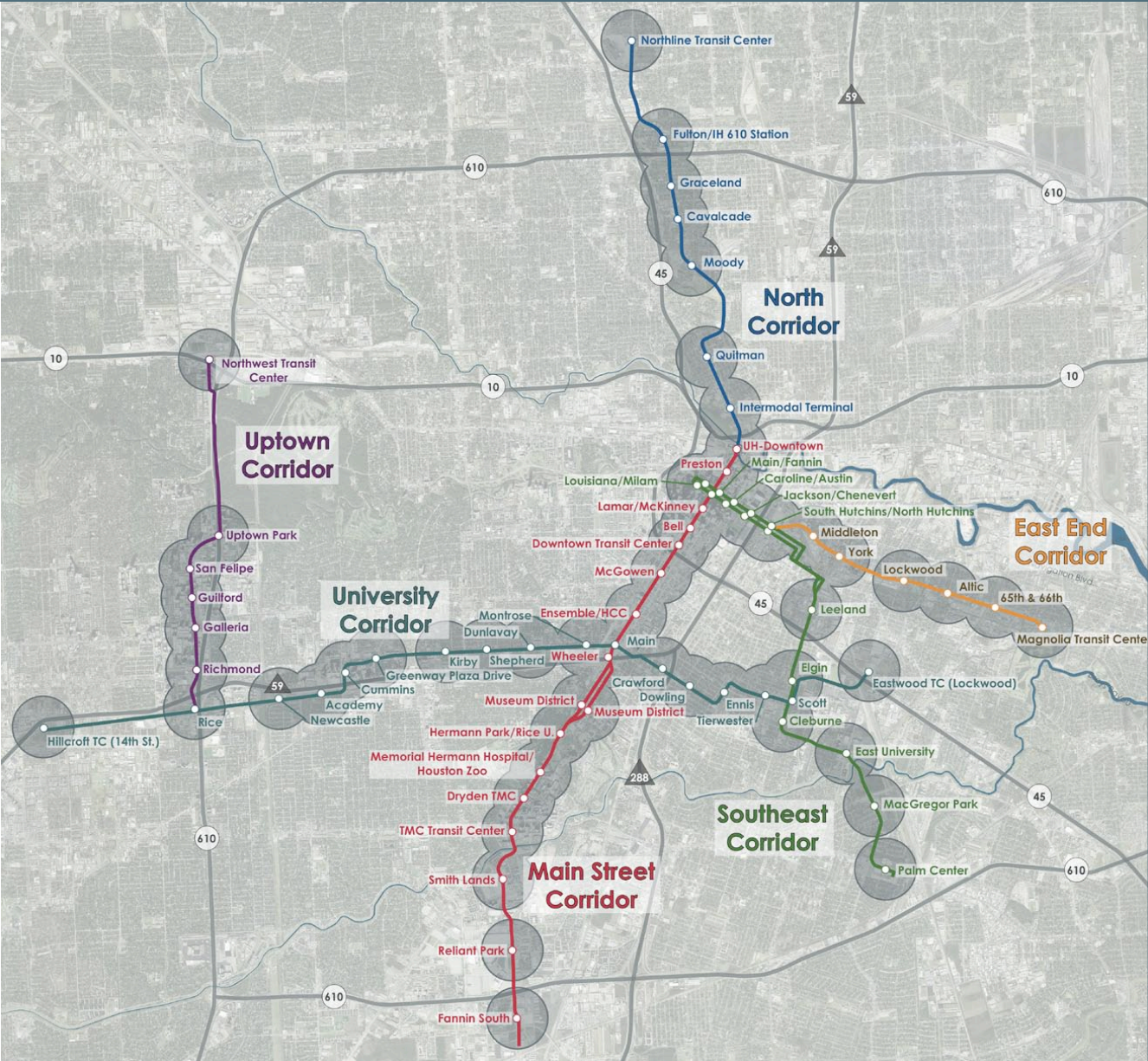
### University



Planned east-west line linking the Main Street and Uptown lines, although the alignment is yet to be determined.



Overall Study Area



## 1.4

# Consultation

### 1.4.1 Consultation Strategy

The consultation strategy for the Urban Corridor Planning study was multi-faceted and included collaboration with:

- a stakeholder group that represented a broad spectrum of interests from all of the Corridors;
- key contacts from each Corridor; and,
- the community.

The intent was to provide a variety of opportunities to participate through individual conversations, focused meetings, city-wide forums and Corridor specific sessions.

The Urban Corridor Planning initiative is committed to maximizing community participation and has relied on several means to engage and inform the community. Communication with, and coverage by, the media has been key in ensuring this. Advertisements were placed in a major daily newspaper, and several minority newspapers. Press releases were sent to all major media outlets. Media coverage included stories before and after community workshops and major events.

In addition to website updates and posters/flyers in key

community facilities, notification about the program and major events was sent to City Council, other elected officials, Super Neighborhoods, civic association newsletters and through the Mayor's email notification system, Citizensnet. In addition, various stakeholder organizations as well as interested community-based entities emailed notifications and updates to their members.

**Urban Corridor Planning Stakeholder Group**  
The Urban Corridor Planning Stakeholder group was convened in June 2006 and has been meeting frequently. It is comprised of several representatives from the communities along each Corridor, as well as from relevant citywide entities. This includes neighborhood groups, businesses, non-profits, public agencies, elected officials, educational institutions, the development community, related professional organizations and others.

The mandate of the Urban Corridor Planning Stakeholder group was to shape the process for the initiative, and to assist the City and the consultant team in maximizing community participation and dialogue. During the course of the project, this group was instrumental in community outreach, building support for the goals of the initiative, highlighting issues and opportunities, gathering information and ideas important for all the Urban Corridors as well as those that are relevant to individual Corridors.

**Key Contacts from Each Corridor**  
As an initial task in the Study, the team met with key contacts from each Urban Corridor during a briefing meeting in December 2006 and Corridor tours in February, 2007. The



contacts included representatives from the management boards, Council Members, Mayor's office, Mixed use / TOD Committee, Community Design Resource Center, Houston Real Estate Council, Greater Houston Builders Association, real estate and development community representatives, Houston Housing Finance Corporation, Convention + Entertainment Facilities (Parking Commission) and the City of Houston Departments - Planning and Development, Building Services Department, Finance and Administration, Public Works and Engineering.

Community Consultation

The community was consulted through a series of both city-wide workshops and Corridor-specific workshops. The city-wide workshops were intended to share information relevant to the Urban Corridor Planning Study in general and as a kick-off and wrap up for the Corridor-specific workshops.

A workshop was conducted for each of the Urban Corridors. It was set up as a temporary design studio for 2 consecutive days and nights in a location on each of the Corridors. The workshop enabled the team to begin to understand the complexity of conditions of each Corridor and its surroundings as they were developing preliminary ideas while working right in the study area. It also enabled all those interested with an opportunity to participate.

The workshop was staffed with 7-10 members of the consulting team who prepared the framework for each Urban Corridor Plan over the course of the workshop while working in three teams: urban design, pedestrian

realm and implementation.

Each day of the workshop included studio time for the consulting team, and sequential working sessions with various stakeholder groups and the public to enable participants to join the team every day for 2 hours to review their work as it progressed. If participants were unable to attend the workshop at the pre-assigned time, they were welcome to drop by at any time to talk individually to a member of the team.

Five two-day workshops have been held in the Urban Corridors as follows:

- April 16 and 17
- April 18 and 19
- April 24 and 25
- April 30 and May 1
- May 2 and 3, 2007
- January 30 and 31, 2008
- East End
- North
- Southeast
- Main Street
- Uptown
- University



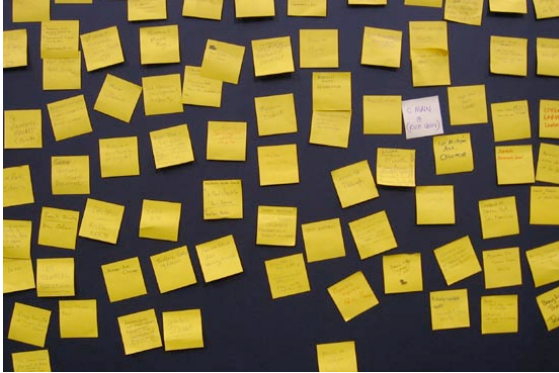
Kick-off - April 14, 2007



East End Corridor Workshop - April 16 and 17



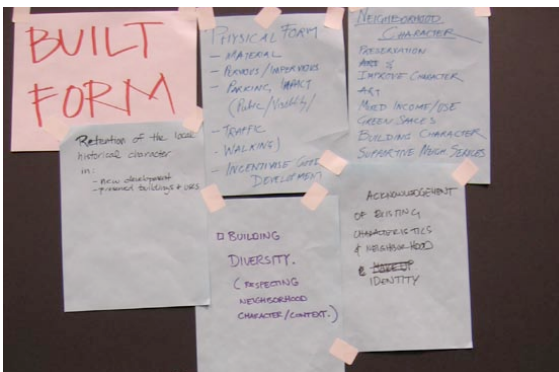
Preliminary Findings - May 23, 2007



Favorite streets and places identified at the Kick-off



Kick-off table group discussions



Sample attributes of a vibrant urban environment from Kick-off

## 1.4.2 Kick-off Input

Three consultation events were held that were not Corridor-specific, but rather were intended to share information relevant to the Urban Corridor Planning Study in general. A kick-off presentation was held on **April 14, 2007**. The purpose of the kick-off presentation was to introduce the purpose of Phases 2 and 3, the location of the Corridors, the principles of Urban Corridor Planning, examples of Transit Oriented Development and the agenda for each of the Corridor-specific workshops.

Following the kick-off presentation, participants were asked to have a conversation in table groups to discuss the physical attributes of appealing urban environments. Following brainstorming of a list of attributes, each table group selected the top three elements that were shared in a plenary session. The diagram on the facing page summarizes input received. Even though there were about 12 table groups, each with 10-15 people, there was consistency in the top attributes mentioned. The diagram on the facing page is the result of clustering each group's top three attributes. The result was a preference for key characteristics of built form, access, the pedestrian realm, environment, parking and the environment. Participants were also asked to identify their favorite urban street or district that demonstrated the key attributes of appealing urban places.

A second city-wide forum was held on **May 23, 2007** to provide a summary of the work generated at the Corridor-

specific workshops. Following a presentation, participants were invited to add comments to the boards that displayed the key products from the workshops.

Feedback received during the Corridor Workshops is summarized in the Corridor-specific Reports.

## Built Form

- Retention of local historical character
- Building diversity
- Physical form
- Neighborhood character
- Acknowledgement of existing characteristics

## Access

- Mobility - sidewalks, angled parking, mid-block thru ways, pedestrian and bus feeder routes, ramps
- Appropriate transit and access
- Alternate transportation options

## Pedestrian realm

- Make pedestrian number one priority
- Create 24 hour pedestrian environments
- Scenic Corridor model
- Positive perception of place
- Standards of pedestrian realm
- Attractive pedestrian areas

## Environment

- Sustainable physical environment
- Bike friendly, green Corridor, stormwater management and air quality
- Pollution - air, noise, light
- Mitigating flooding
- Trees

## Parking

- Reduce parking ratio
- Provide as public utility
- Shared parking facilities
- Site appropriate parking

## Planning

- Neighborhood serving businesses
- Utilized places
- Development incentives
- Mixed use
- Density

2

Transit & TOD

This chapter introduces the concept of Transit Oriented Development for the six Urban Corridors being studied.

## 2.1

### Rationale

Ongoing growth is a positive sign of a healthy city. It is an enormous opportunity for economic development and the creation of a more rich and diverse urban environment that includes multiple lifestyle choices. However, in order for the city of Houston to continue to be successful in the long term – economically, aesthetically and in terms of quality of life – an urban structure that balances typical suburban development forms with greater opportunities for transit supported urban lifestyle choices must be promoted, and more importantly, achieved. Planning has moved forward, but progress on the ground has been slow.

Notwithstanding a general understanding by politicians and the development industry of the importance of transit, the challenges to achieving supportive Transit Oriented Development remain. Issues of location, accessibility, timing, economics, aesthetics and market acceptance are difficult to overcome, especially when substantial, lower density greenfield opportunities continue to compete for developer attention.

In addition to limited market support (today) for higher density forms of development throughout the city, many studies indicate that the playing field between low intensity greenfield development opportunities and Transit Oriented Development opportunities in Urban Corridors is not level – to the substantial benefit of greenfield development.

Low intensity greenfield development has few technical constraints and substantial market support. It is now recognized that there are numerous “externalities” or imputed and unmeasured costs to this pattern of development. On the other hand, intense, mixed use development in Urban Corridors provides substantial benefits to the broader community and must be viewed as being “in the public interest”.

The City is well positioned to make the crucial decisions necessary to support and promote the transition of the Urban Corridors to the higher density, mixed use and transit supportive districts that they are intended to become. There has been a tremendous amount of activity at the City in promoting and speeding up the process of this positive change. A change that is viewed as the natural and appropriate evolution of an urban community.



## 2.2

### Transit Planning Principles

The introduction of transit provides a stimulus for the ongoing urbanization of the Inner Core of Houston through the promotion of higher density forms of development. Based on this understanding of the relationship between transit and higher density, more urban development is seen as mutually supportive, and a key component of city building. Supported by numerous empirical studies and research, four key and interrelated transit planning principles have been identified and are described in the following subsections.

#### 2.2.1

**There is a direct relationship between transit ridership and distance from the station.**

The maximum ridership capture potential is achieved from development that is within a relatively short walking distance from any transit station, typically measured in terms of a five-minute walk, or about a 1/4 of a mile. The corollary is also true - ridership capture dramatically drops off if the walk to the station is beyond 5 minutes.

A review of empirical studies and implemented policies by organizations such as the UK-based Transportation Research Laboratory (2000) and the Urban Land Institute confirms that locating uses, whether residential or employment, within a short walking distance of Transit Stations makes public transit the most convenient and attractive travel mode and is thereby effective in achieving the goal of reducing the share of car travel, and promoting transit ridership.



5 minute walking distance to station



**Promote Transit Oriented Development within a 5 minute walk of the Transit Stations.**



6 story mixed use building, Toronto, ON



4 story residential building, Minneapolis, MN

### 2.2.2 Density drives transit ridership.

There is a strong correlation between density and transit ridership - the higher the density (in either population, employees and/or students), the higher the ridership potential.

A number of studies at the intrametropolitan level in both North America and Europe (i.e. neighborhood, activity center or Corridor) have found a strong correlation between density – both residential and employment – and transit ridership (Bernick and Cervero 1996; Paulley and Pedler 2000).

Seminal transportation research by Zupan and Pushkarev (1977) in the late 1970's demonstrated that the number of trips per capita using mechanical means (automobile and public transit) declines with rising density, falling by as much as a factor of 2 at very high densities as uses and activities become more tightly arranged making pedestrian trips more feasible.

The same research also found rising densities resulted in a sharp decline in automobile trips and an increase in public transit trips. Similarly, a US study by the Transportation Cooperative Research Program (1996) found that a

10% increase in population density corresponds to a 5% increase in transit ridership and that doubling density can reduce car travel by 20%.

More recent research supported by the Urban Land Institute in a report titled "Higher-Density Development – Myth and Fact" (2005) has concluded that higher density development generates less traffic than low density development on a per unit basis, thereby making opportunities for walking, shared parking and public transit more feasible.

Therefore, recalling the first principle that there is a direct relationship between ridership and distance from a station, any noticeable enhancement to the development density within proximity to a transit facility will have a noticeable positive impact on the potential of the existing transit facility to attract ridership.



Promote higher density development within a 5 minute walk of the Transit Stations.

### 2.2.3

#### Land use has a significant impact on transit use patterns.

While employment and institutional areas draw peak ridership in the morning and out in afternoon, residential areas have an opposite pattern. Retail areas draw ridership throughout the day, with peak use on Saturdays. To promote a balanced ridership pattern that generates ridership in both peak and off-peak times, and throughout the day and week more evenly, it is ideal to have multiple land uses in proximity to each other, along the transit route, connecting key destinations to each other.

As research by Bernick and Cervero (1996) shows, mixed use development tends to balance trips made throughout the day and week more evenly, effectively reducing the amount of peak road capacity required. At the same time, the mix of uses can also result in more balanced, bidirectional travel flows that in turn can enhance transit utilization along an Urban Corridor. In the same regard, mixed land uses and the resulting balance in travel flows can result in increased resource efficiencies such as opportunities for shared parking that can, in turn, translate into more compact, pedestrian-friendly environments.



Main Street Light Rail Transit, Houston, TX



DART, Dallas, TX



**Promote a mix of land uses in proximity to Transit Stations,  
and particularly along the Urban Corridors.**



Attractive pedestrian environment, Houston, TX



State Street, Chicago, IL

#### 2.2.4 Urban design has an impact on ridership.

The implementation of transit supportive urban design strategies creates pedestrian-oriented places and increases ridership by enhancing mobility and comfort at stations, as well as along the pedestrian routes used to get to and from the stations. Transit supportive design must consider issues such as activity at street level, streetscape elements to create attractive, safe and accessible surroundings, as well as convenient connections to destination points.

Urban design has an impact on ridership and modal choices by enhancing mobility and comfort in proximity to stations and along pedestrian routes to get to the stations. As Bernick and Cervero (1996) suggest, given that all transit trips require some degree of walking, Transit Oriented Development must be pedestrian friendly.

Design is also important in the terms of Transit Stations themselves and the role and function that they play. For example, studies undertaken by the Charlotte Area Transit System (2005) to develop a hierarchy of transit station typologies highlight the importance of station design. Beyond their functional role, Transit Stations – depending on their size – have an important role in land development with an impact on surrounding development and the character of a place.

Important to Houston, is the provision of a shaded and connected sidewalk system.

## Goal 4

Promote high quality urban design for both the public and private realms.



## 2.3

### Description of Transit Oriented Development

#### 2.3.1 Definition

Transit Oriented Development includes buildings and land uses that are attractive, walkable, and transit supportive. Transit Oriented Development includes a mix of land uses, with active uses at grade, with residential units and/or commercial office space above. Transit Oriented Development is typically higher density and is based on high quality design standards. The visual attractiveness and consistent image of Transit Oriented Development is of prime importance. Transit Oriented Development is related and scaled to the pedestrian and encourages travel on foot and by other modal alternatives to the car, and which fosters and facilitates public transit ridership. A high quality pedestrian realm, the space between the streets and the buildings are critical elements.

#### 2.3.2 Transit Oriented Development Prototypes

The prototypes considered for the Urban Corridors Planning Study consist of two elements; the site configuration and location - **Site Prototype** and the built form related to the site - **Building Prototype**.

The Urban Corridors were analyzed with respect to the potential built form that might be achieved within them. The following five prototypes describe the characteristics of a typical site and the most appropriate built form that would create Transit Oriented Development.



Post Development, Houston, TX



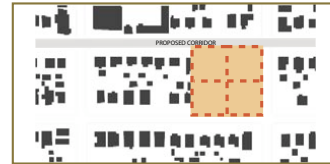
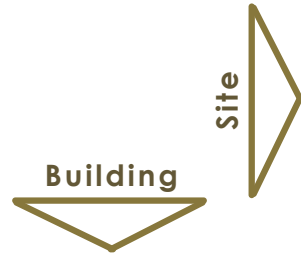
Downtown Main Street Corridor, Houston, TX



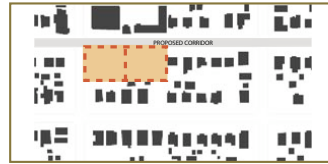
Sage Road, Uptown Corridor, Houston, TX

All Corridors Site/Building Prototypes

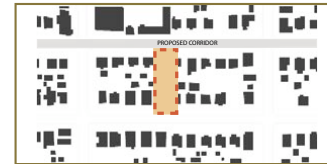
# Overview



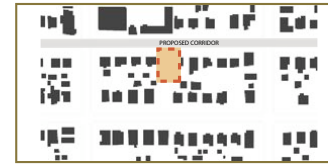
Large Through Sites



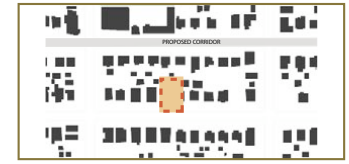
1/2 Lot Single Frontage



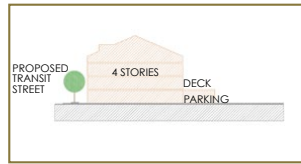
Narrow Through Lots



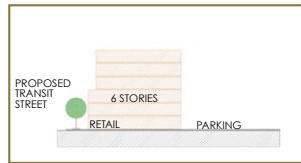
Small Infill Lots



Off-Corridor Lots



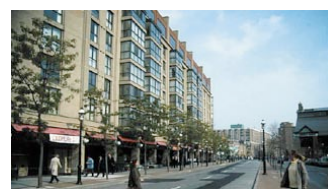
Low Rise



Low Rise Mixed Use



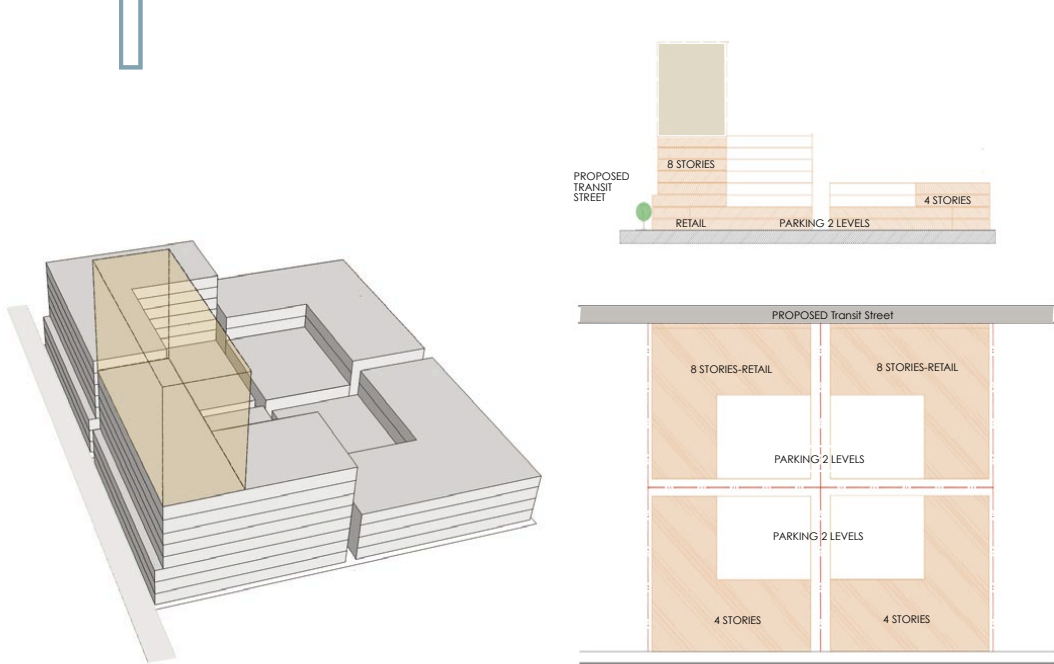
Mid to High Rise



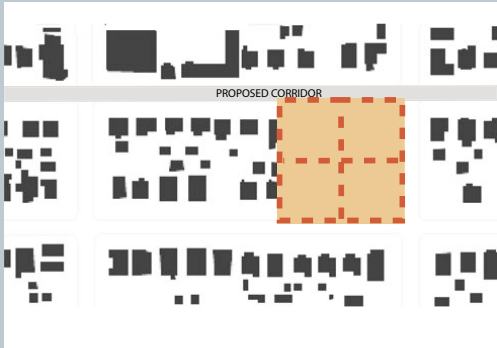


# 1 Large Through Lots

## Prototype One All Corridors



### Site/Building Characteristics



This **Site Prototype** is characterized by large through blocks that are large enough to accommodate a range of uses including residential, office and retail. The mix of uses can be spread over the site and are not necessarily in a single building. The development of these sites can occur over a period of time in phases and the parking may also be phased from at grade parking in the beginning to structured parking in the final phases. The sites generally have frontage on the Corridor as well as the first parallel street. The sites lend themselves to a mix of uses because of accessibility and scale of sites. Transition is an important component as a result of the interior street frontage. Parking is integral to the development.

This **Building Prototype** is characterized by:

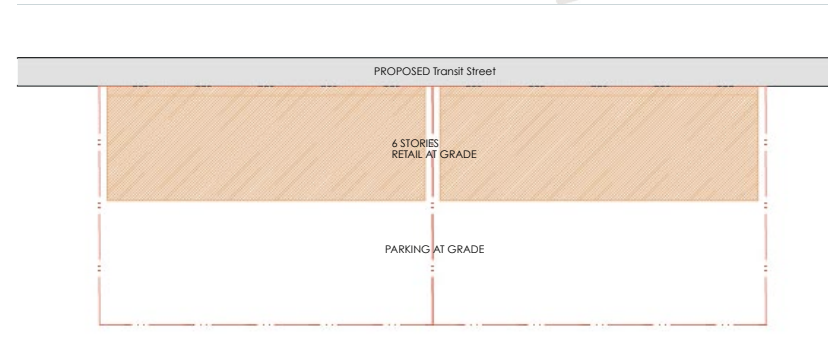
- Multi-level, mixed use Corridor facing buildings;
- Most often they will include residential over retail or office over retail;
- Can accommodate a range of building heights from mid rise to high rise buildings; and,
- 2-4 level multi-family on adjacent street as a transition.

## All Corridors

## Prototype Two

## 1/2 Lot Single Frontage

2



## Site/Building Characteristics

This **Site Prototype** is characterized by having its frontage on the Corridor but only extending to the middle of the block from the Corridor. Generally, these sites are large enough to extend for most of a block or several blocks. Since they are only 1/2 of the depth of the lot, buildings on these sites need access from an alley or adjacent side street.

