

HISTORIC THIRD WARD

STRATEGIC IMPLEMENTATION FRAMEWORK

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“Shotgun, Third Ward #1”, John Biggers

Foreword

It is important to agree upon a key indicator that measures when a neighborhood is at risk to the forces of gentrification and can serve as a “trigger” for investment of resources designed to prevent or mitigate displacement. Economist Daniel Hartley’s key indicator states:

“A neighborhood is gentrifying if it is located in the central city of a metropolitan area and it goes from being in the bottom half of the distribution of home prices in the metropolitan area to the top half.”

“Seven Policies that Could Prevent Roxbury’s Gentrification” – by Nuestra Comunidad Development Corporation

The Strategic Implementation Framework (“Framework”) for Historic Third Ward was informed by a variety of community-based planning efforts including the work of APD Urban Planning and Management, LLC (APD-U), and recent studies and articles on the topic of equitable community redevelopment. A community stabilization and revitalization agenda has been informed by the work of a variety of stakeholder planning processes including Greater South East Management District, Midtown Redevelopment Authority, Northern Third Ward Neighborhood Planning Project and the City of Houston’s Complete Communities initiative. All of the aforementioned stakeholder planning processes share a goal of limiting or mitigating gentrification in Historic Third Ward. These initiatives are poised to make a major difference in the Historic Third Ward, but more resources and collaboration will be needed to fully address the neighborhood’s affordable housing shortage.

The Framework will be used to inform the City of Houston’s neighborhood revitalization efforts occurring within Historic Third Ward. Ideally this Framework will be used to inform the Historic Third Ward’s revitalization efforts, in part, funded by Community Development Block Grants (CDBG), CDBG-DR (Disaster Relief), philanthropic funds, and other private sector funding sources. The recommendations set forth in this work product can also be used to supplement recommendations found in the Complete Communities initiatives, the Northern Third Ward Neighborhood Planning Project, Houston Southeast Community Plan, the Midtown Affordable Housing Plan and the Walkable Places initiative. It is the intent of the Framework to be used to inform a wide range of coordinated policy and program decision making at both the neighborhood level, and where redevelopment projects are implemented through non-profit and for-profit developers supported by both private and public funding.

Framework Guide Map

The Guide Map provides a summary of the Strategic Implementation Framework and provides details for each section.



How to Use

This Framework functions both as a **RESOURCE TOOLKIT** and as a **RECOMMENDATIONS** guide for public officials, funders, developers, non-profit organizations, stakeholders, and residents. A digital version of this document with **DISCOVER MORE** interactive links is available.

Background *pg. 6*

The culmination of a variety of research and strategic activities taken on by stakeholders, community members, and APD-U.

RESOURCE TOOLKIT



1. Vision and Goals *pg. 7*

Three previous vision statements were combined and reconfigured resulting in a new vision statement and goals.



2. Existing Plans *pg. 8*

Relevant plans were reviewed, summarized, and incorporated into the framework's final recommendations.



3. Partners *pg. 10*

Partners with a history or interest in working in Historic Third Ward are displayed graphically.



4. Resources *pg. 11*

Funding, regulatory, and capacity-related resources are listed and summarized, with links available for more information.



6. Housing Conditions *pg. 14*

Housing-related demographic data as well as ownership and tenure maps are provided.



7. Property Conditions *pg. 16*

Property and tenure maps detail which neighborhood areas presently suffer from condition challenges.



5. Proposed & New Projects *pg. 12*