This **Building Prototype** is characterized by:

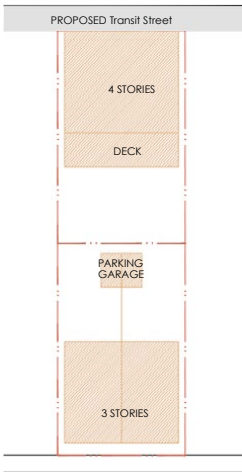
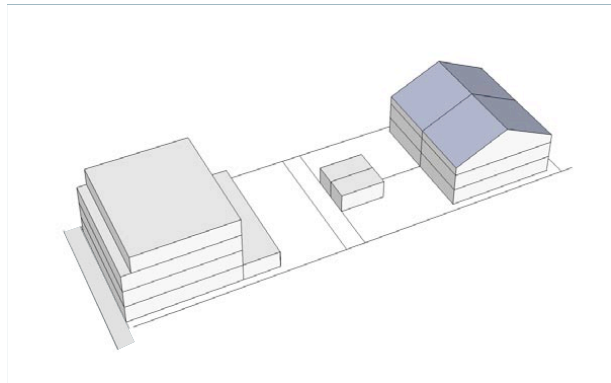
- ☐ Multi-level, mixed use buildings - residential over retail, office over retail;
- ☐ Live/work; and
- ☐ 1-2 story retail.





# 3 Narrow Through Lots

## Prototype Three All Corridors



### Site/Building Characteristics



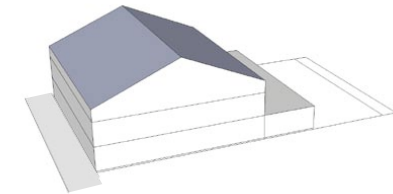
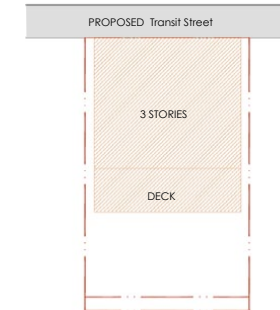
This **Site Prototype** is characterized by lots that are facing the corridors as well as the next adjacent street. They are often vacant or underutilized lots and are restricted by their width. Many times these sites include buildings that are ready for redevelopment. An important element of such lots is that they have a primary face on the Corridor and, as a result, are in transit supportive locations. The ability to provide a transition between new development and existing neighborhoods is fundamental to their development.

- This **Building Prototype** is characterized by:
- ☐ Transitional scale buildings;
  - ☐ Up to 4 stories in height;
  - ☐ Mixed use on the Corridor; and,
  - ☐ Primarily residential on the adjacent street.

## All Corridors Prototype Four

## Small Infill Lots

4



This **Site Prototype** is characterized by small lots that are vacant or underutilized. Since they have limited frontage they have small portions of street front. In some cases they are corner sites but never go through to the next street. The shape and size of the site is important because it dictates the scale and form of development that can occur. However, the key element is that the site fronts on the Corridor resulting in the need for transit supportive forms of development. These sites often form part of a continuing redevelopment of a block and need to be designed with great care to recognize the existing and future site conditions.

This **Building Prototype** is characterized by:

- ☐ Mixed use retail or office over residential;
- ☐ Live/work; and,
- ☐ Apartments.

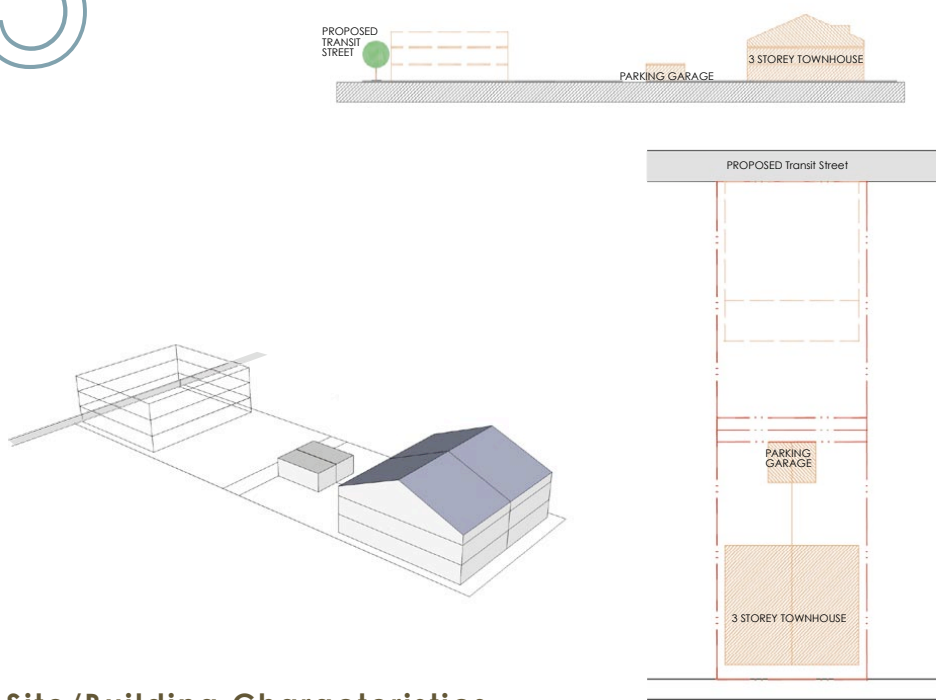
## Site/Building Characteristics



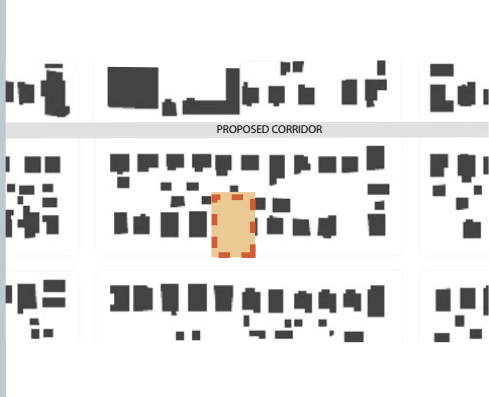


# 5 Off - Corridor Lots

## Prototype Five All Corridors



### Site/Building Characteristics



This **Site Prototype** occurs on the streets leading to the Corridor, as well as those parallel to the Corridor but not on it. These sites act as a transition between the Transit Oriented Development and the existing community. The sites range from single lots to entire blocks and the nature of the development depends on that of the existing neighborhood.

This **Building Prototype** is characterized by:

- Low-medium density residential;
- Height compatible with existing buildings across the common street;
- Access to parking to match the facing condition except when backing onto the Urban Corridor; and,
- Access to parking from an alley when backing onto the Corridor.

2.4

The Benefits of Transit Oriented Development

The benefits of Transit Oriented Development have been recognized and widely accepted for years. The five key benefits of Transit Oriented Development are described as follows.

1

Enhanced Support for Transit



The primary benefit of TOD is to provide increased ridership for the adjacent transit system.

Transit Oriented Development is typically developed at higher densities than typical low density neighborhoods, and therefore would generate more residents and/or jobs in proximity to the transit facility.

□ □ □

2

Greater Housing Choices



TOD generates medium and higher density house forms (townhouse and apartments).

Many of the neighborhoods in proximity to the Urban Corridors are dominated by single detached house forms. Implementing Transit Oriented Development would diversify the housing stock, and provide additional choice in the housing market.

□ □ □



3

Increased Shopping/  
Employment Opportunities



TOD is usually mixed use, including opportunities for housing, for office uses and retail uses.

The retail/employment floor space requirements generates opportunities for multiple types of retail stores and office space users that may serve the local residents, or a wider market. The proliferation of retail facilities/office space provides the ability for local residents to shop, to work, or to utilize commercial and/or institutional services in proximity to their homes. This promotes the use of alternative modes of transportation - other than the personal automobile.

□ □ □

4

Enhanced Pedestrian  
Environment



TOD that incorporates retail uses at grade animate the streetscape, and are a crucial component of a comfortable pedestrian environment.

Further, Transit Oriented Development is considered a more "urban" built form - with buildings closer to the street edge, and an improved sidewalk condition, including street trees and urban street furniture. All of these elements work together to enhance the pedestrian environment and improve the opportunity for pedestrian activity.

□ □ □

5

Improved Environmental  
Sustainability



TOD is supportive of transit - which is good for the environment.

Further, higher density development represents a more effective use of land resources, reducing per capita land and space requirements. Smaller units are cheaper to heat/cool, and are more energy efficient. In addition, there is an opportunity to promote "green building" technology, further enhancing Transit Oriented Development's environmental sustainability.

□ □ □

3

Context/Background Analysis

This chapter introduces the concept of Transit Oriented Development for the six Urban Corridors being studied.

3.1

Demographic Market Overview

3.1.1 Residential Densities in the City of Houston

In order to promote a compact urban form and higher intensity development of the type desired in the Urban Corridors, higher density forms of housing must be demanded by the market and subsequently built by the private sector. A considerable increase in compact (row and apartment) living will have to occur.

To date, roughly 46% of the existing housing stock (occupied and vacant) in the city of Houston is in single-detached dwellings and 54% has 2 units or more. Within the city, despite significant housing growth, this share in multi-family dwellings has remained relatively unchanged over the past five years.

The housing market in the city and surrounding municipalities has largely been influenced by very strong demand for lower density suburban forms of housing. Consequently, the increase in the share of higher density occupied housing has at best remained constant.

Based on the review of the residential densities within the city of Houston, it is clear that, although some minor strides have been made toward increasing the share of higher

density housing, considerably more will have to take place in order to support the proposed more compact urban form and the transit and planning objectives for Urban Corridors.

An examination of multi-family markets emphasizes that apartment and townhouse residents prefer to live near:

- rapid transit facilities;
- work; and/or,
- urban amenities (cultural, recreational and shopping).

To achieve the type of Urban Corridor development desired by the city of Houston, an evolution to a more diverse urban environment will be required. The choice of any type of living environment is a complex and personal choice requiring trade-offs. The Study of the Reurbanisation of Metropolitan Toronto provides a good description of the trade-offs implicit in choosing a higher density and more urban lifestyle:

*"Housing is a bundle of amenities and relationships, and the choice of housing always involves trade-offs. High rise or higher density living may be acceptable if there are other compensating factors, such as the possibility of home ownership, ability to walk to work, or access to top-level cultural amenities or shopping, for example." "...higher overall densities also bring the possibility for improved quality of life, better local amenities".*

During the next two decades and beyond, the average age of Houston residents will become increasingly older. This trend will generally be positive for higher density housing for which demand is concentrated in the older age groups.

### 3.1.2 Increasing Employment Densities in City of Houston

For employment uses, there are few compact urban forms. Industrial uses require truck access and land extensive sites. Even in the most dense urban areas, there is relatively little retail space that is feasible beyond the ground floor, although it is often part of a mixed use building with office or apartment uses located above grade.

Retail uses also typically require substantial parking (usually surface parking) and are generally land extensive. Only office (and perhaps some institutional or hotel uses) provide the sort of non-residential density that is required to enhance the Urban Corridors structure. Retail and service uses provide an important element of the urban form, but are not the primary driver of intensified development by themselves.

The ability to attract major office users to the Urban Corridors is important to the long term success of these areas. While retail service, institutional and hotel uses add an urban element, only office and apartment uses can generate the type of densities needed to achieve the transit and land use planning objectives established within Urban Corridors. Consequently, the focus of this market review and development pragmatics is on those types of uses.

The city of Houston, and particularly the downtown, Energy Corridor (the Katy Freeway) and Uptown have been successful in the past in attracting new office construction since the 1980's.

These factors have helped establish parts of the city of Houston as an office destination, but outside downtown this development has been relatively land extensive (most with surface parking) and located close to highways and not necessarily within the proposed Urban Corridors.

The development of higher density forms of employment uses in city of Houston has paralleled the situation for residential uses. The atmosphere and level of density/intensity envisaged for the city of Houston's Urban Corridors, however, has yet to develop. Instead, office development has largely been focused on greenfield sites which afford highway access, visibility and opportunities for large areas of landscape and surface parking.

In summary, there is every reason to believe that the city of Houston will naturally evolve into a more urbanized municipality over the long term as the expansion of the urban envelope makes commuting extremely difficult by private automobile and urban land uses subsequently intensify. To date, however, high density development in the Urban Corridors has largely not materialized due to lack of market demand.

The market demand for higher density development will take time to establish itself, but will occur as competitive locations for higher density residential and employment uses become more scarce within the intensifying urban envelope. While the ability for a municipality to manipulate market demand and supply may be limited, there are certain measures or "tools" that can influence or accelerate the location decisions of developers, residents

and employees towards Urban Corridors. These are examined in further detail in later sections of this report.

Experience in other jurisdictions indicates that successful and livable high density urban centers almost always include an efficient, extensive and affordable public transit system. The City of Houston has recognized this requirement for transit, and are now working toward its early implementation as a key catalyst for change.

### 3.1.3 Economic Snapshot of the Houston Area

The following are some highlights of Houston’s recent economic performance as it relates to real estate market demand, including material sourced from Cushman & Wakefield’s 2007 Q4 Houston Office Report:

- The Houston economy continued its steady improvement through 2006 and 2007, with the key growth stimulus being the energy sector. Expansion of energy-related businesses such as oil field and equipment services and engineering firms, as well as the financial sector, has dominated the major lease and growth in the Houston office market recently. Job growth was nearly 60,000 through November 2007 – up 2.4% year-over-year. Other than the energy sector, primary economic drivers generating real estate demand continue to be the Port of Houston and foreign trade, along with the construction sector. Professional and business services, education and health services accounted for the remainder of the job growth across other employment sectors.

- Looking forward, the energy industry and energy-related support industries will continue to drive the local economy and stimulate business expansion and consumer spending. Skilled labour shortages (especially in the oil fields segment) could slow economic output.
- A weaker currency exchange rate (which stimulates port-related export activity) and the strong performance of the energy sector and related industries position Houston to continue to perform strongly. The unemployment rate in November 2007 was 4.0% compared to 4.5% nationally. Predictions of a job growth rate of around 2.6% annually through 2011 would easily outpace the national average.
- While job growth is expected to continue well above national averages, it has slackened in comparison to 2006. The mortgage crisis, tightening of available capital and a weak national economy will be decelerating factors on the local economy; however, a strong energy industry and global demand, coupled with a weak dollar abroad, have continued to buoy Houston’s economy overall and growth is expected to continue.

### 3.1.4 Real Estate Markets

A real estate market overview for the city of Houston is presented below with an emphasis on the office and residential sectors, since these will be the primary catalyst for transit oriented development along the corridors. Importantly, as real estate dynamics are fluid, it is critical to review the conclusions of the analysis presented below and in the accompanying Corridor-specific reports in the context of current market data. All of the analysis presented herein is reliable as of the date of production (an emphasis on sourcing year-end 2007 data has been made).



## Office Market Overview

Houston has an inventory of some 155.5 million sf. The Central Business District is home to some 35.9 million sf, while some 119.6 is spread across the Suburban markets. The office concentrations of West Loop/Galleria, Katy Freeway, Westheimer/Gessner, and North Belt are the largest non-CBD office nodes.

Average asking gross rental rates in Houston's office market increased dramatically during 2007, especially for Class A space. Overall citywide rates for Class A space increased to \$30.25 per sf per year, up by almost 29% compared to year-end 2006. This is directly attributable to Class A rates in the Central Business District (CBD) of \$36.00 psf, up some 43% this year. Rates in non-CBD Class A buildings increased by 20% to almost \$27.00 psf. This rise in asking rental rates reflects both strong current demand and limited availability, especially in the CBD where the earliest major new construction will not come on line until 2010.

Overall vacancy declined through 2007, with citywide rates in Class A space dropping to 7.8% and the CBD dropping to just 7.4%. Across All Classes, both B and C properties recorded decreases in vacancy and increases in rents, although not at the same pace as Class A properties. Although overall absorption has fallen compared to the high mark set in 2006, it remained strong at 3.3 million sf. Unlike 2006, absorption in 2007 has been largely attributable to non-CBD submarkets such as Katy Freeway, West Loop/Galleria and Westheimer/Gessner. Absorption in the CBD has been nominal at best for the year due to the lack of

available space, with only a moderate up-tick in Class B space thus far. Year-to-date leasing activity totalled 17.8 million sf citywide, only slightly less than the record-breaking pace set in 2006.

Construction completions totalled 1.3 million sf, exclusively in non-CBD submarkets. The Katy Freeway submarket by far recorded the largest total with 700,000 sf completed. At 2007 Q4 there was a total of 3.9 million sf of office space under construction marketwide.

Investment sales activity increased sharply over 2006, with several premier buildings in the CBD changing hands. In total, 17.5 million sf of space transacted in 2007, close to twice the volume recorded in 2006.

The information above was drawn from Cushman & Wakefield's 2007 Q4 Houston Office MarketBeat publication.

### Homeownership Market

According to the Houston Association of Realtors MLS data, the average single family home sales price was \$216,400 in 2007, compared to \$204,850 one year earlier, representing an increase of some 6%. There were approximately 69,400 sales of single family homes, which reflects a decline of 4% year-over-year.

For the year 2007, the average townhouse/condominium sales price was \$173,700, down slightly from the \$175,800 average sale price in 2006. There were approximately 7,200 unit sales of townhouse/condominium properties citywide this past year, down about 9% from 2006 levels.

**Rental Housing Market**

Houston's apartment market has been sluggish for several years in the context of record low mortgage rates and large supplies of new and existing single-family homes. With single-family home starts declining by 20%-25% in 2007 compared to 2006 and likely to continue to decreasing in 2008 by another 5%-10%, this atmosphere has changed during the last several months. While Houston has not seen the drastic demise of the housing market compared to elsewhere nationally, the number of properties posting foreclosures in Houston is up, especially in the lower tier of the housing market where so-called "sub-prime" mortgages are likely to be made.

With shrinking home inventories and tightening lending standards, Houston's apartment market is likely to see increasing occupancies in the short term, at least to some degree. Coupled with continuing job growth, the demand for multi-family units should continue through 2008. This has been especially true in class A properties, which have seen the bulk of new construction in the past year and comprise a total of 14,750 units proposed as of third quarter 2007.

As of third quarter 2007, some 4,250 units were completed with another 19,600 units under construction throughout the city, according to O'Connor & Associates. Areas with the most new construction activity included the

Far West, Medical Center, and Galleria sectors. Annual absorption for the year ending in third quarter 2007 was a positive 4,440 units. Class A-calibre properties performed best during this time period, absorbing 5,175 units, with only Class C properties recording negative absorption of approximately 1,200 units.

Occupancy across all classes finished third quarter at 88.9%, up for the quarter but down compared to 2006. Class A properties recorded the highest occupancy at 90.8%, down by over one percentage point from the prior year. All classes except Class A increased occupancy over the quarter, but generally occupancy has fallen since third quarter 2006.

Rental rates in all classes have increased compared to last year, despite drops in occupancy. The average asking rate as of third quarter was \$0.845 psf across all classes, with Class A rates ending the quarter at \$1.120 psf. This was an increase of \$0.027 psf since 2006, and represents the largest increase of any class of property.

The information above was drawn from Cushman & Wakefield's 2007 Q4 Houston Multi-Family MarketBeat publication.

### 3.1.5 Development Pragmatics for Higher Density Development

A review of the economics of higher density development provides insight into the catalysts for change that are required from a market and financial perspective in order to trigger more substantial development in the city of Houston's Urban Corridors. This analysis also includes an investigation of development cost components and how they impact the financial feasibility of development.

Various generic development proforma were created for the types of higher density developments that will be required to achieve the planning and transit objectives for the Urban Corridors. These proformas are not intended to represent specific projects or locations, but are indicative of the types of costs and financial returns that a private developer would require to build higher density office, townhouse or apartment uses in a particular Corridor—see Corridor-specific Reports for details. Again, these models neither specifically reflect existing land parcels, nor the timing of an anticipated project. Additionally, they do not attempt to portray the transit-supportive design standards discussed in later sections of this report. Rather, the proformas are intended to illustrate the feasibility of new construction given existing market conditions. While the analysis for apartment uses focuses on condominium (sale), the analysis is similar in many respects for rental projects, which would require similar construction and land costs as well as a financial return for the developer.

Each of these higher density uses require considerable hard construction costs, including underground or structured parking, as well as some municipal fees and soft costs to development (including legal costs, architectural fees, marketing and sales or leasing commissions). Of course, a developer would require a return for the outlay of capital either in the form of a profit component of a sale price, or a required net rent in order to provide a certain financial yield for an investment property which is held in ownership.

A review of the proformas includes the following observations:

- In all cases, whether residential or non-residential construction is undertaken, hard construction costs represent by far the largest component of total project development costs, generally ranging from 55 to 70%. Aside from reducing parking requirements, there is little or nothing a municipality can do to affect this cost, which is driven by market prices for construction materials and trade labour costs.
- Similarly, soft costs (generally in the range of 10 to 20% of total costs) including legal fees, architectural drawings, contingency budget and interest carrying costs, are effectively beyond the influence of municipal intervention.
- Land prices (representing roughly 10 to 25% of overall project costs) are largely determined by market forces, although land use planning and municipal services can influence the market – potentially to a significant extent.



- Obviously, municipalities have control over the fees that they charge developers. There is an array of municipal fees that can be attributed to development projects, ranging from costs for plan reviews, to permit fees, and also park space levies. However, these fees and charges are relatively minor in Houston compared to other urban jurisdictions.
- A reduction in parking standards for individual developments, with the provision of municipal parking facilities in proximity, would potentially have a significant impact on development feasibility for the private sector. For example, there are a variety of potential office project densities achievable in various development forms, ranging from less than 1 times coverage with surface parking, to almost 8 times coverage with multi-level structured parking, located at a transit station. A mix of structured and surface parking can result in a range of densities, and translate to varying costs for developers (and ultimately tenants, in the form of increased rent).

Using the proformas, some sensitivities can be tested. This “gap analysis” looks at the current achievable net office rents and housing unit prices versus “economic” rents or sale prices (those rents or sale prices which make a project financially feasible).

**Impacts of Ongoing Costs** – Development proformas were prepared on a Corridor-specific basis and are described and analyzed in detail in the Development Analysis section in each of the Corridor-specific Reports. The proformas focused on the feasibility of high density residential and office development from a capital cost and return basis for a developer. The demand from a user's

perspective, however, is largely influenced by ongoing operating costs. In this regard, property taxes can be a critical component.

The substantial amount of higher density housing needed and anticipated in Urban Corridors will require multi-level government intervention and assistance – it can not all be private market condominium development. Already some changes are taking place that can support rental and more affordable housing development in Urban Corridors. A multitude of additional tools will also have to be considered, many of which will require changes in senior government policies (income tax, mortgage under-writing, shelter allowance). Full cooperation among all levels of government will have to be coordinated. Furthermore, the delivery of a broad spectrum and diversity in higher density housing forms in Urban Corridors, including affordable housing, is necessary to establish healthy communities that are balanced and flexible enough to adapt to changing demographics and markets.

4
The Planning Strategy

This chapter introduces the Planning Strategy and describes the principles, the Big Picture and the Land Development Concept Plan.

### 4.1

## The Plan

**Urban Corridor Context** - Each Urban Corridor is different in terms of lot sizes and configuration, street width and right-of-way width, existing uses, neighboring uses and streetscape potential. There is no one size fits all program for the vision for each Corridor. A framework for change will be tailored to the situation of each Urban Corridor, and will articulate:

- Where the Transit Oriented Development Opportunity Areas will be located, and how that form of development will be facilitated.
- Where the Stable Areas are defined, and how their unique characteristics can be maintained and enhanced.

### 4.2

## Principles

The overall objectives for the planning strategy within each of the Urban Corridors include:

### Protect and Enhance Existing Communities

#### Strong Community Image

Maintain a strong community image by protecting significant cultural heritage resources, enhancing the character of the built environment including building design and massing, signage, planting and streetscapes within each of the Urban Corridors.

#### Sensitive Transition to Stable Neighborhoods

Provide a sensitive transition between the concentration, mix and massing of buildings within the Urban Corridors and the adjacent stable neighborhoods, and to ensure that neighboring developments are physically compatible and complementary. Transit Oriented Development that is proposed adjacent to a stable neighborhood will provide a gradual transition of height, density and intensity through setbacks and angular plane provisions.

Promote Attractive Streetscapes and Great Buildings

Attractive Streetscapes

Develop attractive streetscape environments through attention to the design of the pedestrian realm, built form, and the relationship between buildings, streetscapes and other public areas:

- ☐ Ensure that development within and adjacent to the corridors is designed to establish a comfortable, human-scale environment for pedestrians.
- ☐ Encourage pedestrian travel throughout the corridors through establishment of a convenient, comfortable, safe and attractive walking environment, and connectivity to parks, public buildings and parking facilities.
- ☐ Provide a consistent level of streetscape design, lighting, planting, signage, street furniture and other amenities.
- ☐ Ensure that all public and private areas are designed in a manner which is safe, secure, and subject to informal surveillance, including walkways, building entrances and parking areas.
- ☐ Establish a strong relationship between buildings and the street by minimizing setbacks and orienting main entrances to adjacent sidewalks.
- ☐ Design service and parking facilities to complement the pedestrian system and enhance the attractiveness of the pedestrian realm.
- ☐ Plan and design open space linkages that facilitate continuous, uninterrupted pedestrian and cycling movement within the Urban Corridors, and to adjacent communities.

Great Buildings

Design great buildings that provide architectural variation and visual interest, while enhancing and shaping the pedestrian realm through context appropriate scale, massing, height and placement:

- ☐ Ensure that buildings are located at the sidewalk with no parking in front.
- ☐ Ensure the buildings are a higher density to support adjacent transit.
- ☐ Ensure that active uses are located at the ground floor.
- ☐ Articulate building facades with doors and windows.
- ☐ Ensure that the main entrance is oriented to the street and connected to the pedestrian realm.

Focus Activities on Key Locations

Focus the City's financial resources and implementation energy on key locations to facilitate Transit Oriented Development and to protect Stable Areas.

### 4.3

## The Big Picture

With implementation of transit on the six Urban Corridors, the city's key employment, institutional, commercial, recreational and cultural facilities will be connected. Residents in many neighborhoods inside the 610 Loop will be able to travel by transit to the city's key destinations, see diagram on facing page.

The intent of the Land Development Concept Plan is to illustrate and determine development potential along each of the six Urban Corridors. In doing so, the Land Development Concept Plan will also inform recommendations for establishing new initiatives, such as TIRZ, PIDs and MMDs, to promote Transit Oriented Development along the six Corridors. Generated as part of the design workshop for each of the Urban Corridors, the Land Development Concept Plan builds on the City of Houston's own land use mapping, the Initiatives Plan, input from property owners, local business operators and residents, and closely considers the Corridor alignment, station locations and a 1/4 mile radius (representing a 5 minute walk) around each proposed station. Detailed Land Development Concept Plans for each Corridor are located in the respective Reports.

The planning tools available within the City of Houston suggest that Transit Oriented Development is to be promoted. Through promotion of Transit Oriented

Development to specific geographic locations there is an inherent discouragement in locations that are less desired by the city, within the Stable Areas for example.

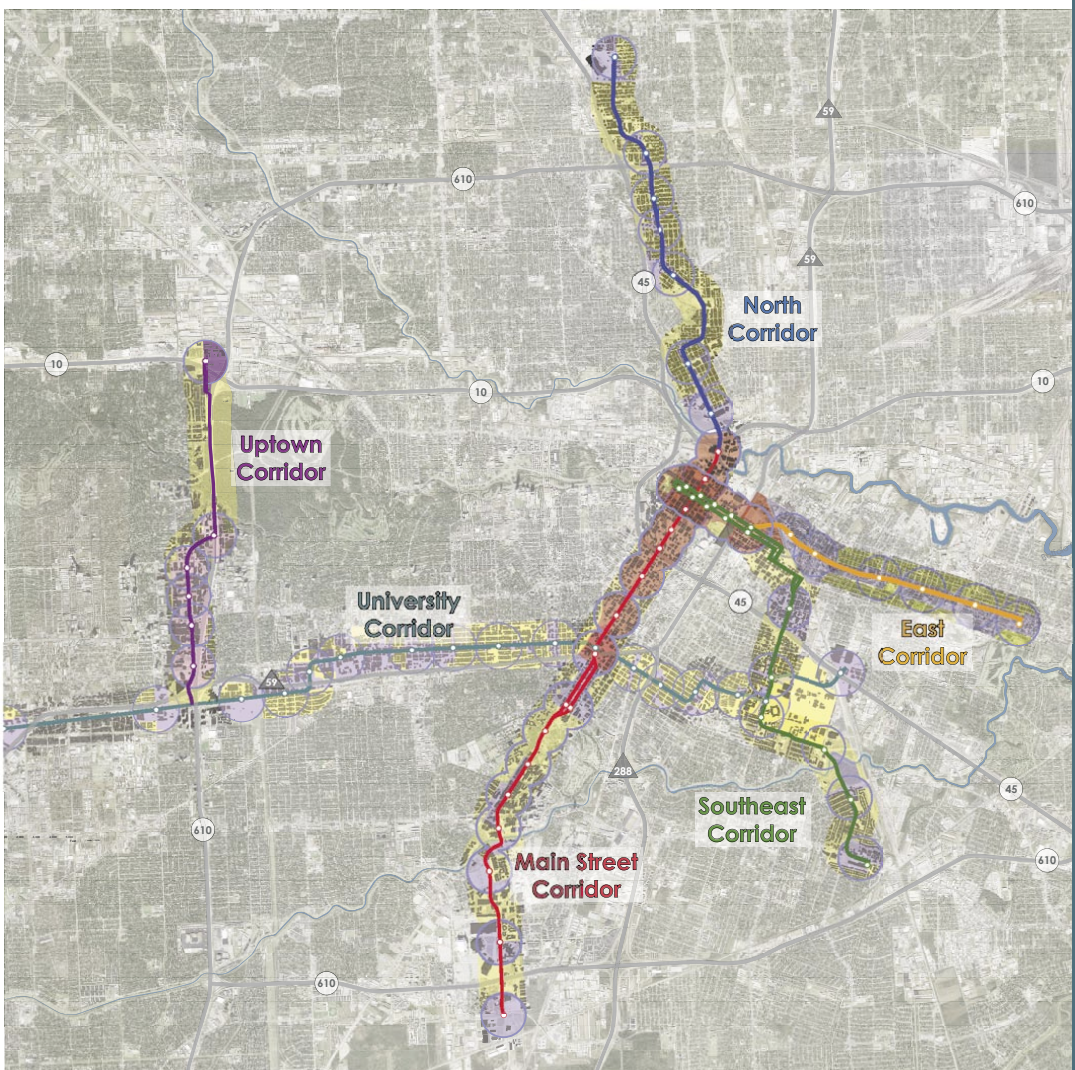
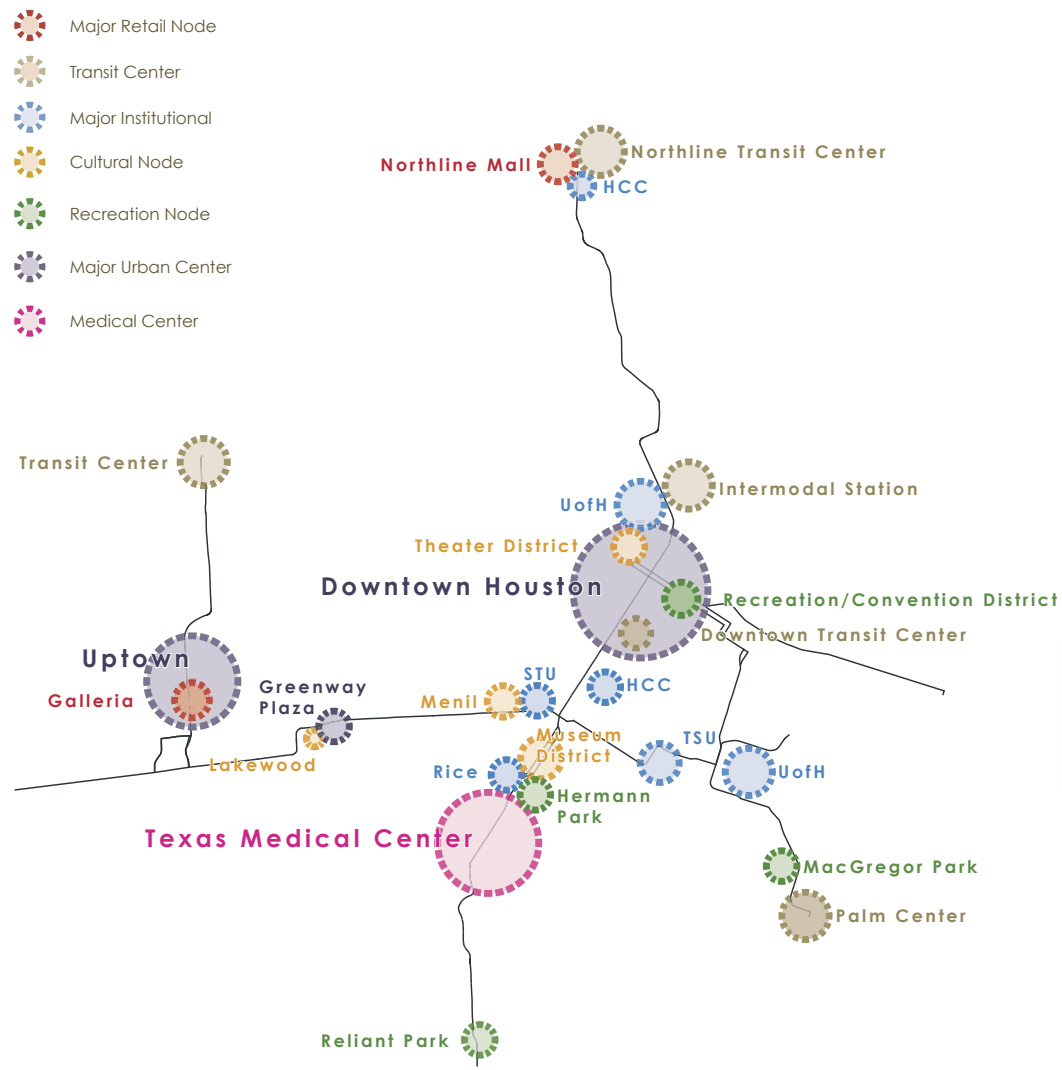
In addition, Transit Oriented Development may be appropriate in other locations throughout the city, or may be proposed in areas where it may be less desirable. Notwithstanding either circumstance, in all other locations throughout the city of Houston, Transit Oriented Development shall only be considered through the other policy and regulatory frameworks of the city.

From a planning perspective, there are areas within the various Urban Corridors that have substantially different development/redevelopment characteristics and will therefore require different implementation strategies and/or corresponding development regulations. The following key districts have been identified:

- Development Opportunity Area 1 - Corridor
- Development Opportunity Area 2 - Downtown
- Development Opportunity Area 3 - Uptown Core;
- Development Opportunity Area 4 - Uptown Corridor; and,
- Stable Areas.

These districts and their specific characteristics are described in further detail in the proceeding section, Chapter 6 of this report, and the Corridor-specific Reports.

Transit Network Destinations/Overall Land Development Concept Plan



See legend on opposite page



## 4.4

### Land Development Concept Plan

The City of Houston intends to promote Transit Oriented Development in Development Opportunity Areas. It is also the intent that a Transit Oriented Development Ordinance and related development standards/guidelines be prepared. The concept of the new Transit Oriented Development specific Ordinance is to remove the risk of the current approvals process. Further, it is believed that by preparing the Ordinance, and identifying the key locations where Transit Oriented Development is to be promoted, the propensity for Transit Oriented Development infiltration into stable neighborhoods will be reduced, allaying the fears of the public about mass gentrification.

In recognition of the planning philosophies and planning culture of the City of Houston, conformity with the Transit Oriented Development Ordinance shall only be implemented in key locations that will be identified within the Ordinance. It is the intent of the City to provide as-of-right planning approval for Transit Oriented Development on the basis of an Ordinance that is specifically designed to facilitate Transit Oriented Development.

It is believed that by making elements of the Transit Oriented Development Ordinance mandatory in key locations, as well as making the Ordinance provisions attractive to the development industry, Transit Oriented Development will

be built. The key is to make the Ordinance so attractive - through development cost reductions - that it will be, at the very least, as financially attractive to build Transit Oriented Development, as it is to build the traditional suburban development model.

The diversity of the neighborhoods that are adjacent to the Urban Corridors, in terms of scale, local amenities, employment opportunities, local culture, retail services and demographics make-up offers tremendous opportunity in choices of places to live, to work, and to shop.

For each Urban Corridor, stakeholders were asked to generally identify those areas within their communities that they valued as 'stable' and had some concern that the introduction of Transit Oriented Development would have some detrimental impact. The definition and delineation of the Stable Area designation is not a scientific exercise, but rather an effort to help determine where Transit Oriented Development should be focused, and where it should not. It is felt that the Stable Areas will still benefit from the development of transit facilities and Transit Oriented Development through the enjoyment of enhanced transit facilities, greater housing choices, increased shopping opportunities, and an improved pedestrian environment.

Further, by focusing Transit Oriented Development along the Urban Corridors, within Development Opportunity Areas, there is the inherent potential to (through non-promotion) protect the character of Stable Areas. However, Stable Areas should not be frozen in time. Some physical change will occur over time as additions and infill development

occurs on individual sites. It is a fundamental concept to ensure that new development within the Stable Areas respects the existing physical character of the area.

At the boundary between the Stable Areas and the Development Opportunity Areas, development will be required to demonstrate a transition in height, density and intensity to ensure that the stability and general amenity of the adjacent Stable Area is not adversely affected.

To ensure the protection of the physical character of the Stable Area, the City shall consider the basic principle of "compatible development" in their consideration of variance applications, and the general improvement of the neighborhood through a program of enhanced community amenities.

5

Design Guidelines For TOD

This chapter introduces the design guidelines for the Corridor-specific Reports.

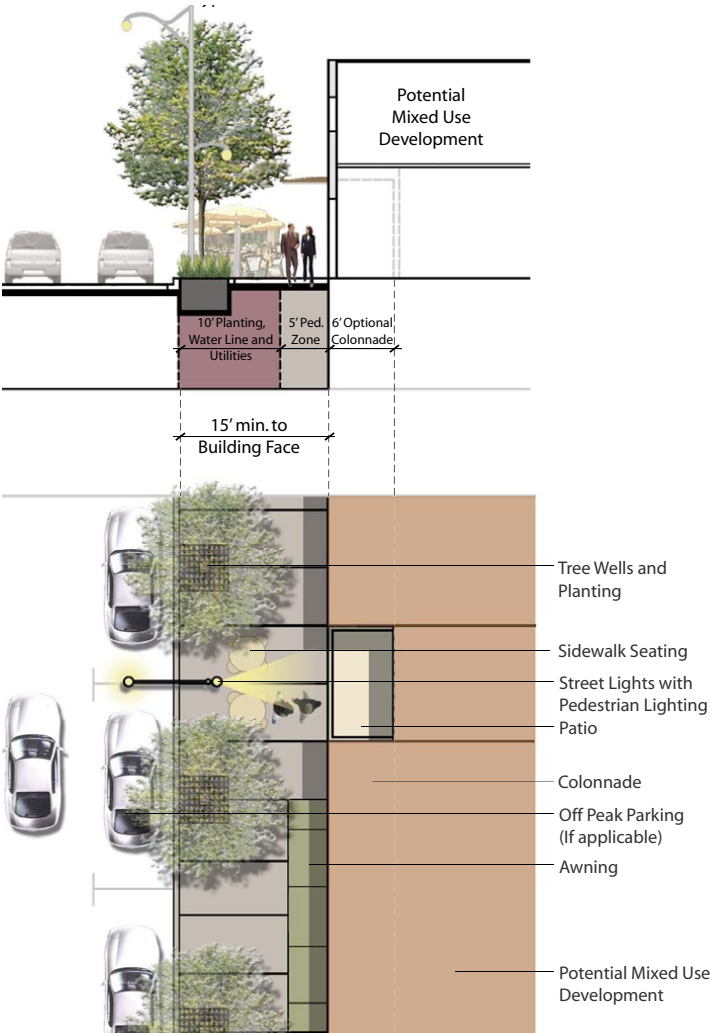
## 5.1 Introduction

The successful realization of the Urban Corridor Plan requires a concerted approach to the design of high quality streetscapes, buildings, parks, parking, and infrastructure. The foundation of the Urban Corridor Plan is the achievement of a high quality pedestrian realm that facilitates pedestrian movement and access, accommodates street trees and the placement of street furnishings while, at the same time, ensuring that technical requirements for utilities are met.

The cross-section diagram to the right, reflects the preferred pedestrian realm concept, designed to ensure the generation of activity and vibrancy within the pedestrian realm.

Detailed design guidelines addressing streetscapes/ pedestrian realm; buildings; parking, access and service facilities; and, engineering are found in the Corridor - specific Reports and correspond to the Development Opportunity Areas identified within each Corridor. The guidelines form the basis of the City's new planning regime for Transit Oriented Development.

In some instances there will not be enough space between the curb and the face of existing buildings. It is important to phase the pedestrian realm in these instances so as not to preclude achieving the preferred condition in the future. As a result, there may be times when the sidewalk is located at the curb until redevelopment occurs.

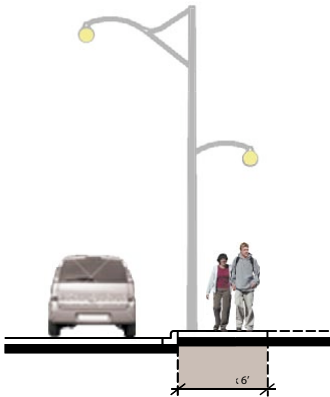


The cross-section diagrams on this page, represent alternative concepts designed to reflect the varied conditions that exist along the Corridors.

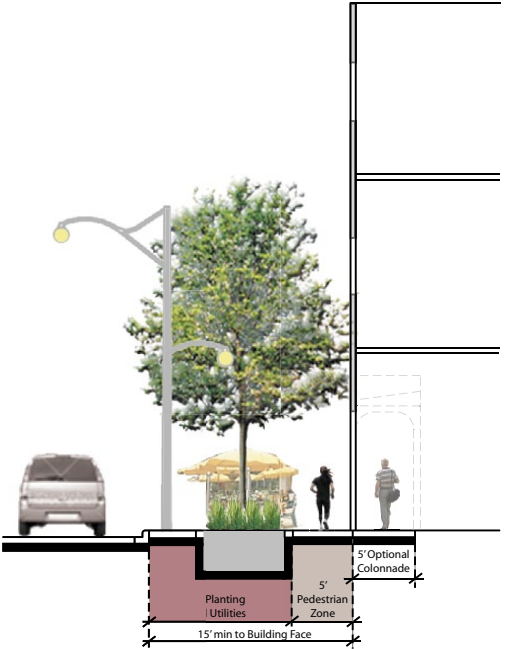
The key objective is to generate a consistent pedestrian realm throughout all of the corridors that allows for:

- sidewalks that are sufficiently wide to allow for comfortable pedestrian conditions (5'-0" minimum);
- a continuous tree canopy;
- space for retail related activities on the street such as patios and outdoor cafes;
- a zone for street furniture and street lights;
- space to locate utilities such that they will not interrupt retail activities during times of repair; and,
- the provision of on street parking wherever possible.

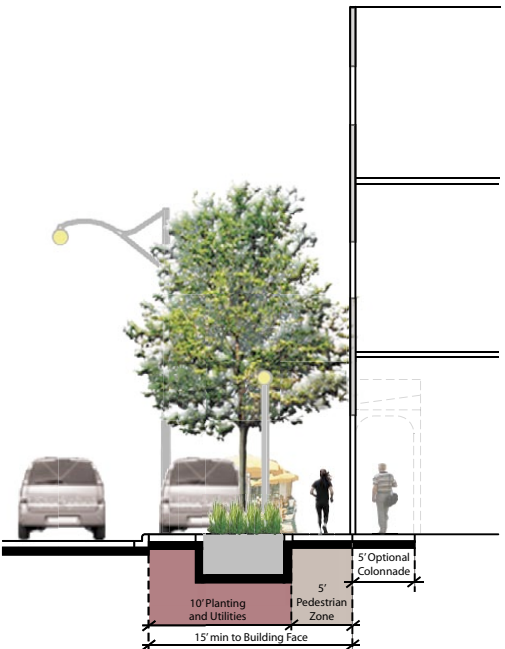
Limited



Tree Offset



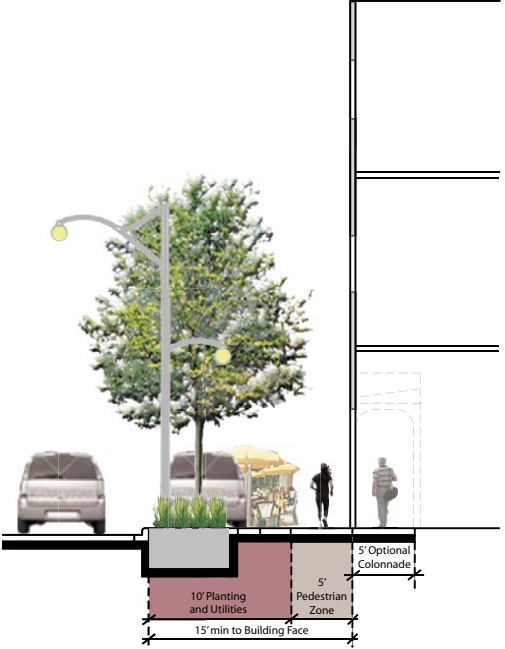
Tree Offset



Tree at Curb



Tree at Curb





6

Implementation

This chapter describes the key observations and obstacles, identifies strategies for success and outlines the toolbox for implementing the recommendations.

6.1

Observations and Obstacles

Ongoing growth is a positive sign of a healthy city. It is an enormous opportunity for economic development and the creation of a more rich and diverse urban environment that includes multiple lifestyle choices. However, in order for the city of Houston to continue to be successful in the long term – economically, aesthetically and in terms of quality of life – an urban structure that includes and supports Urban Corridors must be promoted, and more importantly, achieved.

It is, therefore, the goal of the City of Houston to establish a strategy to implement Transit Oriented Development in proximity to the planned higher-order transit facilities and, as a result, to ensure that transit ridership potential is maximized. As such, lands within the six Urban Corridors are expected to evolve with a physical form that is higher in density, human in scale, and designed to be pedestrian-friendly and transit-supportive.

The achievement of this vision requires a fundamental modification to the function and character of the six Urban Corridors that are planned to include these transit facilities from primarily high-speed vehicle routes to multi-purpose Corridors that accommodate a balance among truck and automobile traffic, transit facilities and pedestrians. This would affect only 2.3 % of the city's Major Thoroughfares.

8 Important Observations

The implementation of this vision for the future of Houston requires an understanding of the factors that either promote or frustrate the achievement of Transit Oriented Development within the Urban Corridors. It is understood that market support for higher density development in the city is generally weaker than for lower density, more suburban forms of development and that current planning, design and engineering standards work against the achievement of Transit Oriented Development. As a result, it is the purpose of this chapter is to establish a comprehensive set of planning tools and financial incentives that will facilitate the achievement of the planned urban structure. The eight important observations articulated through this Report are as follows:

Observations

1

The majority of politicians, planners and other interested people are saying the same thing about the **need to achieve a new, better balanced, urban structure.** Many observers across many disciplines stress that a continuation of suburban sprawl as the only lifestyle choice is neither sustainable nor financially viable. There must be a more balanced approach, where attractive lifestyle alternatives are provided within the urban center of the city, and that this urban lifestyle must be supported by urban amenities, including high order transit.

...

2

**Market forces, as well as current fiscal and planning policy, frustrate the required change to the planned urban structure.** Notwithstanding what people have been saying, current practices of the City seem to prevent the successful development of Transit Oriented Development and, consequently, the evolution of the existing urban structure have been slow.

...

3

**There have been some success stories in Houston and in other jurisdictions.** Some locations in the city are slowly evolving into more “urban” districts. They are vibrant and successful and typically include a mix of uses developed at higher densities. Other jurisdictions have also achieved some success in implementing their Urban Corridors structure, although no one can yet claim complete success.

...

4

Observations

**A variety of tools have been used to help stimulate the change in urban structure.** Across North America, various levels of government have used a vast array of planning, financial and other tools to facilitate Transit Oriented Development. Success is, however, usually a result of a combination of tools and circumstances, as opposed to one critical action. Typically, government intervention beyond new transit (through building programs, incentives and permissive planning policy regimes, for example) is seen as a key redevelopment catalyst that can influence private sector investment decisions.

...

5

The use of the full range of tools to implement **a change in the urban structure may shift the costs of development from one group to another.** Financial incentives provided by the City may require that the broader population pay a higher proportion of the cost of development. In fact, this shifting of costs may better reflect the unmeasured real costs of development. There are costs and benefits in all of the City's implementation activities. In a jurisdiction such as Houston where there is relatively little direct governmental development costs, this inequity may prove difficult to balance.

...

6

Over time, the costs of implementation are typically offset by the quantitative and qualitative benefits of Transit Oriented Development. **There is both a public interest and a business case for the implementation of a new urban structure** based on Urban Corridors. Its implementation, or, more correctly, its faster implementation, requires a focused effort, political will and a complementary package of planning policy, building programs and financial tools.

...

Observations

7

**Changing an established urban structure takes time, and will occur incrementally.** It is not anticipated that wholesale changes to the urban fabric and consumer lifestyles can occur overnight in Houston. Rather, the introduction of Transit Oriented Development can provide much greater choices for transportation, living and working in the city for a sizeable and growing portion of residents over time, even while the predominant mode of choice remains private automobiles.

...

8

Lastly, it is critical that all private sector Transit Oriented Development initiatives be supported by a reciprocal commitment by the City and other public agencies to create the components of the pedestrian realm, buildings and infrastructure. **The improvements to the pedestrian realm and public infrastructure must be developed in concert with private sector investment.**

...



# Obstacles

## 3 Obstacles to Overcome

Based on these eight important observations, three key obstacles have been identified in Houston that must be overcome if the vision for Houston's urban structure is to be achieved. These obstacles are as follows:

1

### There is a planning issue.

The planning issue is directly related to the fact that Transit Oriented Development is not a form of building that is specifically permitted by the existing planning framework of the City. As a result, developers must facilitate this desirable form of development through the costly, risky and time consuming variance process.

This issue is further exacerbated by the lack of a comprehensive approach to Transit Oriented Development plan review at the City by the various departments. Mixed messages, competing interests and differing objectives at City Hall work against the achievement of Transit Oriented Development, especially in comparison to the more traditional forms of suburban development that is prevalent in Houston. Uncertainty and the length of the approval process establish Transit Oriented Development as a very risky endeavor.

...

2

### There is a financial issue.

Currently, the cost of development generally exceeds the achievable rent/price for all but a niche market. The fiscal gap must be overcome for a higher share of demand if the private sector can ever be expected to deliver Transit Oriented Development in broader terms. In the East Corridor, for example, it is estimated that the fiscal gap between the cost of a Transit Oriented Development unit, and the achievable market price is upwards of \$100,000. While the length and uncertainty of the approval process add to the cost, the simple lack of financial feasibility means that the cost of development must be a key consideration.

...

3

### There is a market issue.

The primary market segment for Transit Oriented Development is dual income, no kids (DINKs). It appears that this market segment can afford the \$250,000+ cost of the units, and are a likely group to take advantage of the urban lifestyle opportunity that Transit Oriented Development provides. Notwithstanding that, the DINK market segment is too small to facilitate Transit Oriented Development along the 25 to 30 miles of planned Transit Line. There is a need to expand the market attractiveness to more and larger market segments. This requires a reduction in the unit costs to something more affordable to the local neighborhood residents as well as a public school system that supports new development catering to families.

...

## 6.2

# Strategy for Success

Experience in other jurisdictions across North America, combined with the observations and obstacles identified in the Houston context suggest that a strategy for the successful implementation of Transit Oriented Development requires that the City focus their activities into three basic categories. The City must:

### Establish the Environment for Change

Tools in this category come in different scales and at different costs. The amount of the investment typically has a corresponding scale of impact on demand enhancement for new development. New development can be attracted to Urban Corridors, for example, by building public infrastructure such as a high order transit system. While there is a large capital cost to infrastructure building, it can potentially have considerable positive impact on market demand for Transit Oriented Development in proximity to that infrastructure. The experience across North America suggests that achievable rents and sales prices for properties closer to major public infrastructure are substantially higher than elsewhere, making higher density development more feasible, and thus, more attractive to the private sector.

A coordinated long-term commitment by the City on a number of fronts will create a favorable private sector investment climate. Key priority actions include:

- **Appoint a champion** to facilitate and oversee the coordination of the City's efforts while at the same time actively pursuing private sector partners to invest in and develop Transit Oriented Development in the Urban Corridors.
- **Implement a clear high density, mixed use vision** within the Urban Corridors by providing strong planning guidance including density targets, urban design guidelines, and performance standards and appropriate engineering standards that facilitate Transit Oriented Development.
- **Invest in infrastructure**, including public utilities, storm water management, sewer and water services, streetscaping, public buildings and affordable housing in the Urban Corridors.

### Reduce the Costs of Development

The City has tools that can also be used to reduce the development costs to private developers and owners, which will increase the likelihood of Transit Oriented Development. Some of these key tools the City can use to reduce the costs of development include:

- **Reducing parking standards** for Transit Oriented Development to reflect the diminishing automobile use and greater opportunities for shared parking resulting from increased transit ridership. Given the current cost of building parking spaces, reducing parking requirements and ensuring that the parking supply reflects the true need of Transit Oriented Development subsequently reduces the overall cost of development.

- **Reducing or eliminating compensating open space requirements** which currently penalize higher density development within the Urban Corridors. While public open space is an important element in a vibrant urban environment, it is smaller pieces, that are more highly designed that are required to ensure the provision of publicly accessible open space and to contribute to the overall pedestrian realm along the Urban Corridors without penalizing developers.
- **Provide financial incentives** – The reduction of development costs can also be achieved through the provision of financial incentives. Incentives, either direct or indirect, can be used to entice the development industry to build Transit Oriented Development and ensure that it is developed in appropriate locations (i.e. within proximity to the Transit Stations).

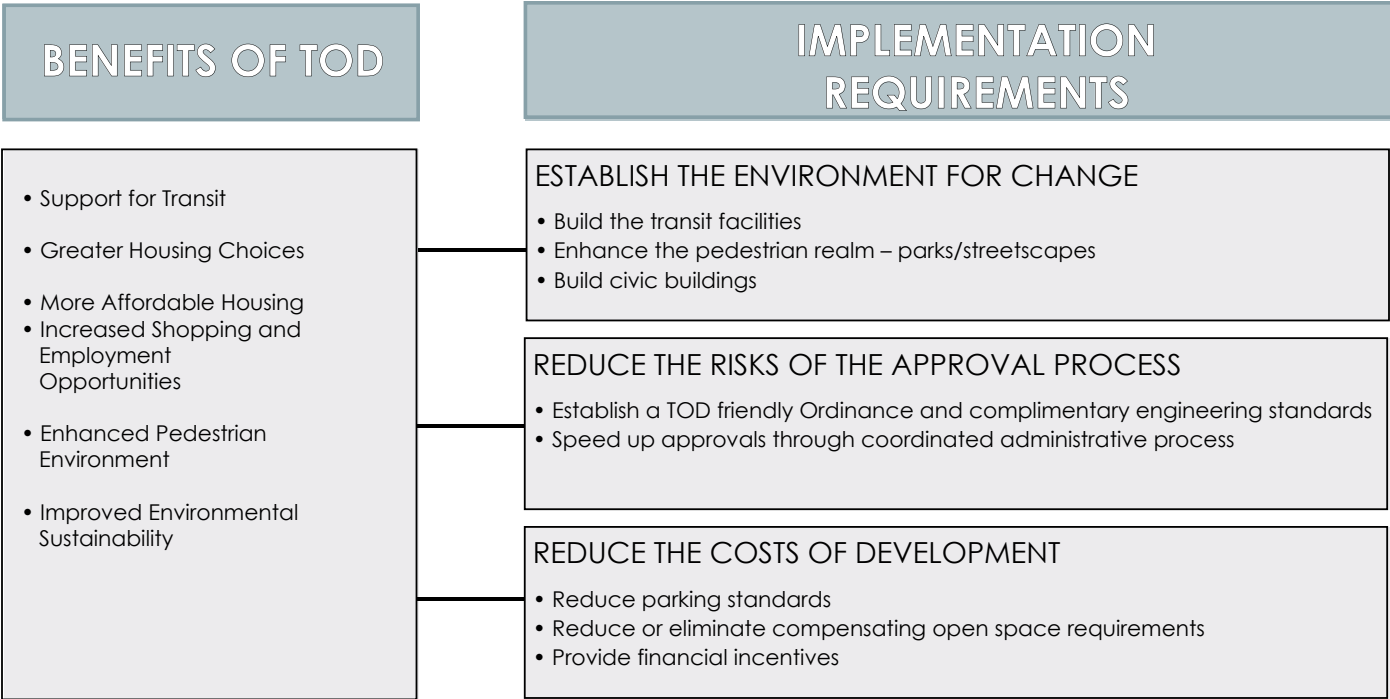
### Reduce the Risks of the Approvals Process

A third set of tools relate to the reduction of risk for private developers. In other words, a private developer wishing to build Transit Oriented Development in an Urban Corridor may be more likely to develop if there is more certainty surrounding the planned vision and more certainty surrounding the approval process. A simplified planning policy outlining permitted densities, urban form and potential incentives within the Urban Corridors could, in effect, reduce some non-market risk associated with development and redevelopment. A significant amount of pedestrian realm investment also helps to ameliorate risk, by allowing alternative uses in locations with multiple demand generators and public infrastructure. Pedestrian

realm investment sends a strong signal of government intent, substantially reducing the risk to “pioneer” private sector investors.

One obvious way to diminish the risks associated with the approvals process is to establish a planning framework that permits and facilitates Transit Oriented Development. Whereas, current planning and development standards effectively frustrate approvals for this form of development, the establishment of a Transit Oriented Development Ordinance and corresponding engineering standards and design guidelines would provide the regulatory basis to facilitate Transit Oriented Development and at the same time provide greater certainty as to the City’s development expectations.

In the same vein, speeding up approvals through coordinated administrative process can also effectively mitigate development risks. Given the current lack of clear standards and guidelines for Transit Oriented Development, approvals for this form of development is subject to a lengthy approvals process. Enhanced coordination among various City departments to develop comprehensive Transit Oriented Development standards and subsequently speed up approvals would provide additional certainty to the development community trying to build Transit Oriented Development.



## 6.3

### The Toolbox

Following the identification of the City's general responsibilities in achieving Transit Oriented Development within the Urban Corridors, it is appropriate to identify the various tools that the City has at its disposal and how those tools might be implemented in the context of Houston's planning regime.

#### 6.3.1 Approach

Houston's approach to planning is unique in North America. In the absence of conventional land use zoning, Houston relies on a series of ordinances that provide the regulatory basis for planning and development approvals. These ordinances are augmented by a vast assembly of financial programs and planning tools that are designed to facilitate and influence a range of development objectives including the provision of affordable housing, brownfield redevelopment, economic revitalization, historic preservation and capital infrastructure investments among others.

From a very general perspective, planning regime implementation takes three basic forms, as follows:

- a **regulatory regime**, where specific regulations and guidelines are provided and required in specified geographic locations. This is a more aggressive approach, and is not typically the planning approach that has been utilized historically by the City of Houston. This approach is sometimes referred to as a STICK.
- a **permissive regime**, where regulations and guidelines are provided, and are optional, to be used with discretion. The application of the rules is not specified geographically, but the rules are available for general application, subject to criteria. This is similar to the current planning regime that Houston has utilized for many years.
- a regime based on **incentives**, where regulations and guidelines are provided, and compliance is achieved through incentives, usually based on development cost reductions and/or the speed of the approvals process. This approach is inherently used in Houston today to facilitate suburban forms of development. This approach is sometimes referred to as a CARROT (or at least removal of impediments and removal of disincentives).

The successful implementation of Transit Oriented Development within the Urban Corridors requires that the existing planning context in Houston be recognized, but that the regulatory (STICK) approach may be required to implement this form of development.

It is felt that the highest likelihood of implementing a successful planning regime for Transit Oriented Development within the City of Houston includes a combination of the regulatory, permissive and incentives based approaches, and will be the implementation strategy promoted in this Report.

The overall objective in establishing this type of approach is to remove disincentives for Transit Oriented Development, and to encourage development through the use of incentives - a CARROT, as well as through regulation - a STICK. This is an important approach because it must then become the goal of the City to ensure that the incentives are significant enough to promote a private sector response, resulting in Transit Oriented Development.



### 6.3.2 Application

A key component of this Study has been to identify tools that have the potential to have the greatest stimulative impact in terms of facilitating Transit Oriented Development along the Urban Corridors. Overall, the City of Houston, in conjunction with its County, State and Federal partners have a plethora of tools and resources to assist in achieving the desired development objectives for the Urban Corridors.

As described earlier, the overall Land Development Concept Plan designates the six Urban Corridors into the following five categories:

#### Development Opportunity Area 1 - Corridor

Development Opportunity Area 1 - Corridor represents the largest of the Development Opportunity Areas. It extends along the length of the North and University Corridors, the southern portions of the Main Street and Southeast Corridors and the easterly portion of the East Corridor. These areas are largely concentrated around planned transit facilities and immediately adjacent to the transit lines. In some instances they extend along major roadways perpendicular to the planned transit lines where commercial uses have encroached into Stable Areas. Development Opportunity Area 1 - Corridor consists primarily of existing employment and commercial uses that will likely redevelop once the transit facility becomes operational is complete. Given the extent of the Development Opportunity Area 1 - Corridor , it represents an enormous opportunity for Transit Oriented Development to be realized over the long term.

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#### Development Opportunity Area 2- Downtown

This area generally covers the area recognized as downtown Houston. Characterized by both newer and historic high-rise buildings, downtown Houston functions as the City's Central Business District; housing major financial and institutional uses as well as major civic and cultural uses. As the physical and functional center of the planned transit system, considerable potential exists for new Transit Oriented Development in this area.

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#### Development Opportunity Area 3 - Uptown Core

Development Opportunity Area 3 - Uptown Core runs along Post Oak Boulevard, west of Loop 610. The area is characterized by its higher density built form and functions as a secondary business center and major retail commercial destination in the city of Houston. With the area's commitment to high quality streetscape enhancements and an existing development pattern characterized by large surface parking areas fronting along the future Transit Street, significant potential exists for new Transit Oriented Development in this area.

□ □ □

#### Development Opportunity Area 4 - Uptown Corridor

Development Opportunity Area 4 is the area along the Uptown Corridor north of Buffalo Bayou. The area is characterized by a mix of higher density residential uses and commercial and industrial uses. With the planned establishment of Transit Stations at the northern end of the Uptown Corridor , there is a future potential for higher density Transit Oriented Development in this area.

□ □ □

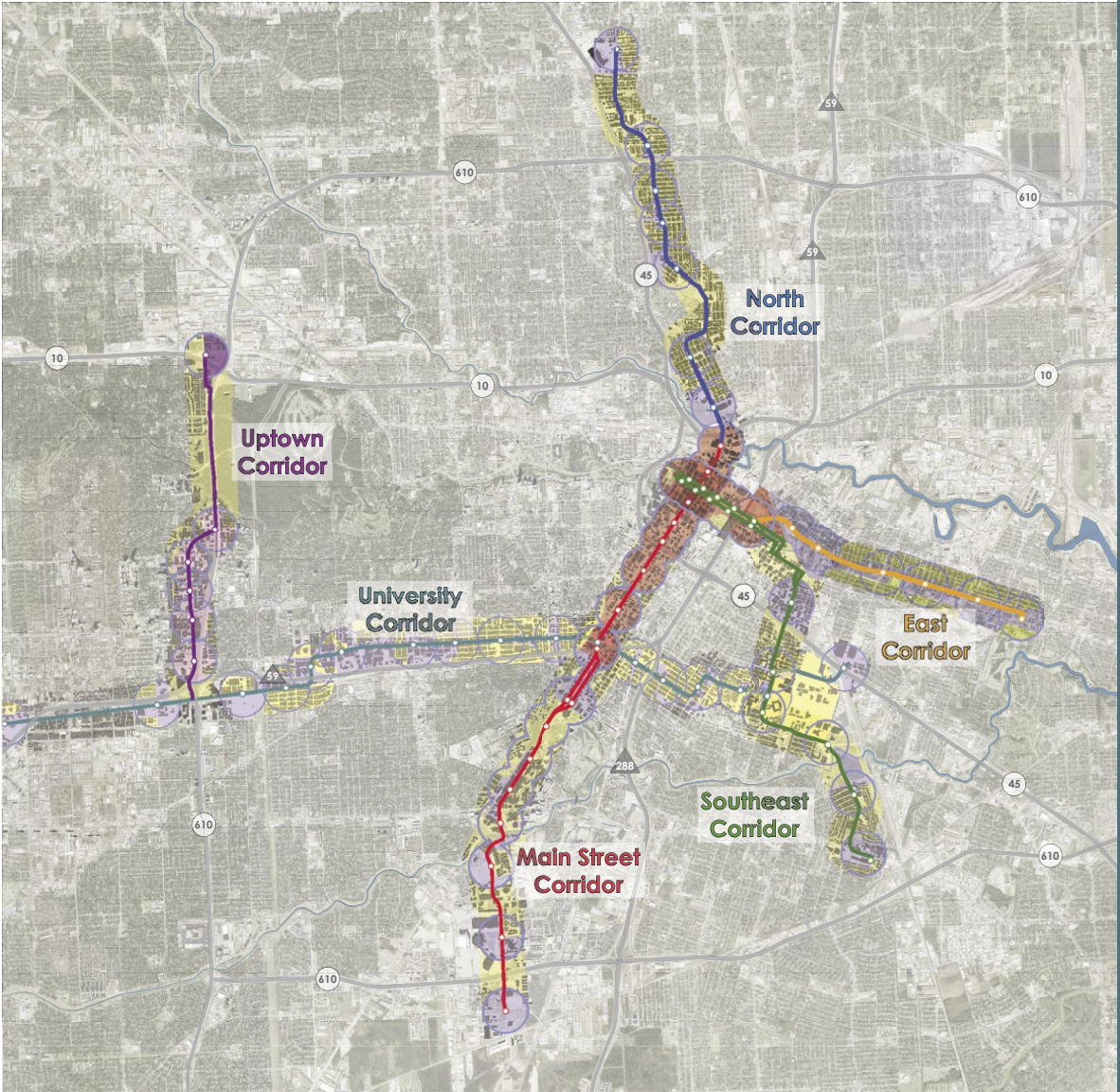
#### Stable Areas

Stable Areas are comprised of the existing residential neighborhoods, parks and open spaces as well as major institutional functions like University lands that are less likely to redevelop as a result of the planned transit system.

□ □ □

Land Development Concept Plan All Corridors

- Development Opportunity Area 1 - Corridor
- Development Opportunity Area 2 - Downtown
- Development Opportunity Area 3 - Uptown Core
- Development Opportunity Area 4 - Uptown Urban Corridor
- Stable Areas



The Land Development Concept Plan for each Corridor provides the basis for the selection of appropriate tools to achieve the four primary objectives of the Land Development Concept Plan which are to: Protect, Promote, Enhance and Focus.

There are over 25 miles of Urban Corridor planned by the City. The resulting potential for Transit Oriented Development within those Urban Corridors is tremendous, and not likely to be achieved for a very long time. Further, some of the transit facilities navigate through neighborhoods where there is little appetite for significant change. The message here is that there is an opportunity to focus the City's attention on key locations within the Urban Corridors to achieve the identified objectives:

- **the promotion of Transit Oriented Development in proximity to the transit facilities, especially the planned Transit Stations in identified Development Opportunity Areas.** These areas would be enhanced through redevelopment; and,
- **the protection of existing neighborhoods, institutions and public parks in identified Stable Areas.** These areas would be enhanced through protection.

Based on a review of the vast number of potential tools applicable for both Development Opportunity and Stable Areas, there does not appear to be the need to create any new tools. However, there are opportunities for adjustments and coordination among various programs and their delivery agencies (specifics on individual programs and their potential application in the Urban Corridors are detailed in Development Opportunity Area Toolbox as appended).

The City needs to maximize the potential of these tools and programs to invest in infrastructure, pedestrian realm improvements and economic development opportunities in the Urban Corridors. At the same time, the City and other delivery agents need to promote an integrated approach so that tools work in tandem and augment each other to maximize their overall impacts and ensure that the desired objectives are achieved.

The toolbox is organized into two broad categories based on the development potential designations identified in the overall Land Development Concept Plan and the appropriate development objectives for those designations.

As such, the tools are categorized to enhance and promote development in Development Opportunity Areas while at the same time ensuring the protection and enhancement of Stable Areas. The fourth objective, to focus development, is supported by both toolbox categories since it functions as both a promotion and protection instrument. By using programs and tools to maximize successes and development in key locations (i.e. Development Opportunity Areas), other areas (i.e. Stable Areas) are subsequently protected from the impacts of those development activities.

6.3.3

Strategy for the Development Opportunity Areas – Enhance, Promote and Focus

Primary Tools

Development Opportunity Areas

Selected for their potential to enhance Development Opportunities through the promotion of Transit Oriented Development, programs and tools in this category are subdivided into three tiers, Primary, Secondary and Tertiary tools, in order of their importance.

**Primary Tools** include management frameworks and funding mechanisms designed to focus public sector attention in key locations and to stimulate private sector investment in major infrastructure, capital projects and the Development of Transit Oriented Development. Specific Tools include :

1

Capital Improvement Plan

This is the City-directed annual capital plan providing a five-year schedule for capital allocations and implementation. The City should use its Capital Improvement Plan process to anticipate Transit Oriented Development within the Urban Corridors to ensure infrastructure capacity for higher density development is available in advance of actual development. The Capital Improvement Plan must also ensure that fundamental improvements to the pedestrian realm are comprehensively planned and developed throughout the Urban Corridors concurrent to the development of the transit facilities themselves.

2

Tax Increment Reinvestment Zones (TIRZ)

These are special districts created by City Council to attract new investment to a designated area by helping to finance the cost of redevelopment and infill in areas of decline or that lack the ability to attract sufficient market development. There are two possible variants to the way a TIRZ is implemented:

- Taxes attributable to new improvements (tax increments) are set-aside in a fund to finance public improvements in the zone; or,
- Public improvements are funded by loans from the City against future tax increments in the zone.



All Corridors should be covered under a TIRZ, either newly established or through the expansion of an existing TIRZ. The responsibility of the TIRZ should be to fund (where

the Capital Improvement Plan does not) major capital projects, specifically focused on road and sidewalk improvements as well as improvements to water, sewer

and storm water management infrastructure to facilitate new development/redevelopment.

# 3

## Public Improvement Districts (PID)

Public Improvement Districts (PID) – are special districts created by the City of Houston to make capital investments in infrastructure or other public amenities and services beyond those normally provided by the City. Property owners in a PID pay special property assessments, which are in turn used to finance investments and improvements within the district based on a City approved five-year service plan that is renewable for an additional five-year period. All the primarily residential components of an Urban Corridor should be covered by a PID, either a newly established district or through the expansion of an existing PID. The responsibilities of the PID should be to fund an enhanced program of landscaping/public art, maintenance, security, and economic development and marketing. While typically related to existing residential areas, the use of PID’s is a fundamental implementation strategy related to both a management structure and funding source. The City is currently exploring the division of PIDs into 3 categories. The following two are applicable for Development Opportunity Areas:

- E-PID for Enhancement Projects; and,
- I-PID for Infill Development.

# 4

## Municipal Management Districts (MMD)

Established by the Texas Legislature, Municipal Management Districts have the ability to levy taxes and assess property owners (usually exempting homeowners) for a variety of improvements and services. The purpose of a Management District is to promote employment, economic development and pedestrian realm improvements in commercial areas. Community Organizations can apply to create Municipal Management District if it is devoted primarily to commercial development and business activity. All the primarily non-residential components of the Urban Corridors should be covered by a Management District, either a newly established district or through the expansion of an existing district. The primary responsibility of the Management Districts should be to fund an enhanced program of landscaping/public art, maintenance, security, and economic development and marketing.

# 5

## Code of Ordinances

This is the key planning tool available to the City. The Code of Ordinances sets out enforceable Citywide planning and development regulations including built form requirements, parking standards, parkland and open space requirements as well as streetscaping and street tree regulations among others. The City should introduce a new comprehensive chapter in its Code of Ordinances, as part of a wider Urban Corridor strategy that provides the regulatory basis and standards to facilitate Transit Oriented Development. The Ordinance should include design guidelines for buildings, open spaces and engineering standards.

Primary Tools

Development Opportunity Areas

**Secondary Tools** include those tools and programs designed to facilitate public-private partnerships, affordable housing and brownfield redevelopment. Specific secondary tools include:

- Chapter 380 Agreements;
- Super Neighborhood Action Plan (SNAP);
- METRO Joint Development;
- Harris County Flood Control District;
- Developer Participation Contract;
- Location Efficient Mortgage;
- Green Corridor Designation;
- Community Development Block Grant (HUD);
- Affordable Rental Housing Program;
- Neighborhood Empowerment Zone (NEZ);
- Homebuyers Assistance Program (HAP);
- Multifamily Bond Program;
- Housing Tax Credit;
- Emergency/Critical Home Repair;
- HOME Investment Partnership Act;
- Houston Hope Areas;
- Brownfield Economic Development Initiatives (BEDI) Grant;
- Brownfield Grants;
- Brownfield Tax Incentive; and,
- Expedited Permit Process.

**Tertiary Tools** include those tools with lesser stimulative impacts, but that may have applicability in specific circumstances in conjunction with other upper tier tools. These tertiary tools include programs for small business promotion and job creation, historic preservation and smaller scale community enhancement efforts. Specific tertiary tools include:

- Economic Adjust Assistance;
- Tax Abatement Program;
- Civic Art Program;
- LEED Incentive Program;
- Adopt-an-Esplanade;
- Adopt-a-Monument;
- Historic Preservation Tax Credit;
- Tax Exemptions for Historic Buildings;
- Texas Preservation Trust Fund;
- Texas Enterprise Zones;
- New Markets Tax Credit; and,
- Houston Small Business Development Corporation (HSBDC) Loans.

Stable Areas

Primary Tools

6.3.4  
Strategy for Stable Areas –  
Enhance and Protect

Given their potential to support community enhancement and protection, tools in this category are subdivided into Primary and Secondary tiers in order of their importance.

**Primary Tools** include management frameworks and funding mechanisms that can be implemented to facilitate area improvements and enhancements. Specific tools appropriate for use in Stable Areas include:

1

Capital Improvement Plan

This is the City-directed annual capital plan providing a five-year schedule for capital allocations and implementation. The Capital Improvement Plan must ensure that key improvements to the pedestrian realm and public open spaces are comprehensively planned and enhanced throughout the Stable Areas.

2

Deed Restrictions/Pro Bono Deed Restrictions Program

Deed restrictions are written agreements that restrict, or limit, the use or activities that may take place on property in a subdivision. A primary purpose of most deed restrictions is preserving the residential character of a subdivision by keeping out commercial and industrial facilities. These restrictions appear in the real property records of the county in which the property is located. They are private agreements and are binding upon every owner in a subdivision. The Pro Bono Deed Restrictions Program is administered by the City to assist neighborhood groups, in neighborhoods where the average value of homes is below the City average, in organizing to create, renew or update deed restrictions. Deed restrictions are a critical tool in land use control in Houston. The Deed Restriction Pro-Bono Program should continue to be used as it is now. The City could explore new opportunities to create or renew deed restrictions in eligible communities along the Urban Corridors that ensure stable neighborhoods are maintained while permitting the development of other transit-supportive uses in appropriate areas

3

Public Improvement Districts (PID)

These are special districts created by the City of Houston to make capital investments in infrastructure or other public amenities and services beyond those normally provided by the City. Property owners in a PID pay special property assessments, which are in turn used to finance investments, and improvements within the district based on a City Council approved five-year service plan that is renewable for an additional five-year period. PIDs designated in Stable Areas should be used as an enhancement tool aimed primarily at pedestrian realm enhancements.

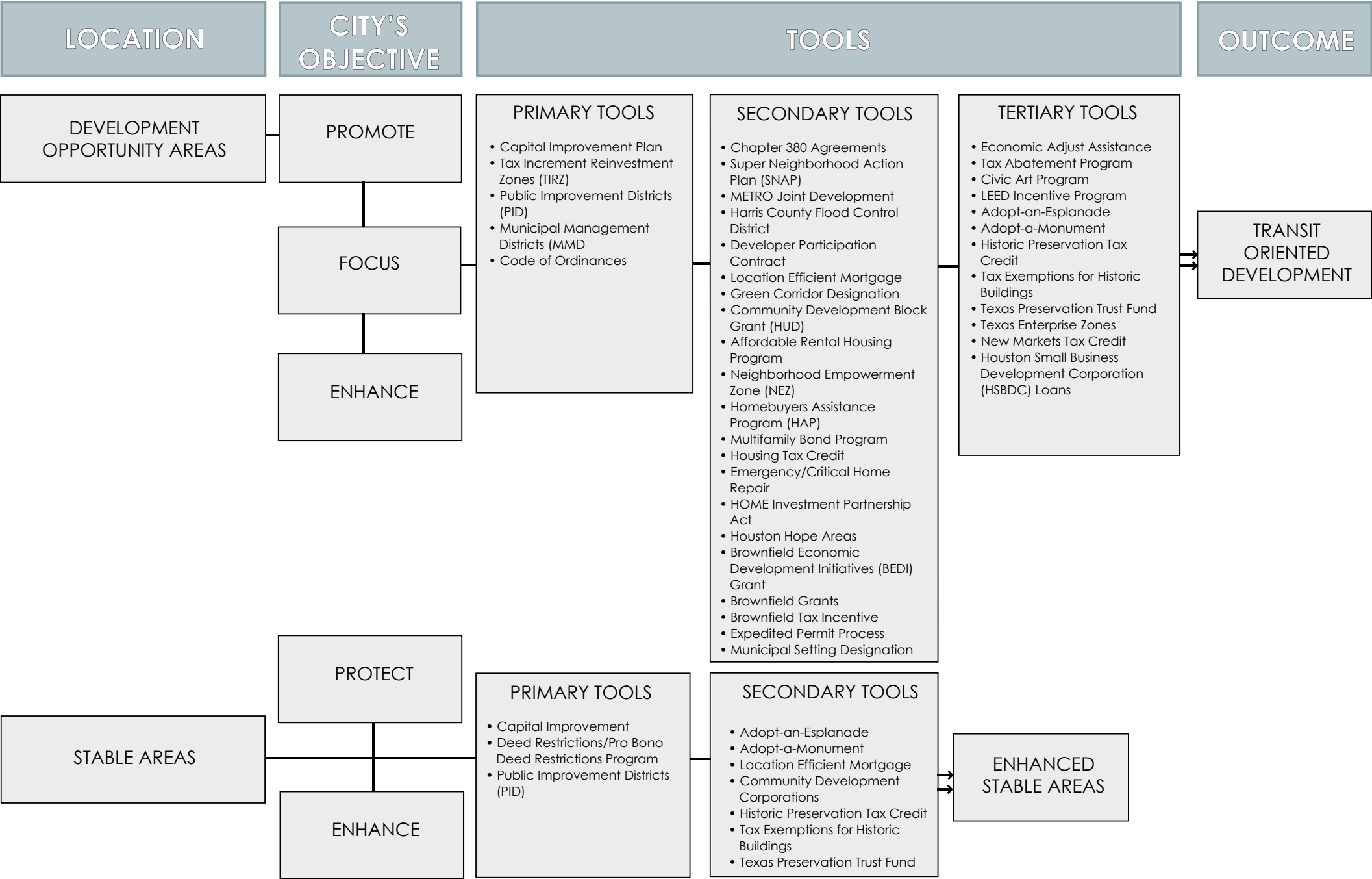
Secondary Tools

Stable Areas

**Secondary Tools** include programs aimed at neighborhood beautification, revitalization and historic preservation. Specific secondary tools include:

- Adopt-an-Esplanade;
- Adopt-a-Monument;
- Location Efficient Mortgage;
- Community Development Corporations;
- Historic Preservation Tax Credit;
- Tax Exemptions for Historic Buildings; and,
- Texas Preservation Trust Fund.





### 6.3.5 Costs and Benefits

Experience has shown that there is no single tool that will provide all the necessary strategic and financial assistance for the successful implementation of Transit Oriented Development, or for the protection of a Stable Area. Therefore, successful realization of the City's objectives will require a complex combination of tools that maximizes their individual potential impacts. The toolbox available to the City for planning or influencing change in Urban Corridors is big, and suitable for the task at hand.

Like any "CARROT" or "STICK", these agents of change typically come at a cost for any benefit received. A cost-benefit analysis that takes into consideration which party benefits and which party (public and private) bears the costs has to be undertaken to fully assess the relevant contribution of the tools selected. The externalities of urban sprawl and the benefits of compact urban form are not always fully measured, suggesting that some of the redistribution of costs might be validated if these externalities were properly assessed.

While a strong effort to change the urban structure will likely come with short and mid-term restructuring costs, there are a host of long-term economic spin-off benefits associated with successful Urban Corridors development, many of which are not always fully considered. Increased competitiveness, less congestion, less pollution and an overall improvement in the quality of life are all benefits of a more compact urban form in Houston.

A continuation of political will is required to maintain the effectiveness of these tools. Many of the tools suggested take years to implement, and perhaps over several changes of government. A committed and well communicated effort to support Urban Corridor development is essential to convince the private sector, including developers, landlords, users and residents, of the benefits of significant investment in these areas.

The tools presented provide a suite of approaches that can be considered to encourage higher intensity development in Urban Corridors. These tools are presented in order of importance within each category. The types of tools most likely to have the greatest stimulative impact in terms of facilitating Corridor development are the actual construction of the transit facility, but also public buildings and pedestrian realm improvements.

The level of commitment shown by the public sector will be an important signal to the public and the development industry of the desire for this change in the currently established urban structure. Ensuring that any new planning regime not only removes any restrictions to Transit Oriented Development, but also encourages and provides incentives for this type of growth will also be important.

Another very important tool will be the use of financial incentives, especially in the early years of new Urban Corridor development. It is clear that some incentives may be required to reduce the risk for the private sector pioneers.

Importantly, a suite of tools will be required to achieve measurable success. Any of the tools on their own will not be sufficient to achieve the type of Urban Corridor development envisaged for City of Houston. The funding and financing for these tools, and the political will to implement them, will be of paramount importance.

## 6.4

### Making It Happen

The city of Houston is at a critical point in its evolution. Decisions made today can result in positive long-term changes in the urban structure, and consequently in enhanced economic competitiveness, environmental sustainability and quality of life. However, a significant amount of political will and City investment will be required throughout this transformation process.

The City will also need to consider an aggressive campaign to achieve and communicate their objectives - a campaign that will include the full array of planning and financial tools available to them. Development industry and general public awareness of these goals, their rationale and their benefits will be crucial.

A review of the market and development realities for the Urban Corridors suggests that a private sector rationale (financial feasibility) will be required in order to realize the City's objectives for the Urban Corridors. While the City must play an important role in influencing and enhancing the desire to build Transit Oriented Development in the Urban Corridors, it will be the residents and businesses that pay rents in office buildings and retail stores and services and purchase and rent homes in these areas.

The primary issue is that the City must have the political will to lead the change by creating and enhancing the reasons

for businesses and residents to locate in an Urban Corridor . This fundamental requirement can be influenced by a combination of political will to achieve stated planning objectives, public sector investment in infrastructure, transit and buildings (establishing the environment for change) and a desire to assist the private sector by reducing the costs of development and reducing the risks inherent to the planning approval process.

The following is a **summary of important actions that the City must implement:**

Action

1

Establish the vision

A clear and comprehensive vision for the future, that establishes density targets and built form performance standards and is based on strong policies that support development in Urban Corridors, including the ability for the City to provide an array of financial incentives.

This Report should be viewed as the vision for the Urban Corridors . It is a vehicle to coordinate public investment decisions with respect to land use, urban design and streetscapes, transportation, transit and public facilities in the Urban Corridors. The bottom line is that Transit Oriented Development must be achieved in the Urban Corridors to sustain the envisioned transit system - NO DENSITY= NO TRANSIT.

□ □ □

Action

2

Identify a champion for change

To ensure success, the City must appoint a champion for change, charged with the responsibility to make the Urban Corridors successful. The champion must be empowered to promote development and to clear red tape. The champion will ensure that the focus of attention is on looking for solutions rather than looking for problems.

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Action  
3

Lead through investment

Ensuring that the Urban Corridors evolve properly is of paramount importance. The public sector, which includes all levels of government, and all departments within those levels of government, need to work together in a coordinated and cooperative manner, to implement the desired change in urban structure. Again, the City, with its government partners, must be the promoter of change. The City must be the pioneer, ready to be the first to develop within the Urban Corridors. The City must dedicate substantial funds for the construction of buildings - including affordable housing - the building of infrastructure and the pedestrian realm, and the offering of financial incentives for the private sector.

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Action  
4

The private sector will respond to the market

The private sector must create the vast majority of Urban Corridor development but, historically, the private sector responds to government initiatives only once it can be satisfied that the combination of infrastructure emplacement (buildings and infrastructure, especially transit) and the financial incentives package has substantially reduced the costs/risks of higher density development to ensure a reasonable return on their investment.

Once the environment for development has been established, the "critical mass" will entice new residents and/or businesses to locate in the Urban Corridors without the need for intervention from the City - success will have been achieved.

□ □ □

Action  
5

An array of approaches and tools will be required

The actions and tools identified in this report present a suite of approaches that can be considered to encourage the development of Urban Corridors. The types of actions/tools most likely to have the greatest stimulative impact are the construction of infrastructure, especially rapid transit but also public buildings and pedestrian realm improvements.

The level of commitment shown by the City (all levels of government) will be an important signal to the general public and the development industry that they are serious about achieving a new urban structure.

Also of importance is the recognition that a complex combination of actions and tools will be required in order to achieve measurable success. No action or tool, on its own, will have a sufficient impact on the achievement of the Urban Corridors structure envisioned in City of Houston. The funding and financing for these actions and tools, and the political will to implement them will be of paramount concern.

□ □ □

Action  
6

Success can be measured incrementally

Measuring the success of establishing the environment for change is primarily an exercise in determining when the City can stop providing incentives to the private sector. In other words, once the market for the desired amount and form of development is firmly established, and critical mass has been achieved. Quantitative measures of success are readily available - the absolute amount of development, density, change in population and employment numbers and the achieved increase in tax assessment. However, the quantitative measures will not tell the full story of success. For example, the support for transit is not just the level of density within the Urban Corridor, it is also about the pedestrian environment and the way buildings address the street. These items are more difficult to measure. At any rate, the City will need to establish a monitoring program to measure the level of influence and success of the various programs (whether they be capital improvements or financial incentives) that are put in place to establish the environment for change over time.

□ □ □

Action  
7

Success takes commitment, cooperation and time

The process of establishing a successful Urban Corridor is not achieved quickly, or by one single action. It is always a complex combination of actions, players and time.

There is no set formula for success. While it is understood that the City must lead, it is also understood that cooperation and coordination among all levels of government, landowners and developers is required to facilitate change - especially change that is tied to a fundamental shift in urban structure and, consequently, the decisions that the public makes every day related to where they live, where they work, where they go to school, how they travel and what they do in their spare time. The magnitude of this fundamental change suggests it will take a long time and ensures that the complexity of issues and the complexity of solutions are magnified.

□ □ □

Recommendations 1-2

6.4.1  
Recommendations and Responsibilities  
- Who Does What

The following are the 17 primary recommendations for implementation:

1

Build, Operate, Maintain and Expand the Transit System

Responsibility: METRO  
Expand the Transit System

Quite simply, a planned transit facility has only speculative effects on the development industry. It is absolutely critical that the transit facilities are built to the highest standards, and are operating efficiently in order to reap the stimulative impact of the transit investment through significant private sector investment. The private sector will respond to public sector actions.

Further, the development of the facility is not a one time investment. It is important that the system evolve to maintain any kind of lasting development impact. A commitment to an ongoing program of transit system improvement must be METRO's principle mandate.

...

2

Establish a Transit Oriented Development Team

Responsibility: City  
Reduce the risks of approval process

The City needs to establish a Transit Oriented Development Team, comprised of key staff members from throughout the City Administration to reinforce the political will and create the administrative culture to activate and promote the policies and regulations that will promote Transit Oriented Development in the Urban Corridors. The role of the Team will be twofold: 1) to lead strategic decision making with regards to public sector investment (i.e. new civic buildings and capital improvements) and 2) to facilitate Transit Oriented Development.

One of the Team's main objectives will be to expedite planning approvals. This, in itself, is considered a key incentive, and crucial in the ultimate achievement of Transit Oriented Development. A second objective will be to solve ongoing problems within City Hall with respect to overlapping and conflicting jurisdictions that may combine to frustrate implementation.

Equally important, the Team needs to change the inherent culture of negativity that focuses on problems, and in turn take on a positive approach that focuses on solutions to problems.

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3

Amend Major Thoroughfare and Freeway Plan

**Responsibility: City**  
**Establish the environment for change**

Amending the City's Major Thoroughfare and Freeway Plan by identifying and designating Transit Streets and Transit Stations is an important step in establishing the character and function of a Transit Street.

Designating Transit Streets will give the City the ability to implement -utilizing a new Transit Oriented Development Ordinance and complimentary engineering standards - alternative development standards (i.e. lane widths, utility placement, etc.), slower design speeds, access restrictions and pedestrian realm enhancements to ensure that the character and function of Transit Streets are achieved.

The primary objective of the Transit Street designation must be to balance the needs of vehicles, pedestrian and transit.

...

4

Prepare a Transit Oriented Development Ordinance

**Responsibility: City**  
**Establish the environment for change,**  
**reduce the risks of the approval process,**  
**reduce the costs of development**

A Transit Oriented Development supportive Ordinance must be prepared by the City. It should be established as a parallel chapter to chapter 42, and should be available for use by development interests along the Urban Corridors, within the identified Development Opportunity Areas. The new chapter should include key planning concepts related to parking requirements, compensating parkland and building setbacks, height and density.

In addition, complimentary urban engineering standards already exist in Houston, as applied in downtown Houston. These urban engineering standards should apply on the streets where transit facilities are located, and on the pedestrian-oriented streets that feed the transit system.

When complete, the new Transit Oriented Development Ordinance shall be applied as follows:

- On all properties that abut a designated Transit Street, and that are within approximately 1/4 of a mile of a transit station, the application of the Transit Oriented Development Ordinance shall be mandatory.
- On all other properties that are within approximately 1/4 of a mile of a Transit Street, the application of the Transit Oriented Development Ordinance shall be optional, subject to the satisfaction of the Planning Commission that the following criteria are met:
  1. the development of a Transit Oriented Development will not have any undue adverse impact on the neighboring residential properties and/or the inherent stability of the neighborhood; and,
  2. the site can be adequately provided with municipal service infrastructure.

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## Recommendation 5

# 5

### Support Incremental Change

**Responsibility: City**  
**Establish the environment for change**

Recognizing that development will proceed incrementally, over a long period of time in direct response to market conditions, it is appropriate that some development may proceed that does not achieve all of the articulated Transit Oriented Development objectives.

Where a development proposal within the Corridors does not achieve all of the desired development potential, the City shall require the preparation of a Development Concept Report and Phasing Plan that provides for the logical progression of development from its initial phase to a mature state reflecting the desired Transit Oriented Development objectives, and achieving certain minimum development objectives.

The Development Concept Report will provide a detailed description of the proposed development, and will include details of the following:

- Phasing of development from the initial form of construction to its 'mature state'.
- Achievement of the 15' pedestrian zone and streetscape objectives of the City.
- How the development is integrated with other sites in the vicinity to achieve the objectives of this planning strategy.
- Proposed height and massing of buildings - both from the initial form of construction to its 'mature state'.
- Relationship between streets and buildings, including how the proposed development and subsequent phases address the build-within zones.
- Location, dimensions and character of the publicly accessible urban squares and any additional pedestrian routes, showing their continuity and complementary relationship to adjacent public spaces, pedestrian routes and streets.
- General location, size and treatment of parking facilities and vehicular access points, including the potential for shared parking and access and identification of streetscape improvements and relationship to public sidewalks, transit facilities and pedestrian and bicycle routes.
- Location of street-related uses and principle pedestrian entrances to buildings and the relationship to street frontages, and how the role of the public street and pedestrian movement along the street are supported.
- Signage, streetscape amenity elements, lighting and site furnishings.
- Assessment of proposed servicing strategies related to sewer, water and storm water management facilities.
- ...

Recommendations 6-7

6

Support and Improve the School District

Responsibility: School District/City  
Establish the environment for change

It has been identified on many occasions that the quality and image of the local school district is a major deterrent to attracting new families to downtown Houston - a significant and important market segment. The school district needs to be supported in any efforts to improve their image and to enhance the quality of their programs so that the inner city schools can offer at least as good an educational experience as the suburban counterparts.

...

7

Establish/Expand TIRZ, PIDs and MMDs

Responsibility: City  
Establish the environment for change, reduce the risks of the approval process, reduce the costs of development

The City should actively establish or expand existing TIRZ, PIDs and MMDs in all of the Urban Corridors. These mechanisms provide key management structures and funding capacity to augment City infrastructure building and to provide opportunities for enhanced pedestrian realm improvements and maintenance, redevelopment projects, economic development and marketing.

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# Recommendation 8

8

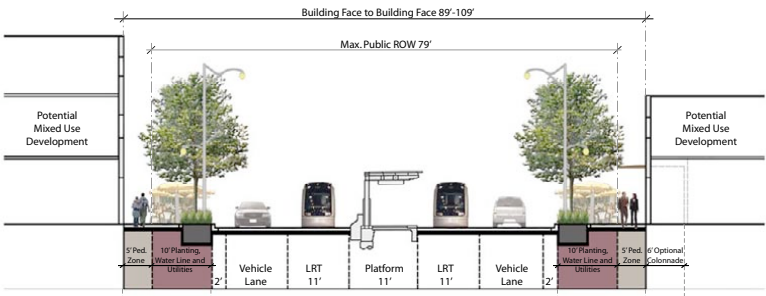
## Establish and Acquire Public Rights-of-Way

**Responsibility: City and METRO**  
**Establish the environment for change, reduce the costs of development**

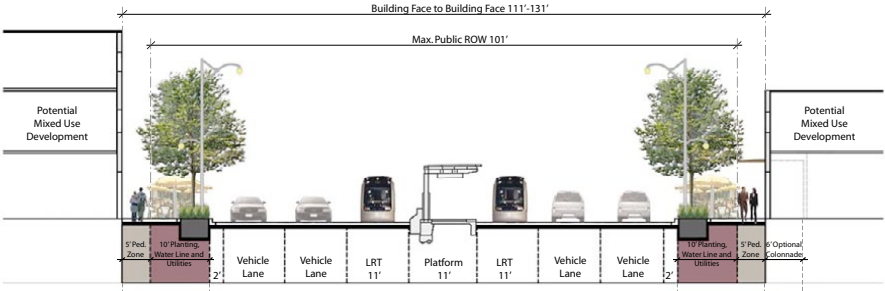
The City, in collaboration with METRO, shall establish and acquire Public Rights-of-Way as illustrated in the following cross-section diagrams.

In all Transit Street configurations, 15' from the back of curb is required for the pedestrian realm. Of this 15', the City, together with METRO, are responsible for the first 10' from the back, while the remaining 5' to the building face is the responsibility of the abutting landowner.

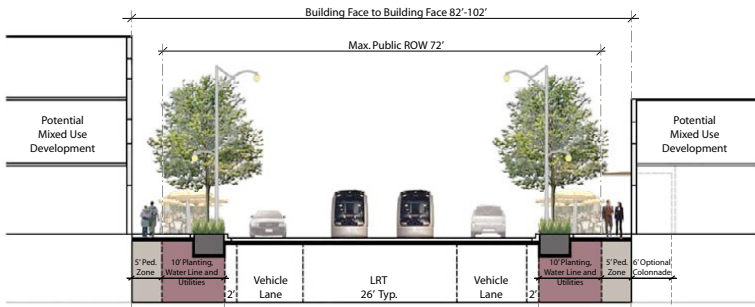
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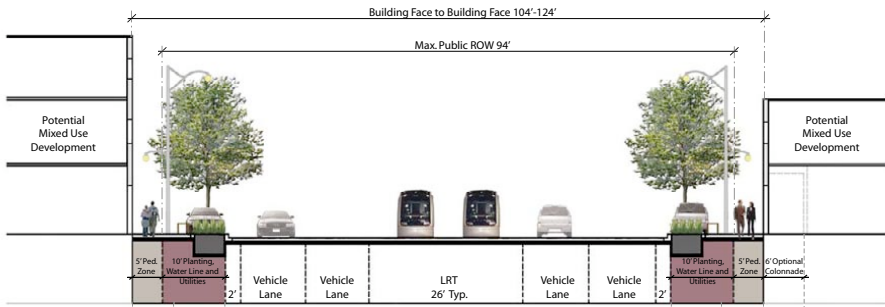
15' Pedestrian Realm, 2 Vehicle Lanes with Offset Station Platform



15' Pedestrian Realm, 4 Vehicle Lanes with Offset Station Platform



15' Pedestrian Realm, 2 Vehicle Lanes with No Station



15' Pedestrian Realm, 4 Vehicle Lanes with No Station

Recommendations 9-10

9

Build/Enhance/Maintain Pedestrian Realm

**Responsibility: City, METRO, TIRZ, PIDs + MMDs**  
**Establish the environment for change, reduce the cost of development**

The City through its Capital Investment Plan, together with TIRZ, PIDs and MMDs must commit to building and maintain an enhanced pedestrian realm. A high quality pedestrian realm is a critical element in promoting transit ridership, and at the same time can have considerable economic benefits for an area. Therefore, investments in the pedestrian realm must be made to ensure the long term sustainability of the Urban Corridors.

The City and METRO must commit capital funding to establish functional improvements such as connected sidewalks, utility Corridors and trees, while investments in capital and maintenance for aesthetic enhancements should be provided through TIRZ, PIDs, MMDs and the private sector.

These pedestrian realm investments effectively reduce overall costs to developers as the full cost of pedestrian improvements are augmented through the City's capital funds and shared among other landowners located in the TIRZ, PIDs and MMDs.

- Tools:
- Chapter 380 Agreements
  - Civic Art Program
  - Adopt-an-Esplanade Program
  - Adopt-a-Monument Program

A relatively consistent building edge is important to provide spatial definition and containment to the street. Build-within zones are recommended for all Transit Oriented Developments, requiring buildings to locate their front and exterior side walls within a defined zone on the lot - measured from the back of the curb, rather than from the property line/street right-of-way line.

The build-within zones essentially sets both a minimum and maximum setback. It is anticipated that, due to varying street right-of-way widths and pavement/transit facility requirements that the build-within zone may incorporate public land, and/or private lands from the abutting development block or lot.

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10

Build Affordable Housing

**Responsibility: City**  
**Establish the environment for change**

It is logical that the Urban Corridors should include opportunities for the development of affordable housing. This is based on both the idea that due to increased density and smaller dwelling units, more affordable housing can be delivered, as well as the intention that transit service itself be an available and convenient mode of travel for lower income households.

The City as the primary implementing agency for a number of state and national affordable housing programs (in addition to its own programs) should actively invest affordable housing funds and work with non-profit community partners to develop and rehabilitate affordable housing within the Urban Corridors.

...

- Tools:
- Community Development Block Grant
  - Affordable Rental Housing Program
  - Neighborhood Empowerment Zone
  - Low Income Housing Tax Credit
  - Homebuyers Assistance Program
  - Multifamily Bond Program
  - Housing Tax Credit
  - Emergency/Critical Home Repair
  - HOME Investment Partnership Act
  - Houston Hope Areas

Recommendation 11-12

11

Build Public Parking

**Responsibility: City + METRO**  
**Reduce the cost of development**

Empower the City's Parking Commission to build public parking facilities throughout the Urban Corridors to augment the overall supply of parking, and to, ultimately, reduce the cost of providing parking to the private sector. Strategically located public parking facilities are seen as a potential market stimulator.

METRO should continue to pursue locations for commuter parking facilities at key stations throughout the transit system.

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Tools:  
Capital Improvement Plan

12

Build Infrastructure

**Responsibility: City + TIRZ**  
**Establish the environment for change,  
reduce the cost of development**

The City must use the Capital Investment Plan process to anticipate and facilitate Transit Oriented Development within the six Urban Corridors. In addition to investment already intended for the development of high order transit, the City, together with an Urban Corridor TIRZ, needs to invest in infrastructure to anticipate higher density development.

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Tools:  
Capital Improvement Plan  
Developer Participation Contract



Recommendations 13-14

13

Build new Civic Buildings

**Responsibility: City**  
**Establish the environment for change, reduce the cost of development**

Signalling a commitment to continued public investment and transit, the City should, where feasible, build new civic buildings within the Urban Corridors. In addition to associated infrastructure investments, new civic buildings within the Urban Corridors will increase transit accessibility to public services.

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Tools:  
Capital Improvement Plan

14

Build a Demonstration Project

**Responsibility: City + METRO**  
**Establish the environment for change**

The City and METRO should lead the way for development along the Urban Corridors by building a demonstration project that exhibits a functional Transit Oriented Development. By becoming landowners and active developers within the Urban Corridors, the City and METRO will effectively influence the rate and form of change.

...

Tools:  
METRO Joint Development  
Capital Improvement Plan

Recommendation 15-16

15

Establish Private/Public Partnerships

**Responsibility: METRO + City with Private Sector Partners**  
**Establish the environment for change**

The City and METRO should actively pursue partnerships with private land developers and other public agencies to foster development opportunities within the Urban Corridors and ensure the long term sustainability of the Urban Corridors.

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Tools:  
METRO Joint Development  
Chapter 380 Agreements  
Developer Participation Contract

16

Provide Financial Relief for Brownfield Site Remediation

**Responsibility: City together with Federal + State Partners**  
**Establish the environment for change, reduce the cost of development**

Brownfield remediation and redevelopment is a critical component in the intensification of the Urban Corridors over the short and long term. The City, together with private sector partners and Federal and State level funding sources must provide financial relief for brownfield remediation to increase the feasibility of redeveloping these sites for future use and specifically Transit Oriented Development.

...

Tools:  
Brownfields Economic  
Development Initiative  
Brownfield Grants  
Brownfield Tax Incentive  
Expedited Permit Process

Recommendations 17-18

17

Provide Financial Incentives

**Responsibility: City together with Federal + State Partners**  
**Reduce the costs of development**

The intent of the incentives is three-fold - first to entice the development industry to build Transit Oriented Development, second, to encourage Transit Oriented Development to be built in appropriate locations, without an actual geographic definition; and, third, to ensure that Transit Oriented Development is not facilitated in inappropriate locations.

The incentive programs need to be tied to the need for a reduction in the gap between the cost of development and the achievable rent/price in a particular location. Parking standard reductions and speedy approvals are not expected to effectively close the gap, and the City may need to establish a per unit development incentive to stimulate Transit Oriented Development along Transit Streets in the short-term. If appropriate, the City will need to establish secure funding sources and clear qualification criteria for financial incentive programs.

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18

Promote Economic Development

**Responsibility: TIRZ, MMDs and PIDs together with local business owners and landowners**  
**Establish the environment for change**

The establishment and/or expansion of TIRZ, MMDs and PIDs must function collaboratively to advance economic development and promotion within the Urban Corridors. While capital investments are critical to the development of the Urban Corridors, business promotion, job creation and other economic development initiatives are also an essential element to the vibrancy of the Urban Corridors.

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Tools:  
Economic Adjustment Assistance  
Tax Abatement Program  
Chapter 380 Agreements

# Appendices

This appendices displays the Development Opportunity Areas and Stable Areas Toolbox for implementing the recommendations, as well as a glossary of terms.

## A.1

### Development Opportunity Areas Tool Box

DEVELOPMENT OPPORTUNITY AREAS TOOLBOX - ENHANCE/PROMOTE

| TOOL                                   | DESCRIPTION  | Jurisdiction | Potential Application for Implementing Transit Oriented Development   |
|--|--|--------------|---|
| PRIMARY TOOLS                          |  |              |   |
| Capital Improvement Plan               | <p>The Capital Improvement Plan is the annual capital plan providing a five-year schedule for capital allocations and implementation. Volume One includes capital projects that are funded primarily from property tax supported public improvement bonds. Volume Two contains Street and Traffic Control along with the Enterprise Fund capital programs that include capital projects funded primarily with revenue bonds supported by user fees.</p> <p>The FY2007-2011 CIP calls for the appropriation of \$4.51 billion during the five-year period for two major categories of programs: enterprise and property tax supported programs. Of the total planned appropriations, \$2.25 billion is for projects in the enterprise fund programs (Airport, Convention &amp; Entertainment, Wastewater, and Water). The Aviation and Convention and Entertainment programs are supported by system revenue bonds paid with income from the air travel and tourism industries. Water and Wastewater revenue bonds are retired using income from commercial and residential customers.</p> <p>The remaining \$2.27 billion addresses a full range of capital facility and infrastructure improvements, most of which will be financed with Public Improvement Bonds (PIBs). These programs include Fire, Library, Parks, Police, Public Health, Solid Waste Management, General Government, Storm Drainage, Streets and Traffic Control, and Housing.</p> | LOCAL        | <p>The City must use its Capital Improvement Plan process to anticipate Transit Oriented Development within the various Transit Corridors. The Capital Improvement Plan will need to ensure infrastructure capacity for higher density development within the Transit Corridors is available in advance of actual development, and that fundamental improvements to the pedestrian realm (sidewalks, streetlighting and landscaping) are comprehensively planned and developed throughout the Transit Corridors. The Capital Improvement Plan is a fundamental component of a comprehensive implementation strategy.</p>  |
| TIRZ - Tax Increment Reinvestment Zone | <p>Tax Increment Reinvestment Zones (TIRZs) are special districts created by City Council to attract new investment to an area. TIRZs help finance the cost of redeveloping or encouraging infill development in an area that would otherwise not attract sufficient market development in a timely manner. Taxes attributable to new improvements (tax increment) are set-aside in a fund to finance public improvements in the zone. Zones in the City of Houston have been created for one of three reasons: 1) to address inner city deterioration; 2) to develop raw land in suburban fringe areas; 3) to proactively address the decline of major activity centers.</p>  | LOCAL        | <p>All Transit Corridors should be covered by a TIRZ, either a newly established one, or through an expansion to an existing one. The responsibilities of the TIRZ should be to fund major capital projects aimed specifically at road and sidewalk improvements and improvements to water, sewer and stormwater management infrastructure to facilitate new development/redevelopment. The use of TIRZ's is a fundamental implementation strategy related to both a management structure and funding source.</p> <p>An alternative approach to a TIRZ could foresee the local government borrowing funds to pay for upfront development and improvements in an area. As private development occurs in an area, tax revenue increases and the excess above pre-development property tax revenue in the area could be directed to pay off the debt incurred.</p> |



| TOOL                                     | DESCRIPTION  | Jurisdiction | Potential Application for Implementing Transit Oriented Development   |
|--|--|--------------|---|
| <b>PID - Public Improvement District</b> | <p>PIDs are special districts created by the City of Houston to make capital investments in infrastructure or other public amenities and services beyond those normally provided by the City. PIDs levy assessments on taxable property within its boundaries to finance their investments and operations. The PID must have an improvement plan, with state law authorizing the following types of improvements:</p> <ul style="list-style-type: none"><li>• Water, wastewater, health and sanitation, or drainage improvements (including acquisition, construction, or improvements of water, wastewater or drainage improvements);</li><li>• Street and sidewalk improvements (acquiring, constructing, improving, widening, narrowing, closing or rerouting sidewalks, streets or any other roadways or their rights-of-way);</li><li>• Mass transit improvements (acquisition, construction, improvement or rerouting of mass transportation facilities);</li><li>• Parking improvements (acquisition, construction or improvement of off-street parking facilities);</li><li>• Library improvements (acquisition, construction or improvement of libraries);</li><li>• Park, recreation and cultural improvements (the establishment or improvement of parks);</li><li>• Landscaping and other aesthetic improvements (erection of fountains, distinctive lighting and signs);</li><li>• Art installation (acquisition and installation of pieces of art);</li><li>• Creation of pedestrian malls (construction or improvement of pedestrian malls);</li><li>• Similar improvements (projects similar to those listed above);</li></ul> <p>• Supplemental safety services for the improvement of the district, including public safety and security services; or</p> <p>• Supplemental business-related services for the improvement of the district, including advertising and business recruitment and development.</p> <p>According to the City of Houston's own publications, it sees PIDs as a means of providing primarily "landscaping, parking, enhanced security, and economic development marketing."</p> | <b>LOCAL</b> | <p>All Transit Corridors should be covered by a PID either a newly established one, or through an expansion to an existing one. The responsibilities of the PID should be to fund landscaping, parking, enhanced security, and economic development marketing. While typically related to existing residential areas, the use of PID's is a fundamental implementation strategy related to both a management structure and funding source. The City is currently exploring the division of PIDs into 3 categories. The following two are applicable for Development Opportunity Areas: 1) E-PID for Enhancement Projects and 2) I-PID for Infill Development.</p> |

| TOOL  | DESCRIPTION   | Jurisdiction | Potential Application for Implementing Transit Oriented Development   |
|---|---|--------------|---|
| <b>MMD - Municipal Management Districts</b> | MMDs are established by the Texas Legislature. Management Districts have the power to levy taxes and assess property owners for a variety of improvements and services. The primary purpose of a management district is to promote employment, commerce, economic development, and public welfare in commercial areas. Homeowners within a management district are usually exempt from the special assessments. Community based organizations in Houston can apply to create MMDs in their neighborhoods. To be eligible, the area must be devoted primarily to commercial development and business activity. MMDs can be created in two ways: 1) Through formal application to the Texas Commission on Environmental Quality (TECQ); 2) Through a special state bill with the help of local state legislators. So far, all MMDs in the Houston area have been created by a special bill in the State Legislature, which has exempted them from meeting certain requirements. | <b>STATE</b> | All Transit Corridors should be covered by a Municipal Management District, either a newly established one, or through an expansion to an existing one. The responsibilities of the Municipal Management District should be to fund capital projects aimed specifically at public realm enhancement (landscape and/or public art projects), maintenance and marketing. While typically related to existing retail commercial areas, the use of Municipal Management Districts is a fundamental implementation strategy related to both a management structure and funding source. |
| <b>Code of Ordinances</b>                   | The Code of Ordinances is the key planning regulatory tool implemented and updated by the City. The Code of Ordinances sets out enforceable Citywide planning and development regulations including built form requirements, parking standards, parkland and open space requirements as well as streetscaping and street tree regulations among others.   |              | The City should introduce, as part of a wider Transit Corridor strategy, a new comprehensive chapter in its Code of Ordinance that provides the regulatory basis and standards to facilitate Transit Oriented Development.  |

| TOOL                                   | DESCRIPTION   | Jurisdiction  | Potential Application for Implementing Transit Oriented Development   |
|--|---|---------------|---|
| SECONDARY TOOLS                        |   |               |   |
| Chapter 380 Agreements                 | <b>Originating / Administering Agency</b> – The City of Houston is permitted by Chapter 380 of the State of Texas Local Government Code to make grants and loans to private businesses, subject to any limitations of the City's charter. Chapter 380 requires that the City establish a defined program to implement such an agreement.  | STATE / LOCAL | The ability to enter into Chapter 380 Agreements is a flexible tool the City can use to make cash grants, in-kind contributions of services/materials or loans for a range of purposes. The primary criteria is that the grants and/or loans under a Chapter 380 Agreement must serve a public purpose. The provision of free or reduced-price municipal utility services (water, sewer, etc.) to a private business is not generally allowed under state law. Possible applications could include: affordable housing, job creation initiatives and other initiatives such as pedestrian realm enhancements.   |
|  | <b>Eligible Recipients</b> – The statute is vague and little in the way of legal opinions have provided clear eligibility rules. The main criteria is that the grant or loan must serve a public purpose. An example of such a purpose would be job creation or affordable housing. The City would usually spell out such stipulations in the agreement with the recipient.   |               |   |
|  | <b>Nature of Assistance</b> – As previously mentioned, the state law is vague. The most obvious type of assistance would be cash grants or loans. It should be noted that the City's in-kind provision of services or materials also falls within the realm of Chapter 380. Provision of land at below-market rates is governed by other statutes. Provision of free or reduced-price municipal utility services (water, sewer, etc.) to a private business is not generally allowed under state law.   |               |   |
| SNAP - Super Neighbourhood Action Plan | <p>A Super Neighborhood is a geographically designated area where residents, civic organizations, institutions and businesses work together to identify, plan, and set priorities to address the needs and concerns of their community. The boundaries of each Super Neighborhood rely on major physical features (bayous, freeways, etc.) to group together contiguous communities that share common physical characteristics, identity or infrastructure. The Super Neighborhood elects a council comprised of area residents and stakeholders that serves as a forum to discuss issues and identify and implement priority projects for the area.</p> <p>The Planning Department focuses on assisting Super Neighborhood councils develop greater organizational self-sufficiency which is achieved by helping each one: 1) build capacity; 2) build relationships; 3) build resources; 4) build links to volunteers.</p> <p>A SNAP is a super neighborhood's list of community action items. Many items included in the SNAP are implemented through the Capital Improvement Plan (for example, building a multi-service center) or handled through standard operations by City departments (like cleaning weeded lots). SNAPs are issued in coordination with the City's budget cycle. Your city council member can work closely with your Super Neighborhood to address SNAP items.</p> | LOCAL         | To a large extent, the planning objectives and details provided through this Transit Oriented Development exercise has provided a component of the planning function of the SNAP responsibility. However, the idea of the SNAP Council as a forum for stakeholder consultation and the identification of community actions and priorities could work collaboratively with a Management District, a TIRZ Board and/or a PID Board to ensure all community issues are discussed, and that all stakeholder groups are represented. Further, the SNAP Council could exert its influence to ensure major capital projects are included on the City's Capital Improvement Plan. |

| TOOL                           | DESCRIPTION   | Jurisdiction | Potential Application for Implementing Transit Oriented Development  |
|--------------------------------|---|--------------|--|
| <b>METRO Joint Development</b> | <p><b>Originating / Administering Agency</b> – The Metropolitan Transit Authority of Harris County (METRO) is authorized to acquire land within 1,500 feet of transit stations to promote transit-related uses. If METRO partners with a private entity to develop real estate, it is known as “joint development.”</p> <p><b>Eligible Recipients</b> – METRO will both solicit proposals at specific light rail, bus rapid transit, and park-and-ride stations, and accept unsolicited proposals from developers. Under either option, the developer must be proposing a project that will meet the following criteria:</p> <ul style="list-style-type: none"><li>• Projects are encouraged which increase transit ridership.</li><li>• Projects are encouraged which create a longterm source of revenue to METRO and allow METRO to participate in the increase in value of its real estate assets over time.</li><li>• Projects are encouraged which minimize the commitment of METRO financial resources, minimize any investment risk, and maximize asset security for METRO.</li><li>• Projects should set and strive towards a goal of thirtyfive (35%) percent small business participation in all aspects of the program that are reasonable and appropriate.</li><li>• Projects should demonstrate that the joint development will provide a reasonable return to METRO based on the highest and best transit use of the property with a goal of a minimum annual yield to be set by METRO staff.</li><li>• Projects are encouraged that create the greatest economic development potential to their respective communities.</li><li>• Projects are encouraged which include investment capital from other public agencies, or in-kind contributions, to create greater economic benefits to joint development projects.</li><li>• Projects must protect METRO's control of operation, access and use and allow METRO to retain station facility and related transportation service design and location authority and access to all necessary station operational facilities.</li></ul> <p>Other aspects of potential development projects that would appeal to METRO include “high urban design standards and quality,” shared parking, public and open spaces, and assist METRO in procuring sites needed for transit facilities.</p> <p><b>Nature of Assistance</b> – There is no set type of assistance that METRO would provide in joint development. Potential options include writing down land or site costs, sharing cost of parking facilities, and access to a wider array of financing techniques.</p> | <b>LOCAL</b> | Having been undoubtedly active in land acquisition to support the implementation of the new transit routes, this program has particular applicablility along the Transit Corridors. METRO should actively pursue partnership opportunities with public and private land developers along the Transit Corridors to promote Transit Oriented Development that will ensure ridership and the long term sustainability of the Transit Corridors. |

| TOOL  | DESCRIPTION   | Jurisdiction | Potential Application for Implementing Transit Oriented Development  |
|---|---|--------------|--|
| <b>Harris County Flood Control District</b> | <p>The Harris County Flood Control District is a special purpose district created by the Texas Legislature in 1937 in response to devastating floods that struck the region in 1929 and 1935. The District's jurisdictional boundaries are set to coincide with Harris County, a community of more than 3.7 million people that includes the City of Houston. The other boundaries in which they operate - those provided by nature - are of the 22 primary watersheds within Harris County's 1,756 square miles. Each has its own independent flooding problems. Each presents unique challenges.</p> <p>The mission of the Harris County Flood Control District is to: Provide flood damage reduction projects that work, with appropriate regard for community and natural values. The District reduces the risk of flood damage by: 1) Devising the stormwater management plans; 2) Implementing the plans; and, 3) Maintaining the infrastructure.</p> | <b>LOCAL</b> | <p>The cost of retrofitting urban sites for modern stormwater management (either incrementally or comprehensively) is considered a significant deterrent to redevelopment on a site by site basis. It would be appropriate for the Harris County Flood Control District to devise a comprehensive strategy to deal with urban stormwater management retrofitting, including mechanisms to assist in paying for, and maintaining new facilities within each of the Transit Corridors.</p> |



| TOOL                                   | DESCRIPTION   | Jurisdiction | Potential Application for Implementing Transit Oriented Development  |
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| DPC - Developer Participation Contract | <p><b>Originating / Administering Agency</b> – The City of Houston requires developers to fill out a Wastewater Capacity Reservation Form. This triggers a process of evaluation by the City to determine if the developer needs to invest in additional water and wastewater capacity for a potential project. If so, the City will enter into Developer Participation Contract (DPC) in which the developer is reimbursed for construction of water or wastewater infrastructure within existing or new public easements or rights of way. There are three different types of agreements authorized by Chapter 47 of the City's Code of Ordinances: 50/50, 30/70, and 70/30, signifying the ratio of city/developer cost share. These agreements are funded through the City's Capital Improvement Program (CIP). City Council must OK each DPC. The City's Department of Public Works and Engineering, Planning and Development Services Division, Utility Planning and Analysis Branch is the City office that processes and oversees DPCs.</p> <p><b>Eligible Recipients</b> – Developers that are building water and wastewater infrastructure in City easements or rights of way are eligible to enter into such contracts.</p> <ul style="list-style-type: none"><li>• The 30/70 program is applied to "off-site" utility construction, where the City is requiring water or wastewater facility construction outside the boundaries of a development project. A development project of any type of land use is eligible.</li><li>• The 50/50 program was intended primarily for remodeling or new construction of individual single family homes.</li><li>• The 70/30 program applies only to new single family housing developments. If such a development is deemed "affordable," it can also be eligible for storm sewer construction reimbursement.</li><li>• The City will also fully reimburse any oversizing requirements made on developer water or wastewater utility projects.</li></ul> <p><b>Nature of Assistance</b> – Each program has different reimbursement cost limits:</p> <ul style="list-style-type: none"><li>• The 30/70 program has a limit of \$500,000 and is limited to construction costs only.</li><li>• The 50/50 program has a reimbursement limit of \$25,000 and can include construction and engineering costs.</li><li>• The 70/30 program has a reimbursement limit of \$1,000,000 for construction and engineering costs, and it may also fund storm sewer in affordable housing developments up to \$3,000 per lot.</li><li>• The funds for storm sewer in the 70/30 program are allocated separately from the CIP and are limited, usually being fully expended every year. The CIP funds for water / wastewater reimbursement have traditionally been sufficient to cover all applications, but for FY 2007 they have been fully allocated so that there is now a first-come first-served wait list. The Public Works and Engineering Department, in conjunction with the Mayor's Office, is studying how to increase funding for reimbursements in order to remove the wait list.</li></ul> | LOCAL        | The City should consider, as part of a new TOD Chapter in its Code of Ordinances, reducing development costs for private developers and define appropriate cost sharing ratios for TOD or mixed use/multifamily development proposals within or adjacent to a Transit Corridor. Where the need for a Developer Participation Contract is triggered as a result of a proposed TOD within or adjacent to a Transit Corridor, the City should bear a significant proportion of the overall cost to increase water and wastewater capacity. Further, TOD proposals should be treated preferentially against other applications on the wait list. |

| TOOL                               | DESCRIPTION   | Jurisdiction                          | Potential Application for Implementing Transit Oriented Development  |
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| <b>Location Efficient Mortgage</b> | <p>The Location Efficient Mortgage provides assistance to homebuyers purchasing homes in location efficient neighborhoods. Location efficient neighborhoods are communities that are pedestrian oriented, providing residents with convenient walkable access from their homes to stores, schools, recreation, jobs and public transportation. The theory behind Location Efficient Mortgages is that people that live in these communities save money because they drive less and therefore have more discretionary income to purchase a home.</p> <p>Location Efficient Mortgage provide low down payment requirements; competitive interest rates; flexible eligibility criteria; no income requirements or limits; flexible credit qualificaitons; 15 to 30-year term, fixed rate mortgages for houses or condominiums.</p> | <b>NON-PROFIT / FEDERAL / PRIVATE</b> | Although not currently available in Houston, the City could explore opportunities with private lenders, the Institute for Location Efficiency and Fannie Mae to designate areas along the Corridors as Location Efficient and provide more favorable lending terms to homebuyers purchasing in those areas.  |
| <b>Green Corridor Designation</b>  | Under Chapter 33 of the Code of Ordinances (also known as the Tree and Shrub Ordinance), portions of Major Thoroughfares may be designated as Green Corridors. The purpose of this designation is to facilitate streetscape enhancements along designated Corridors. A Green Corridor designation provides protection to trees within a certain size on the street tree list and that are within the building line along Major Thoroughfares. City Council may designate one or more particular species of tree to be planted in the Corridor. Green Corridors also receive for City expenditures for street tree plantings. Specific procedures and criteria for designating a Green Corridor are detailed in Section 33-104 of the Code of Ordinances.  | <b>LOCAL</b>                          | <p>The City should consider, as part of a new TOD Chapter in its Code of Ordinances, modifications to the Green Corridor Designation to extend the designation to Transit Streets and other key connecting streets within the street hierarchy.</p> <p>Procedures should also be modified to permit the City to designate streets as Green Corridors without the currently required petition from landowners. With this ability the City should designate all proposed Urban Corridors as Green Corridors.</p> |

| TOOL   | DESCRIPTION   | Jurisdiction | Potential Application for Implementing Transit Oriented Development  |
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| Affordable Housing Programs                    |   |              |  |
| CDBG - Community Development Block Grant (HUD) | <p>Community Development Block Grants (CDBG) are federally funded and implemented at the state, county, or local level. The City of Houston implements these grants through the Housing and Community Development Department (HCDD); the Grants Management Section in this department sees that federally mandated objectives are met at the contractor/subcontractor level.</p> <p><b>Eligible Recipients</b> – The HCDD aims to preserve, revitalize and improve the conditions of low to moderate income neighborhoods by meeting those objectives mandated by the U.S. Department of Housing and Urban Development for recipients of CDBGs. Projects and activities undertaken with CDBG funds must: 1) principally benefit low- and moderate-income persons; 2) aid in the elimination or prevention of slums and blight; or 3) meet urgent needs of the community.</p> <p>The CDBG program finances public facilities and improvements mostly, along with housing, public services and economic development assistance activities for low to moderate income neighborhoods. Acceptable uses of grant monies include:</p> <p>1) acquisition of real property; 2) relocation and demolition; 3) rehabilitation of residential and non-residential structures; 4) construction of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings for eligible purposes; 5) public services, within certain limits; 6) activities relating to energy conservation and renewable energy resources; and 7) provision of assistance to profit-motivated businesses to carry out economic development and job creation/retention activities.</p> | FEDERAL      | <p>It is a logical suggestion that the Transit Corridors should include opportunities for the development of affordable housing. This is based on both the idea that due to increased density and smaller dwelling units, more affordable housing can be delivered, as well as the intention that the transit service itself be an available and convenient mode of travel for lower income families. The CDBG should be used as it is currently and in combination with other affordable housing programs. There are a number of opportunities for reinvestment in low and moderate income neighborhoods along the Transit Corridors that could achieve both transit and affordable housing objectives.</p> |

| TOOL                              | DESCRIPTION  | Jurisdiction            | Potential Application for Implementing Transit Oriented Development  |
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| Affordable Rental Housing Program | <b>Nature of Assistance</b> – TDHCA is a conduit issuer for the State of Texas. Currently, the bond program receives approximately \$1.8 billion in allocation for the State. Approximately \$402 million is set aside for multifamily housing needs. The bond program is coupled with the 4% Housing Tax Credit program to maximize the use of State allocations. The bonds may be tax exempt, be guaranteed, or have other terms associated with them that decrease the cost of capital for the developer. | FEDERAL / STATE / LOCAL | The Affordable Rental Housing Program should continue to be used as it is now. Closely tied with the Housing Tax Credit, and the federal CDBG and HOME programs, the City could explore location efficient financing to support affordable rental housing development along the Transit Corridors. |
|                                   | <b>Originating / Administering Agency</b> – The City of Houston, through its Housing and Community Development Department (HCDD), assists development projects that produce affordable rental housing through low-interest financing. Much of this effort is funded from federal distributions to the City such as CDBG and HOME. HCDD handles all applications from developers to engage in such projects. City Council votes on actual appropriation of funds to specific projects.                        |                         |  |
|                                   | <b>Eligible Recipients</b> – The City has four categories of eligibility criteria based on the type of project, the nature of the borrower, the projected rent charged to tenants, and some minimum thresholds.  |                         |  |
|                                   | <b>Nature of Assistance</b> – For approved projects, the City will provide low-interest financing to bridge the gap between what is available in the private financing market and what is required to make the project financially feasible. There are equity and matching requirements that determine how much debt is allowable in a project, and the way these requirements are satisfied differs if the developer is for-profit or a 501(c)(3) non-profit.   |                         |  |

| TOOL  | DESCRIPTION  | Jurisdiction | Potential Application for Implementing Transit Oriented Development  |
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| <b>NEZ - Neighbourhood Empowerment Zone</b> | <p>A municipality may create one or multiple zones if the governing body of the municipality adopts a resolution containing: 1) The determination described by Section 378.002; 2) A description of the boundaries of the zone; 3) A finding by the governing body that the creation of the zone benefits and is for the public purpose of increasing the public health, safety, and welfare of the persons in the municipality; and, 4) A finding by the governing body that the creation of the zone satisfies the requirements of Section 312.202 of the Tax Code.</p> <p><b>Eligible Recipients</b> – A municipality may create a neighborhood empowerment zone covering a part of the municipality if the municipality determines the creation of the zone would promote: 1) The creation of affordable housing, including manufactured housing, in the zone; 2) An increase in economic development in the zone; 3) An increase in the quality of social services, education, or public safety provided to residents of the zone; or, 4) The rehabilitation of affordable housing in the zone.</p> <p><b>Nature of Assistance</b> – In addition to other powers that a municipality may exercise, a municipality may: 1) Waive or adopt fees related to the construction of buildings in the zone, including fees related to the inspection of buildings and impact fees; 2) Enter into agreements, for a period of time not more than 10 years, for the purpose of benefiting the zone, for refunds of municipal sales tax on sales made in the zone; 3) Enter into agreements abating municipal property taxes on property in the zone subject to the duration limits of Section 312.204 of the Tax Code; and, 4) Set baseline performance standards, such as the Energy Star Program as developed by the Department of Energy, to encourage the use of alternative building materials that address concerns relating to the environment or to the building costs, maintenance, or energy consumption.</p> | <b>LOCAL</b> | <p>The City should consider the establishment of Neighbourhood Empowerment Zones in specific locations to promote affordable housing and economic development, in accordance with the requirements of this program. The City should consider the following: 1) Waive or adopt fees related to the construction of buildings in the zone, including fees related to the inspection of buildings and impact fees; 2) Enter into agreements, for a period of time not more than 10 years, for the purpose of benefiting the zone, for refunds of municipal sales tax on sales made in the zone; and/or, 3) Enter into agreements abating municipal property taxes on property in the zone subject to the duration limits of Section 312.204 of the Tax Code.</p> <p>To qualify for these benefits, (in addition to the requirements for affordable housing and economic development) the City should establish baseline performance standards, such as the Energy Star Program to encourage the use of alternative building materials that address concerns relating to the environment or to the building costs, maintenance, or energy consumption.</p> |



| TOOL   | DESCRIPTION  | Jurisdiction           | Potential Application for Implementing Transit Oriented Development   |
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| <b>LIHTC - Low Income Housing Tax Credit</b> | <p>The United States federal government allocates tax credits to each state such that for each person, the State can disburse \$1.75 in tax credits. For Texas, the total amount of tax credits allocated were \$43 million in 2006. The Texas Department of Housing and Community Affairs (TDHCA) is solely responsible for their allocation among housing projects. Within the State, credits are awarded on a regional basis, subject to eligibility.</p> <p><b>Eligible Recipients</b> – To qualify for tax credits, the proposed development must involve new construction or substantial rehabilitation of existing residential units (at least \$12,000/unit in direct hard costs). The amount of tax credits that may be applied for depends on: the amount and type of additional funding sources, the total amount of qualified development costs to be incurred, the percentage of rent restricted units set aside in the development for eligible tenants, and location in communities designated as Difficult Development Areas and Qualified Census Tracts.</p> <p>Each qualified tax credit development must include a minimum percentage of rent restricted units to be set aside for eligible tenants. Any development approved by the Department for residential rental occupancy that meets either of the following requirements and commits to a 15 year initial compliance period and a subsequent 15-year extended use period are eligible for the tax credit, per Federal law: 1) Twenty percent (20%) or more of the residential units in such development are both rent restricted and occupied by individuals whose income is fifty percent (50%) or less AMFI; or 2) Forty percent (40%) or more of the residential units in such development are both rent restricted and occupied by individuals whose income is sixty percent (60%) or less of AMFI.</p> | <b>FEDERAL / STATE</b> | <p>This is an important Federal program that is administered by the Texas Department of Housing and Community Affairs. The State, with input from the City of Houston, could examine opportunities to prioritize areas along the Transit Corridors for tax credit eligibility. As the tax credits are partially determined by the amount and type of additional funding sources, coordination with other housing programs is key.</p> |
| <b>Homebuyers Assistance Program (HAP)</b>   | <p>Coupled with counseling and education about the home buying process, the City of Houston's Homebuyers Assistance Program helps low- and moderate- income buyers get into safe and affordable housing by providing money for down payment assistance and closing costs. Homebuyers must remain in the home for five years for the down payment loan to be forgivable.</p> <p>Potential homebuyers must meet the income and home purchasing price limits for the program. The applicant must have a gross annual income that does not exceed 80 percent of the City median income; adjusted for family size and the home cannot exceed \$135,000. For qualified homebuyers under the 50 percent medium income, additional down payment assistance may be available through TIRZ.</p>  | <b>LOCAL</b>           | <p>The City should continue to use this program and could consider targeted assistance along Transit Corridors. Working collaboratively with a TIRZ board, opportunities may exist for additional down payment assistance to households under the 50 percent medium income.</p>   |

| TOOL                                    | DESCRIPTION   | Jurisdiction   | Potential Application for Implementing Transit Oriented Development  |
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| <b>Multifamily Bond Program</b>         | <p><b>Originating/Administering Agency</b> – Applications for bond financing may be submitted to the Multifamily Finance division of the Housing Finance Division of the Texas Department of Housing and Community Affairs (TDHCA) for review. A recommendation is made to the TDHCA governing board.</p> <p><b>Eligible Recipients</b> – Properties financed through the programs are subject to unit set aside restrictions for lower income tenants and persons with special needs, tenant program initiatives, maximum rent limitations, and other requirements as determined by TDHCA and its board. The same factors used by TDHCA to determine Tax Credit eligibility are utilized for awarding bonds.</p> | <b>FEDERAL</b> | The Multifamily Bond Program should continue to be used as it is currently. Using the same eligibility criteria as the Housing Tax Credit, the Bond Program could be used to finance affordable units within higher density TODs.  |
| <b>Housing Tax Credit</b>               | The Texas Department of Housing and Community Affairs' programs were created to provide decent, safe and sanitary housing opportunities for low and very low income Texans. The Housing Tax Credit (HTC) program aids in building affordable housing through the issuance of federal tax credits to fund new construction and rehabilitation of multifamily residential developments. Owners and investors in qualified affordable multifamily residential developments can use the tax credits as a dollar-for-dollar reduction of federal income tax liability. The value associated with the tax credits allows residences to be leased to qualified families at below-market rents.                           | <b>FEDERAL</b> | The Housing Tax Credit should be used as it is now. Focussed on the construction and rehabilitation of affordable multifamily residential developments, this Credit could be used to finance affordable units within higher density Transit Oriented Developments.   |
| <b>Emergency/Critical Home Repair</b>   | Single Family Home Repair Program which is aimed at improving the dangerous living conditions of many low-income elderly and disabled Houstonians. Under the initiative, the City's Housing and Community Development Department will oversee contractors who will perform the major rehabilitation of some homes as well as the complete demolition and reconstruction of others.  | <b>LOCAL</b>   | The Emergency/Critical Home Repair Program should be used as it is now to rehabilitate homes in disrepair. The City could pursue partnership opportunities with local nonprofits and community groups for wider housing rehabilitation and reinvestment in low and moderate income neighborhoods along the Transit Corridors.    |
| <b>HOME Investment Partnerships Act</b> | HOME is authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act, as amended. Program regulations are at 24 CFR Part 92. HOME provides formula grants to States and localities that communities use—often in partnership with local nonprofit groups—to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people.   | <b>FEDERAL</b> | The HOME Investment Partnership Act should be used as it is now. It has particular applicability in areas in the East, Southeast and North Corridors where there are a number of opportunities with local nonprofits and community groups for reinvestment in low and moderate income neighborhoods along the Transit Corridors. |
| <b>Houston Hope Areas</b>               | Through Project Houston Hope, the City of Houston is focused on infrastructure improvements in targeted subsections of Houston Hope neighborhoods and the creation of opportunities for the development of affordable housing by nonprofit and for profit developers. Houston Hope, representing the private sector, is focused on building a collaborative coalition that will build capacity to address issues like health care, community safety, economic development, workforce development, education and other necessary services.   | <b>LOCAL</b>   | Opportunities should be identified, on surplus lands owned by the City or METRO, for the development of affordable housing, either by nonprofit or for profit developers.  |

| TOOL  | DESCRIPTION   | Jurisdiction | Potential Application for Implementing Transit Oriented Development  |
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| Brownfield Redevelopment Programs                         |   |              |  |
| Brownfields Economic Development Initiative (BEDI) Grants | <b>Originating/Administering Agency</b> – The U.S. Department of Housing and Urban Development (HUD) administers the program. The City of Houston would be the applicant to HUD for a BEDI grant project.   | FEDERAL      | Given the number of large brownfield sites along the Transit Corridors, programs and initiatives targeting brownfield redevelopment should be actively pursued. The City could apply for BEDI grants in conjunction with Section 108 funds and CDBG projects to fund supporting economic development projects along the Transit Corridors. |
|   | <b>Eligible Recipients</b> – CDBG (Community Development Block Grant) entitlement communities and non-entitlement communities are eligible to receive loan guarantees. A request for a new Section 108 loan guarantee authority must accompany each BEDI application. BEDI and Section 108 funds must be used in conjunction with the same economic development project. Section 108 loans are secured by the applicant's existing and future CDBG funds (see <i>Community Development Block Grants</i> ).  |              |  |
|   | BEDI projects must increase economic opportunity for persons of low-and moderate-income or stimulate and retain businesses and jobs that lead to economic revitalization. The grants may be used for the following:   |              |  |
|   | <ul style="list-style-type: none"><li>• Land writedowns – purchasing contaminated sites and conveying them to a private party at a below-market price</li><li>• Site remediation costs</li><li>• Funding reserves</li><li>• Over-collateralizing the Section 108 loan</li><li>• Direct enhancement of the security of the Section 108 loan</li><li>• Provisions of financing to private business at a below-market interest rate</li></ul> <b>Nature of Assistance</b> – Approximately \$25 million is available for Brownfields Economic Development Initiative (BEDI) grants under Section 108(q) of the Housing and Community Development Act of 1974, as amended. BEDI funds are used to enhance the security of the Section 108 guaranteed loan for the same project or to improve the viability of a project financed with a Section 108-guaranteed loan. A BEDI grant is required to be used in conjunction with a new Section 108 guaranteed loan commitment. There is a cap of \$1 million per BEDI award. Section 108 funds are available to eligible applicants throughout the year on a noncompetitive basis. |              |  |

| TOOL              | DESCRIPTION  | Jurisdiction | Potential Application for Implementing Transit Oriented Development  |
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| Brownfield Grants | <p><b>Originating/Administering Agency</b> – The Environmental Protection Agency administers the program.</p> <p><b>Eligible Recipients</b> – The Brownfields law defines entities eligible to receive grants, based on the type of grant requested:</p> <p>Assessment and revolving loan fund grants - state, local, and tribal governments, as well as a range of government entities, including a general purpose unit of local government or land clearance authority or other quasi-governmental entity operating under the control, supervision, or as an agent of a local government, a governmental entity or redevelopment agency created or sanctioned by a State, or a regional council of governments, are eligible.</p> <p><b>Cleanup grants</b> - include those eligible governmental entities identified above as well as non-profit organizations and non-profit educational institutions. All eligible entities, including non-profit organizations, must have sole ownership of the site and provide documentation of ownership within about six months of applying for the grant.</p> <p><b>Job training grants</b> - include those eligible governmental entities identified above as well as non-profit organizations, including non-profit educational institutions.</p> <p>For-profit organizations are not eligible for Brownfields grant funding from EPA. Brownfields grants are awarded on a competitive basis. Evaluation panels consisting of EPA staff and other federal agency representatives assess how well the proposals meet the threshold and ranking criteria outlined in the Proposal Guidelines for Brownfields Assessment, Revolving Loan Fund, and Cleanup grants. Final selections are made by EPA senior management after considering the ranking of proposals by the evaluation panels. Responses to threshold criteria are evaluated on a pass/fail basis. If the proposal does not meet the threshold criteria, the proposal will not be evaluated. In some circumstances, EPA may seek additional information.</p> | FEDERAL      | While eligibility is based on the sole ownership of a site, the City, METRO and local community organizations/non-profits, either independently or in partnership, could apply for Brownfield Grants to fund assessments and clean-up of Brownfield sites along the Transit Corridors. |

| TOOL | DESCRIPTION  | Jurisdiction | Potential Application for Implementing Transit Oriented Development |
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|      | <p><b>Nature of Assistance –</b></p> <ul style="list-style-type: none"><li>• <b>Assessment grants</b> provide funding for a grant recipient to inventory, characterize, assess, and conduct planning and community involvement related to brownfield sites. An eligible entity may apply for up to \$200,000 to assess a site contaminated by hazardous substances, pollutants, or contaminants (including hazardous substances co-mingled with petroleum) and up to \$200,000 to address a site contaminated by petroleum. Applicants may seek a waiver of the \$200,000 limit and request up to \$350,000 for a site contaminated by hazardous substances, pollutants, or contaminants and up to \$350,000 to assess a site contaminated by petroleum. Such waivers must be based on the anticipated level of hazardous substances, pollutants, or contaminants (including hazardous substances co-mingled with petroleum) at a single site. Total grant fund requests should not exceed a total of \$400,000 unless such a waiver is requested. Due to budget limitations, no entity may apply for more than \$700,000 in assessment funding. The performance period for these grants is two years.</li></ul> |              |   |
|      | <ul style="list-style-type: none"><li>• <b>Revolving Loan Fund Grants</b> provide up to \$1,000,000 per eligible entity; they are available for a single recipient or a coalition of eligible entities. The loan has a five-year term. Requirements include: 1) Funds may be used to address sites contaminated by petroleum and/or hazardous substances, pollutants, or contaminants (including hazardous substances co-mingled with petroleum). 2) At least 60 percent of the awarded funds must be used to implement a revolving loan fund, in order to provide no-interest or low-interest loans for brownfields cleanups. 3) An RLF award requires a 20 percent cost share, which may be in the form of a contribution of money, labor, material, or services, and must be for eligible and allowable costs.</li></ul>  |              |   |
|      | <ul style="list-style-type: none"><li>• <b>Cleanup Grants</b> have a performance period of three years and provide: 1) Up to \$200,000 per site – no entity may apply for funding cleanup activities at more than five sites. 2) Cleanup Grants require a 20 percent cost share, which may be in the form of a contribution of money, labor, material, or services, and must be for eligible and allowable costs.</li></ul>  |              |   |
|      | <p>The <b>Brownfields Job Training Grants</b> will each be funded up to \$200,000 over two years.</p>  |              |   |

| TOOL                      | DESCRIPTION   | Jurisdiction    | Potential Application for Implementing Transit Oriented Development  |
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| Brownfields Tax Incentive | <p><b>Originating/Administering Agency</b> – The Environmental Protection Agency (EPA) and Internal Revenue Service (IRS) administer the program. In Texas, the Texas Commission on Environmental Quality is required to designate eligibility.</p> <p><b>Eligible Recipients</b> – A brownfield is a property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.</p> <p>To satisfy the land use requirement, the property must be held by the taxpayer incurring the eligible expenses for use in a trade or business or for the production of income; or, the property must be properly included in the taxpayer's inventory. To satisfy the contamination requirement, hazardous substances must be present or potentially present on the property. In addition, taxpayers must obtain a statement from a designated state agency verifying eligibility for the tax incentive.</p> <p><b>Nature of Assistance</b> – Federal tax law generally requires that those expenditures that increase the value or extend the useful life of a property - or those that adapt the property to a different use - be capitalized; and, if the property is depreciable, that the costs be depreciated over the life of the property. This means that the full cost cannot be deducted from income in the year that the expenditure occurs. This capitalization treatment also applies to the cost of acquiring property. In contrast, repair and maintenance expenditures generally can be deducted from income in the year incurred. Prior to the Brownfields Tax Incentive, many environmental remediation expenditures fell under these restrictions, and had to be capitalized over time. Under the Brownfields Tax Incentive, environmental cleanup costs are fully deductible in the year they are incurred, rather than having to be capitalized.</p> | FEDERAL / STATE | Where applicable, the Brownfields Tax Incentive program should continue to be used to provide incentives for brownfield remediation and redevelopment along the Transit Corridors. |



| TOOL                          | DESCRIPTION  | Jurisdiction  | Potential Application for Implementing Transit Oriented Development  |
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| Expedited Permit Process      | <b>Originating/Administering Agency</b> – The Texas Commission on Environmental Quality (TCEQ) and the Governor's Office of Economic Development and Tourism.  | STATE         | Where appropriate, the Expedited Permit Process program could be used to expedite the environmental permitting process for brownfield redevelopment proposals along the Transit Corridors.   |
|                               | <b>Eligible Recipients</b> – A company whose project could have job creation or other economic impacts but that is delayed unreasonably by an environmental permitting process.  |               |  |
|                               | <b>Nature of Assistance</b> – Qualifying projects may be granted an expedited environmental permitting process.  |               |  |
| Municipal Setting Designation | <b>Originating/Administering Agency</b> – The Texas Commission on Environmental Quality (TCEQ) with individual applications to the state requiring support by the City of Houston.<br><br><b>Eligible Recipients</b> – Eligible applicants must participate in of the brownfield cleanup programs administered by the TCEQ or EPA. As well, for a site to qualify, it must be located outside the Well Head Protection area and must be serviced or capable of being serviced by City water (at the applicant's expense).<br><br><b>Nature of Assistance</b> – Owners of qualifying sites may apply for an MSD on their property, which designates a site or area in which the use of groundwater is prohibited from use as potable water. An MSD certificate effectively eliminates the requirements for the owner to undertake investigation and/or remediation measures to address potable risks. | STATE / LOCAL | Where available, the Municipal Setting Designation could be used to facilitate brownfield redevelopment proposals by reducing the associated costs of environmental investigation and remediation as it pertains to potable groundwater. |

| TOOL                           | DESCRIPTION   | Jurisdiction | Potential Application for Implementing Transit Oriented Development   |
|--------------------------------|---|--------------|---|
| TERTIARY TOOLS                 |   |              |   |
| Economic Adjustment Assistance | <p><b>Originating/Administering Agency</b> – The Economic Development Administration (EDA) of the Department of Commerce oversees the program.</p> <p><b>Eligible Recipients</b> – Eligible applicants for EDA investment assistance include a State, city, county, or other political subdivision of a State, including a special purpose unit of a State or local government engaged in economic or infrastructure development activities, or a consortium of such political subdivision, an institution of higher education or a consortium of institutions of higher education, an Economic Development District organization, a private or public nonprofit organization or association, including a faith-based non-profit organization, acting in cooperation with officials of a political subdivision of a State, or an Indian Tribe, or a consortium of Indian Tribes. Individuals, companies, corporations, and associations organized for profit are not eligible.</p> <p>Applicants for assistance must develop a Comprehensive Economic Development Strategy (CEDS) that identifies the actual or anticipated adjustment problem (Examples may include: a strategy for recovery from plant closure and major permanent job loss; rehabilitation of vacant industrial facility for multi-tenant use or as an incubator; revolving loan funds or recapitalization of revolving loan funds.) and prescribe steps to address that problem. Implementation investments applications must be consistent with an approved CEDS.</p> <p><b>Nature of Assistance</b> – Awards may be used for activities such as developing and updating a CEDS and for implementing the CEDS by carrying out projects for site acquisition and preparation, construction, rehabilitation, and equipping facilities, technical assistance, market or industry research and analysis, and other activities.</p> <p>The maximum investment rate shall not exceed 50 percent of the project cost, except that the project may receive an investment rate up to 80 percent based on relative needs as measured by the severity and duration of unemployment and the per capita income level and extent of underemployment in the region. Indian Tribes may be eligible for an investment rate of 100 percent. In addition, States or political subdivisions of a State that have exhausted their effective borrowing and taxing capacity or non-profit organizations that have exhausted their effective borrowing capacity may also be eligible for a 100 percent rate. On average, EDA investment assistance covers approximately 50 percent of project costs.</p> | FEDERAL      | The City, METRO and local community organizations/non-profits, either independently or in partnership, could apply for EDA investment assistance to fund the planning and implementation of a range of economic development projects or initiatives along the Transit Corridors. EDA could also be used in coordination with brownfield programs. |

| TOOL                  | DESCRIPTION  | Jurisdiction | Potential Application for Implementing Transit Oriented Development   |
|-----------------------|--|--------------|---|
| Tax Abatement Program | <p><b>Originating / Administering Agency</b> – The City of Houston, by City Council action, is authorized to negotiate and grant property tax abatements by Chapter 312 of the State of Texas Tax Code. Harris County and other taxing units, except for Houston Independent School District, may also grant an abatement, following the City's lead. The City must have a tax abatement policy, with guidelines and criteria, in place in order to grant abatements. This policy expires every two years and must be re-adopted City Council. Currently, the City has let its policy lapse, so until a new one is adopted, no tax abatements can be offered.</p>  | LOCAL        | The City should utilize this tool to provide a tax abatement incentive for site remediation and Transit Oriented Development in specified locations along the Transit Corridors. In order to qualify, an area must be designated as a "reinvestment zone", or must already be designated a Neighborhood Empowerment Zone by the State of Texas. |
|                       | <p>The City and County may abatement some or all of the property tax liability on future value added to a property for a period of up to ten years. Taxes on the current value of real property cannot be abated. Personal property brought onto the property after the abatement is awarded may be included in the abatement. Properties that are in a voluntary cleanup agreement under Section 361.606 of the Health and Safety Code may receive a tax abatement on the total value of the property (including current value at the time of abatement award). Such an abatement may have a maximum of 100 percent for the first year, decreasing by 25 percent each year with a maximum term of four years. To receive the abatement, the property owner must present a certificate of completion earned under Section 361.609 of the Health and Safety Code.</p> |              |   |
|                       | <p><b>Eligible Recipients</b> – Individual property owners of real property or leasehold interest in real property are eligible to receive tax abatements, conditioned on certain improvements being made to the property. The City must declare the real property covered by the abatement to be a "reinvestment zone," unless it has already been designated by the State of Texas to be a Neighborhood Empowerment Zone. If a group of properties is designated to be a reinvestment zone, all tax abatements offered within the zone must be on the same terms, though not every zone property owner must be offered an abatement. A property owner developing any type of taxpaying land use is eligible for an abatement. However, the City of Houston has been reluctant recently to grant abatements for residential construction.</p>                       |              |   |
| Civic Art Program     | <p>In 1999, the City of Houston established an ordinance mandating that 1.75% of qualified Capital Improvement Project monies be set aside for civic art. The Civic Art Program includes funding for professional art conservation treatment for the City's art collection.</p>  | LOCAL        | <p>The Civic Art Program should continue to be used as it is now. The City of Houston could consider directing a proportion of annual monies for public art projects along the Transit Corridors in association with METRO funds for public art at stations as well as public art projects initiated by a PID.</p>                              |

| TOOL                       | DESCRIPTION   | Jurisdiction | Potential Application for Implementing Transit Oriented Development  |
|----------------------------|---|--------------|--|
| LEED Incentive Program     | <p>As an incentive to encourage Leadership in Energy and Environmental Design (LEED) Green Building Rating System certification, the Planning &amp; Development Services Code Enforcement Plan Review Section will begin offering Quick Start service to any project which has registered for LEED certification regardless of construction cost.</p> <p>Currently, the Quick Start plan review option is available only to projects that have submitted complete plans and have an estimated construction cost of \$1M or more. By opting to pay an additional fee of 65% of the permit cost, the final plan review is completed in a face to face conference-like meeting with the reviewers, designers and owners present. The Quick Start program has been a popular option as it generally eliminates at least one plan resubmittal.</p> <p>For the review participants will need to submit: 1) A Quick Start Application; 2) The project registration receipt from the US Green Building Council (USGBC); 3) The checklist of points the building is designed to achieve; 4) The required Quick Start fee (65% of building permit).</p> <p>LEED projects which achieve certification will also qualify for a graduated rebate of the Quick Start fees. The rebate is based on the level of achievement - certified, silver, gold or platinum.</p> <p>The levels of achievement and rebates are as follows: 1) Platinum Level 100%; 2) Gold Level 75%; 3) Silver Level 50%; 4) Minimum Level 25%</p> | LOCAL        | This innovative program should continue to be used to encourage and facilitate LEED developments along the Transit Corridors and promote sustainability and environmental preservation objectives more broadly. The program should be updated to include LEED-ND projects once the LEED-ND program is formalized in the US.  |
| Adopt-an-Esplanade Program | Adopt-An-Esplanade is a program designed to bring Houston neighborhoods together in committed, collaborative partnerships to improve and maintain city esplanades. Houston Parks and Recreation Department administers the program and Keep Houston Beautiful provides volunteer coordination, community education, training, planning assistance, and loans tools and equipment for beautification and cleanup projects. Participants include civic groups, garden clubs, business owners, city and state agencies and corporate sponsors.   | LOCAL        | If the area that accommodates the transit facility includes substantial landscape treatments, then the Adopt-An-Esplanade program could be utilized to assist in the ongoing maintenance of the landscaped area. This program would seem appropriate for areas where a Municipal Management District has not yet been implemented or where the local community has expressed a desire to become involved in the ongoing beautification of their neighborhood.  |
| Adopt-A-Monument           | To give citizens and civic, professional, and business groups the opportunity to participate in the preservation of our cultural heritage in public art, we developed Houston's Adopt-A-Monument Program in 1996. A sponsor, whether an organization or an individual, may support the Houston Adopt-A-Monument Program in one of two methods: 1) Adopt artwork by contractually agreeing to underwrite conservation and or maintenance of a specific artwork; 2) Contribute to the Adopt-A-Monument Program general fund for unadopted artworks.   | LOCAL        | If the area that accommodates the transit facility, or the transit station itself includes a monument or a component of public art, the Adopt-A-Monument program could be utilized to assist in the ongoing maintenance of the monument/public art piece. This program would seem appropriate for areas where a Municipal Management District has not yet been implemented or where the local community has expressed a desire to become involved in the ongoing beautification of their neighborhood. |

| TOOL                                   | DESCRIPTION   | Jurisdiction | Potential Application for Implementing Transit Oriented Development  |
|--|---|--------------|--|
| Historic Preservation                  |   |              |  |
| Historic Preservation Tax Credit (20%) | <p><b>Originating/Administering Agency</b> – The Federal historic preservation tax incentives program (the 20% credit) is jointly administered by the U.S. Department of the Interior and the Department of the Treasury. The National Park Service (NPS) acts on behalf of the Secretary of the Interior, in partnership with the Texas Historical Commission. The Internal Revenue Service (IRS) acts on behalf of the Secretary of the Treasury.</p> <p><b>Eligible Recipients</b> – The 20% rehabilitation tax credit applies to any project that the Secretary of the Interior designates a <i>certified rehabilitation</i> of a <i>certified historic structure</i>. The 20% credit is available for properties rehabilitated for commercial, industrial, agricultural, or rental residential purposes, but it is not available for properties used exclusively as the owner's private residence.</p> <p>A <i>certified historic structure</i> is a building that is listed individually in the National Register of Historic Places -OR- a building that is located in a <i>registered historic district</i> and certified by the National Park Service as contributing to the historic significance of that district.</p> <p>A <i>certified rehabilitation</i> is a rehabilitation of a <i>certified historic structure</i> that is approved by the NPS as being consistent with the historic character of the property and, where applicable, the district in which it is located. The NPS assumes that some alteration of the historic building will occur to provide for an efficient use. However, the project must not damage, destroy, or cover materials or features, whether interior or exterior, that help define the building's historic character.</p> <p>To be eligible for the 20% rehabilitation tax credit, a project must also meet certain basic tax requirements of the Internal Revenue Code</p> <p><b>Nature of Assistance</b> – The 20% rehabilitation tax credit equals 20% of the amount spent in a <i>certified rehabilitation</i> of a <i>certified historic structure</i>. A tax credit lowers the amount of tax owed. In general, a dollar of tax credit reduces the amount of income tax owed by one dollar.</p> | FEDERAL      | Where applicable along the Transit Corridors, the Historic Preservation Tax Credit program should continue to be used as it is now for cultural preservation purposes. |

| TOOL   | DESCRIPTION  | Jurisdiction | Potential Application for Implementing Transit Oriented Development   |
|--|--|--------------|---|
| <b>Tax Exemptions for Historic Buildings</b> | <p>The city may grant a tax exemption to qualified property owners who improve designated historic properties. Historic Site Tax Exemptions are processed through the City's Finance and Administration Department.</p> <p>Before an application is submitted for consideration, the historic site must receive historic site designation from City Council. At any time following the designation of the historic site, the owner must perform restoration or preservation of the historic site to encourage its preservation. The work performed must be at a cost of at least 50% of the assessed value of the historic structure or improvements.</p> <p>Only expenditures made for work performed following the designation of the property by City Council may be applied. The percentage of the exemption (50% or 100% of the initial year improvement value) is dependent on the amount of qualified restoration or preservation expenditures.</p> <p>The tax exemption's duration of 10 to 15 years is dependent upon receipt of any financial incentive from the city funded by municipal hotel occupancy taxes. An exemption shall be effective as of January 1 st of the year following demonstration of completion of the restoration or preservation work and demonstration of the making of the qualifying expenditures. There is a limitation on the transferability of the tax exemption.</p> | <b>LOCAL</b> | Where applicable along the Transit Corridors, Tax Exemptions for Historic Buildings should continue to be used as it is now for cultural preservation purposes. |



| TOOL   | DESCRIPTION   | Jurisdiction | Potential Application for Implementing Transit Oriented Development  |
|--|---|--------------|--|
| <b>Texas Preservation Trust Fund (TPTF)</b>      | <p><b>Originating/Administering Agency</b> – The Texas Historical Commission (THC) awards grants for preservation projects from the Texas Preservation Trust Fund (TPTF), which was created by the legislature in 1989.</p> <p><b>Eligible Recipients</b> – Public and private owners of eligible projects may be recipients of TPTF grants. Project types eligible for grant assistance include:</p> <ul style="list-style-type: none"><li>• Archeological sites and curatorial facilities</li><li>• Commercial buildings</li><li>• Public buildings such as schools, city halls, libraries, and museums</li><li>• Unique historic structures such as bridges, water towers, lighthouses, and ships</li></ul> <p>• Monies for training individuals and organizations about historic resources and preservation techniques</p> <p><b>Nature of Assistance</b> – The TPTF is an interest-earning pool of public and private monies. The earned interest and designated gifts are distributed yearly as matching grants to public and private owners of eligible projects. The TPTF grants pay up to one-half of total project costs to help preserve Texas' cultural resources. Grant funds are awarded for acquisition, development, planning, and education.</p> | <b>STATE</b> | Where applicable along the Transit Corridors, the Texas Preservation Trust Fund should continue to be used as it is now for cultural preservation purposes.  |
| <b>Small Business Promotion and Job Creation</b> |   |              |  |
| <b>EZ - Texas Enterprise Zones</b>               | The purpose of the Texas Enterprise Zone Program (EZ) is to encourage job creation and capital investment in areas of economic distress by removing governmental regulatory barriers to economic growth and to provide tax incentives and economic development benefits. An EZ is any census block group in which the poverty level is 20% or higher as identified by the most recent census, which is 2000 census. Effective date of changes was September 1, 2003. The State's Office of Economic Development is in the process of producing a map that identifies the census block groups that meet the 20% poverty criteria. Businesses that are making capital investments and adding employees are also eligible. They do not have to be located within the zone. Enterprise Projects can receive sales and use tax refunds. The maximum amount of the refunds is on a sliding scale depending upon the amount of capital investment and the number of employees added.   | <b>STATE</b> | The use of Texas Enterprise Zones requires further exploration, in consideration of the State's Office of Economic Development Map. There is a need to determine where this tool might apply within the Transit Corridors. |

| TOOL                          | DESCRIPTION  | Jurisdiction | Potential Application for Implementing Transit Oriented Development   |
|-------------------------------|--|--------------|---|
| New Markets Tax Credit (NMTC) | <p><b>Originating/Administering Agency</b> – The Department of the Treasury’s Community Development Financial Institutions Fund (CDFI) administers Community Development Entity (CDE) compliance once tax credits are awarded. The Internal Revenue Service is responsible for issuing guidance on the NMTC and monitors tax payer compliance.</p> <p><b>Eligible Recipients</b> – An organization wishing to receive awards under the NMTC Program must be certified as a Community Development Entity (CDE) by the Fund. To qualify as a CDE, an organization must: 1) be a domestic corporation or partnership at the time of the certification application; 2) demonstrate a primary a mission of serving, or providing investment capital for, low-income communities or low-income persons; and, 3) maintain accountability to residents of low-income communities through representation on a governing board of or advisory board to the entity.</p> <p><b>Nature of Assistance</b> – The New Markets Tax Credit program permits taxpayers to receive a credit against Federal income taxes for making qualified equity investments in designated Community Development Entities (CDEs). Substantially all of the qualified equity investment must in turn be used by the CDE to provide investments in low-income communities.</p> <p>NMTCs are allocated to CDEs under a competitive process. The CDEs sell the tax credits to investors in exchange for stock or a capital interest in the CDEs.</p> <p>The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year credit allowance period. In each of the first three years, the investor receives a credit equal to five percent of the total amount paid for the stock or capital interest at the time of purchase. For the final four years, the value of the credit is six percent annually. Investors may not redeem their investments in CDEs prior to the conclusion of the seven-year period.</p> <p>A CDE can use its investments to make loans or investments in qualified businesses, invest in or loan to other CDEs, purchase qualified loans from other CDEs, or provide financial counseling to qualified businesses or community residents. Although substantially all of a CDE’s investments must be targeted to a low income service area, there is significant flexibility in the types of businesses and development activities that NMTC investments can support – including community facilities like child care or health care facilities and charter schools, for-profit or non-profit businesses, and homeownership projects.</p> | FEDERAL      | This tax credit is for specific businesses, aimed at economic development initiatives in low income service areas. To be eligible an organization must be a certified Community Development Entity. |

| TOOL   | DESCRIPTION  | Jurisdiction | Potential Application for Implementing Transit Oriented Development   |
|--|--|--------------|---|
| Houston Small Business Development Corporation (HSBDC) Loans | <b>Originating/Administering Agency</b> – The Houston Small Business Development Corporation (HSBDC), a 501(c)(3) nonprofit corporation, originates and administers the small business loans.          | LOCAL        | The Houston Small Business Development Corporation is an important agency providing Micro-Enterprise loans and Small Business loans to businesses located within Houston. The HSBDC, in partnership with the City of Houston, could consider more favorable lending terms to businesses locating along the Transit Corridors. |
|  | <b>Eligible Recipients</b> – Eligible small businesses must expect to create at least one job for every \$35,000 borrowed. The business must also be located within Houston’s city limits.             |              |   |
|  | The loan proceeds may be used for working capital; equipment, furniture, and fixtures; and land and building.  |              |   |
|  | <b>Nature of Assistance</b> – HSBDC provides two categories of loans: Micro-Enterprise loans ranging from \$5,000 to \$45,000, and Small Business Loans, which may range from \$45,000 to \$2,000,000. |              |   |

# A.2

## Stable Areas Tool Box

STABLE AREAS TOOLBOX - ENHANCE/PROTECT

| TOOL                     | DESCRIPTION  | Jurisdiction | Potential Application for Implementing Transit Oriented Development  |
|--------------------------|--|--------------|--|
| PRIMARY TOOLS            |  |              |  |
| Capital Improvement Plan | <p>The Capital Improvement Plan is the annual capital plan providing a five-year schedule for capital allocations and implementation. Volume One includes capital projects that are funded primarily from property tax supported public improvement bonds. Volume Two contains Street and Traffic Control along with the Enterprise Fund capital programs that include capital projects funded primarily with revenue bonds supported by user fees.</p> <p>The FY2007-2011 CIP calls for the appropriation of \$4.51 billion during the five-year period for two major categories of programs: enterprise and property tax supported programs. Of the total planned appropriations, \$2.25 billion is for projects in the enterprise fund programs (Airport, Convention &amp; Entertainment, Wastewater, and Water). The Aviation and Convention and Entertainment programs are supported by system revenue bonds paid with income from the air travel and tourism industries. Water and Wastewater revenue bonds are retired using income from commercial and residential customers.</p> <p>The remaining \$2.27 billion addresses a full range of capital facility and infrastructure improvements, most of which will be financed with Public Improvement Bonds (PIBs). These programs include Fire, Library, Parks, Police, Public Health, Solid Waste Management, General Government, Storm Drainage, Streets and Traffic Control, and Housing.</p> | LOCAL        | <p>The City must use its Capital Improvement Plan process to anticipate Transit Oriented Development within the various Transit Corridors. The Capital Improvement Plan will need to ensure infrastructure capacity for higher density development within the Transit Corridors is available in advance of actual development, and that fundamental improvements to the pedestrian realm (sidewalks, streetlighting and landscaping) are comprehensively planned and developed throughout the Transit Corridors. The Capital Improvement Plan is a fundamental component of a comprehensive implementation strategy.</p> |

| TOOL                              | DESCRIPTION  | Jurisdiction | Potential Application for Implementing Transit Oriented Development   |
|-----------------------------------|--|--------------|---|
| Deed Restriction Pro-Bono Program | <p>Administered by the Planning &amp; Development Department, the program offers the following assistance:</p> <ul style="list-style-type: none"><li>• Assist neighborhood groups in organizing to create, renew or update deed restrictions.</li><li>• Assist civic clubs in educating their neighbors about the benefits of deed restrictions.</li><li>• To qualifying neighborhoods, provide free legal assistance to create, renew or modify deed restrictions through the Deed Restrictions Pro Bono Program, a collaboration with the Houston Bar Association and the Houston Volunteer Lawyer's Program (HVLV).</li></ul> <p><b>Subdivisions must meet all of the following criteria to qualify:</b></p> <ul style="list-style-type: none"><li>• The average value of homes in the neighborhood must be less than \$110,000 (the average housing value of Houston residential property in 2001).</li><li>• The subdivision must not have any mandatory assessment fees.</li><li>• The subdivision must have at least 51 percent of the properties occupied by homeowners.</li></ul>   | LOCAL        | Deed restrictions are a critical tool in land use control in Houston, used primarily to preserve the residential character of neighbourhoods by restricting other uses and activities. The Deed Restriction Pro-Bono Program should continue to be used as it is now. The City could explore new opportunities to create or renew deed restrictions in eligible communities along the Transit Corridors that ensure stable neighborhoods are maintained while permitting the development of other transit-supportive uses in appropriate areas. |
| Deed Restrictions                 | <p>Deed restrictions are written agreements that restrict, or limit, the use or activities that may take place on property in a subdivision. These restrictions appear in the real property records of the county in which the property is located. They are private agreements and are binding upon every owner in a subdivision. All future owners become a party to these agreements when they purchase property in deed restricted areas.</p> <p>A primary purpose of most deed restrictions is preserving the residential character of a subdivision by keeping out commercial and industrial facilities. For people who prefer to live in a wholly residential environment, deed restrictions are desirable. Deed restrictions may legally prohibit a person from operating certain types of businesses from their home. In Houston, where property is not governed by deed restrictions, a property owner may be free to operate a commercial business in the neighborhood.</p> <p>Most deed restrictions have an average life span of 25 to 30 years. Some are in effect "in perpetuity." Many deed restrictions contain a provision for automatic renewal after the initial 25 to 30 year span, unless the owners take action to prevent renewal. Other deed restrictions, after the initial term of 25 to 30 years, must be renewed by written approval of a specified percent of property owners.</p> |              |   |

| TOOL                                     | DESCRIPTION  | Jurisdiction | Potential Application for Implementing Transit Oriented Development  |
|--|--|--------------|--|
| <b>PID - Public Improvement District</b> | <p>PIDs can make capital investments in infrastructure or amenities. PIDs levy assessments on taxable property within its boundaries to finance their investments and operations. The PID must have an improvement plan, with state law authorizing the following types of improvements:</p> <ul style="list-style-type: none"><li>• Water, wastewater, health and sanitation, or drainage improvements (including acquisition, construction, or improvements of water, wastewater or drainage improvements);</li><li>• Street and sidewalk improvements (acquiring, constructing, improving, widening, narrowing, closing or rerouting sidewalks, streets or any other roadways or their rights-of-way);</li><li>• Mass transit improvements (acquisition, construction, improvement or rerouting of mass transportation facilities);</li><li>• Parking improvements (acquisition, construction or improvement of off-street parking facilities);</li><li>• Library improvements (acquisition, construction or improvement of libraries);</li><li>• Park, recreation and cultural improvements (the establishment or improvement of parks);</li><li>• Landscaping and other aesthetic improvements (erection of fountains, distinctive lighting and signs);</li><li>• Art installation (acquisition and installation of pieces of art);</li><li>• Creation of pedestrian malls (construction or improvement of pedestrian malls);</li><li>• Similar improvements (projects similar to those listed above);</li></ul><br><ul style="list-style-type: none"><li>• Supplemental safety services for the improvement of the district, including public safety and security services; or</li><li>• Supplemental business-related services for the improvement of the district, including advertising and business recruitment and development.</li></ul> <p>According to the City of Houston's own publications, it sees PIDs as a means of providing primarily "landscaping, parking, enhanced security, and economic development marketing."</p> | <b>LOCAL</b> | <p>All transit corridors should be covered by a PID either a newly established one, or through an expansion to an existing one. Where PIDs are designated in Stable Areas, the primary responsibility of the PID should be to fund pedestrian realm enhancements. The City is currently exploring the division of PIDs into 3 categories. E-PID for Enhancement Projects is the only PID applicable for existing Stable Areas.</p> |



| TOOL                                     | DESCRIPTION   | Jurisdiction                   | Potential Application for Implementing Transit Oriented Development   |
|--|---|--------------------------------|---|
| SECONDARY TOOLS                          |   |                                |   |
| Adopt-an-Esplanade Program               | Adopt-An-Esplanade is a program designed to bring Houston neighborhoods together in committed, collaborative partnerships to improve and maintain city esplanades. Houston Parks and Recreation Department administers the program and Keep Houston Beautiful provides volunteer coordination, community education, training, planning assistance, and loans tools and equipment for beautification and cleanup projects. Participants include civic groups, garden clubs, business owners, city and state agencies and corporate sponsors.   | LOCAL                          | If the area that accommodates the transit facility includes substantial landscape treatments, then the Adopt-An-Esplanade program could be utilized to assist in the ongoing maintenance of the landscaped area. This program would seem appropriate for areas where a Municipal Management District has not yet been implemented or where the local community has expressed a desire to become involved in the ongoing beautification of their neighborhood.   |
| Adopt-A-Monument                         | To give citizens and civic, professional, and business groups the opportunity to participate in the preservation of our cultural heritage in public art, we developed Houston's Adopt-A-Monument Program in 1996. A sponsor, whether an organization or an individual, may support the Houston Adopt-A-Monument Program in one of two methods: 1) Adopt artwork by contractually agreeing to underwrite conservation and or maintenance of a specific artwork; 2) Contribute to the Adopt-A-Monument Program general fund for unadopted artworks.   | LOCAL                          | If the area that accommodates the transit facility, or the transit station itself includes a monument or a component of public art, then the Adopt-A-Monument program could be utilized to assist in the ongoing maintenance of the monument/public art piece. This program would seem appropriate for areas where a Municipal Management District has not yet been implemented or where the local community has expressed a desire to become involved in the ongoing beautification of their neighborhood. |
| Location Efficient Mortgage              | <p>The Location Efficient Mortgage provides assistance to homebuyers purchasing homes in location efficient neighborhoods. Location efficient neighborhoods are communities that are pedestrian oriented, providing residents with convenient walkable access from their homes to stores, schools, recreation, jobs and public transportation. The theory behind Location Efficient Mortgages is that people that live in these communities save money because they drive less and therefore have more discretionary income to purchase a home.</p> <p>Location Efficient Mortgage provide low down payment requirements; competitive interest rates; flexible eligibility criteria; no income requirements or limits; flexible credit qualifications; 15 to 30-year term, fixed rate mortgages for houses or condominiums.</p> | NON-PROFIT / FEDERAL / PRIVATE | Although not currently available in Houston, the City could explore opportunities with private lenders, the Institute for Location Efficiency and Fannie Mae to designate areas along the Corridors as Location Efficient and provide more favorable lending terms to homebuyers purchasing in those areas.   |
| Community Development Corporations (CDC) | Introduced under the Federal Model Cities program in the 1960s, CDCs are important grass roots organizations focused on neighborhood revitalization efforts. Most CDCs have a limited mandate, focusing on a single issue such as affordable housing development or specialized social services. While challenging to implement, arguments have been made that CDCs would be more effective in solving community problems if they used a more comprehensive approach that addressed a range of relevant community issues (including housing, economic development, human development and capital neighbourhood improvements).   | NON-PROFIT                     | Community groups should establish Community Development Corporations to address broader community development needs and to facilitate revitalization efforts. Community Development Corporations can play an important role in influencing development decisions and ensuring that stable residential areas are protected and enhanced.   |

| TOOL                                   | DESCRIPTION  | Jurisdiction | Potential Application for Implementing Transit Oriented Development  |
|--|--|--------------|--|
| Historic Preservation                  |  |              |  |
| Historic Preservation Tax Credit (20%) | <p><b>Originating/Administering Agency</b> – The Federal historic preservation tax incentives program (the 20% credit) is jointly administered by the U.S. Department of the Interior and the Department of the Treasury. The National Park Service (NPS) acts on behalf of the Secretary of the Interior, in partnership with the Texas Historical Commission. The Internal Revenue Service (IRS) acts on behalf of the Secretary of the Treasury.</p> <p><b>Eligible Recipients</b> – The 20% rehabilitation tax credit applies to any project that the Secretary of the Interior designates a <i>certified rehabilitation</i> of a <i>certified historic structure</i> . The 20% credit is available for properties rehabilitated for commercial, industrial, agricultural, or rental residential purposes, but it is not available for properties used exclusively as the owner's private residence.</p> <p>A certified historic structure is a building that is listed individually in the National Register of Historic Places -OR- a building that is located in a <i>registered historic district</i> and certified by the National Park Service as contributing to the historic significance of that district.</p> <p>A <i>certified rehabilitation</i> is a rehabilitation of a <i>certified historic structure</i> that is approved by the NPS as being consistent with the historic character of the property and, where applicable, the district in which it is located. The NPS assumes that some alteration of the historic building will occur to provide for an efficient use. However, the project must not damage, destroy, or cover materials or features, whether interior or exterior, that help define the building's historic character.</p> <p>To be eligible for the 20% rehabilitation tax credit, a project must also meet certain basic tax requirements of the Internal Revenue Code</p> <p><b>Nature of Assistance</b> – The 20% rehabilitation tax credit equals 20% of the amount spent in a <i>certified rehabilitation</i> of a <i>certified historic structure</i> . A tax credit lowers the amount of tax owed. In general, a dollar of tax credit reduces the amount of income tax owed by one dollar.</p> | FEDERAL      | Where applicable along the Transit Corridors, The Historic Preservation Tax Credit should continue to be used as it is now for cultural preservation purposes. |

| TOOL   | DESCRIPTION  | Jurisdiction | Potential Application for Implementing Transit Oriented Development   |
|--|--|--------------|---|
| <b>Tax Exemptions for Historic Buildings</b> | <p>The city may grant a tax exemption to qualified property owners who improve designated historic properties. Historic Site Tax Exemptions are processed through the City's Finance and Administration Department.</p> <p>Before an application is submitted for consideration, the historic site must receive historic site designation from City Council. At any time following the designation of the historic site, the owner must perform restoration or preservation of the historic site to encourage its preservation. The work performed must be at a cost of at least 50% of the assessed value of the historic structure or improvements.</p> <p>Only expenditures made for work performed following the designation of the property by City Council may be applied. The percentage of the exemption (50% or 100% of the initial year improvement value) is dependent on the amount of qualified restoration or preservation expenditures.</p> <p>The tax exemption's duration of 10 to 15 years is dependent upon receipt of any financial incentive from the city funded by municipal hotel occupancy taxes. An exemption shall be effective as of January 1 st of the year following demonstration of completion of the restoration or preservation work and demonstration of the making of the qualifying expenditures. There is a limitation on the transferability of the tax exemption.</p> | <b>LOCAL</b> | Where applicable along the Transit Corridors, Tax Exemptions for Historic Buildings should continue to be used as it is now for cultural preservation purposes. |

| TOOL                                 | DESCRIPTION   | Jurisdiction | Potential Application for Implementing Transit Oriented Development   |
|--------------------------------------|---|--------------|---|
| Texas Preservation Trust Fund (TPTF) | <p><b>Originating/Administering Agency</b> – The Texas Historical Commission (THC) awards grants for preservation projects from the Texas Preservation Trust Fund (TPTF), which was created by the legislature in 1989.</p> <p><b>Eligible Recipients</b> – Public and private owners of eligible projects may be recipients of TPTF grants. Project types eligible for grant assistance include:</p> <ul style="list-style-type: none"><li>• Archeological sites and curatorial facilities</li><li>• Commercial buildings</li><li>• Public buildings such as schools, city halls, libraries, and museums</li><li>• Unique historic structures such as bridges, water towers, lighthouses, and ships</li></ul> <p>• Monies for training individuals and organizations about historic resources and preservation techniques</p> <p><b>Nature of Assistance</b> – The TPTF is an interest-earning pool of public and private monies. The earned interest and designated gifts are distributed yearly as matching grants to public and private owners of eligible projects. The TPTF grants pay up to one-half of total project costs to help preserve Texas' cultural resources. Grant funds are awarded for acquisition, development, planning, and education.</p> | STATE        | Where applicable along the Transit Corridors, the Texas Preservation Trust Fund should continue to be used as it is now for cultural preservation purposes. |

## A.3

# Glossary of Terms

**Abutting** – Two or more parcels sharing a common boundary of at least one point.

**Angular Plane** – An imaginary plane at a specified height and angle, which establishes a series of height and setback restrictions on a building or structure. Angular planes are often established across the upper portion of a building envelope in order to ensure that structures step back above a particular height.

**As-of-right** – Describes something that has already been established as being permitted within the ordinance and therefore does not require an amendment.

**At Grade** – Refers to the portion of building located at the primary ground level and accessible to a public right-of-way such as a street. Typically this is the ground level or first story of a building.

**Block** – All land fronting on one side of a street, between the nearest cross streets. This includes intersecting, meeting or crossing the aforesaid street.

**Building Envelope** – Generally used in an ordinance or design guidelines to illustrate the permitted physical extents of a building in three dimensions (width, height and depth). A building envelope is used when there are above grade setbacks and angular planes that apply to the property.

**Building Footprint** – The area on a property occupied by a building.

**Build-within Zone** – A defined zone established to regulate the location of front and exterior side façade used to ensure a consistent street wall.

**Design Guidelines** – Design Guidelines are discretionary standards to guide land development to achieve a desired level of quality for the physical environment, including buildings and the pedestrian realm.

**Development Opportunity Areas** – Those areas, as determined through the Urban Corridor Planning consultation process, most likely to experience redevelopment activity as a result of the planned transit facilities and most suitable for Transit Oriented Development (see Stable Areas).

**Easement** – A negotiated interest in the land of another, which allows the easement holder specified uses or rights without actual ownership of the land.

**Encroachment** – A physical structure or partial structure that advances beyond established property boundaries into abutting properties.

**Exterior side wall** – The exterior wall of a building or structure abutting a right-of-way or open space.

**Façade** – The exterior wall of a building exposed to public view (i.e. a wall viewed by persons not within the building).

**Floor Area Ratio** – A common measurement of development density. The Floor Area Ratio (FAR) is calculated by dividing the total building square footage (building area) by the site size square footage (site area).

**Frontage** – The minimum straight line distance between the intersection of the side lot lines and the front lot line.

**Gross Floor Area** – The number of square feet of total floor area bounded by the exterior faces.

**Infill** – Development within built up areas, usually on a vacant plot of land or parking lot.

**Net Developable Site Area** – The portion of a parcel or site that is remaining after requirements for minimum setbacks, yards, urban squares, easements and rights-of-way.

**New Development** - Refers to both the redevelopment of existing properties, or the construction of new buildings or structures on previously undeveloped properties.

**Parcel/Lot Line (Front, Exterior, Rear)** – The legal boundary of a parcel or lot of land.

**Pedestrian Realm** – The area from the back-of-curb to the face of the adjacent building.

**Main Front Wall** – The front exterior wall of a building or structure.

**Mandatory Requirements** – Those provisions that must be applied consistently to all new development in order to achieve the fundamental development objectives and standards.

**Performance Benefits** – A reduction or dispensation of otherwise mandatory requirements available to developers who achieve or utilize defined Performance Standards.

**Performance Standards** – Incentive-based discretionary standards designed to encourage development that meets established development objectives. Achievement of Performance Standards results in the reduction or dispensation of otherwise mandatory requirements (see Performance Benefits).

**Redevelopment** – The removal of buildings or structures from land and the construction or erection of other buildings or structures therein, or when the existing gross floor area of a parcel is increased by 25% or more through the construction of additions to existing buildings.

**Right-of-way** – Defines the publicly accessible areas of a street, including both the roadway and sidewalks.

**Setback** – The horizontal distance measured at right angles to the boundary of the parcel, lot or block of land, between the main wall of the building and the main boundary.

**Stable Areas** – Comprised of stable residential neighborhoods, parks and large-scale institutional uses that, as identified through the Urban Corridor Planning consultation process, should be protected from and enhanced by adjacent redevelopment activity in Development Opportunity Areas (see Development Opportunity Areas).

**Stepback** – A design plan that recesses from the front line of a structure the front of the rise of the upper stories of the same structure in a step-like manner.

**Street Wall** – The continuous wall along a street edge created by the consistent frontage of buildings to a setback line. Defining a consistent height to the street wall can also reinforce this continuity.

**Transit Station** – Existing or planned platforms spaced at regular intervals where passengers board or disembark from the transit system.

**Transit Street** – A street along which the transit line currently exists, or is planned to be located.

**Underutilized** – A property or space that is not being used to its fullest physical, economic or social potential.

**Variances** – Changes to the Implementing Ordinance, as subject to the City of Houston's approvals process for variances. Variances shall be approved by the City only where they meet the following three tests to the satisfaction of the City:

1. The variance is considered minor in nature.
2. The variance does not result in the achievement of a performance benefit, without achieving the basic density and urban design requirements of the Implementing Ordinance.
3. The variance assists in achieving new development that is appropriate for its context and does not create any undue adverse impact on adjacent development.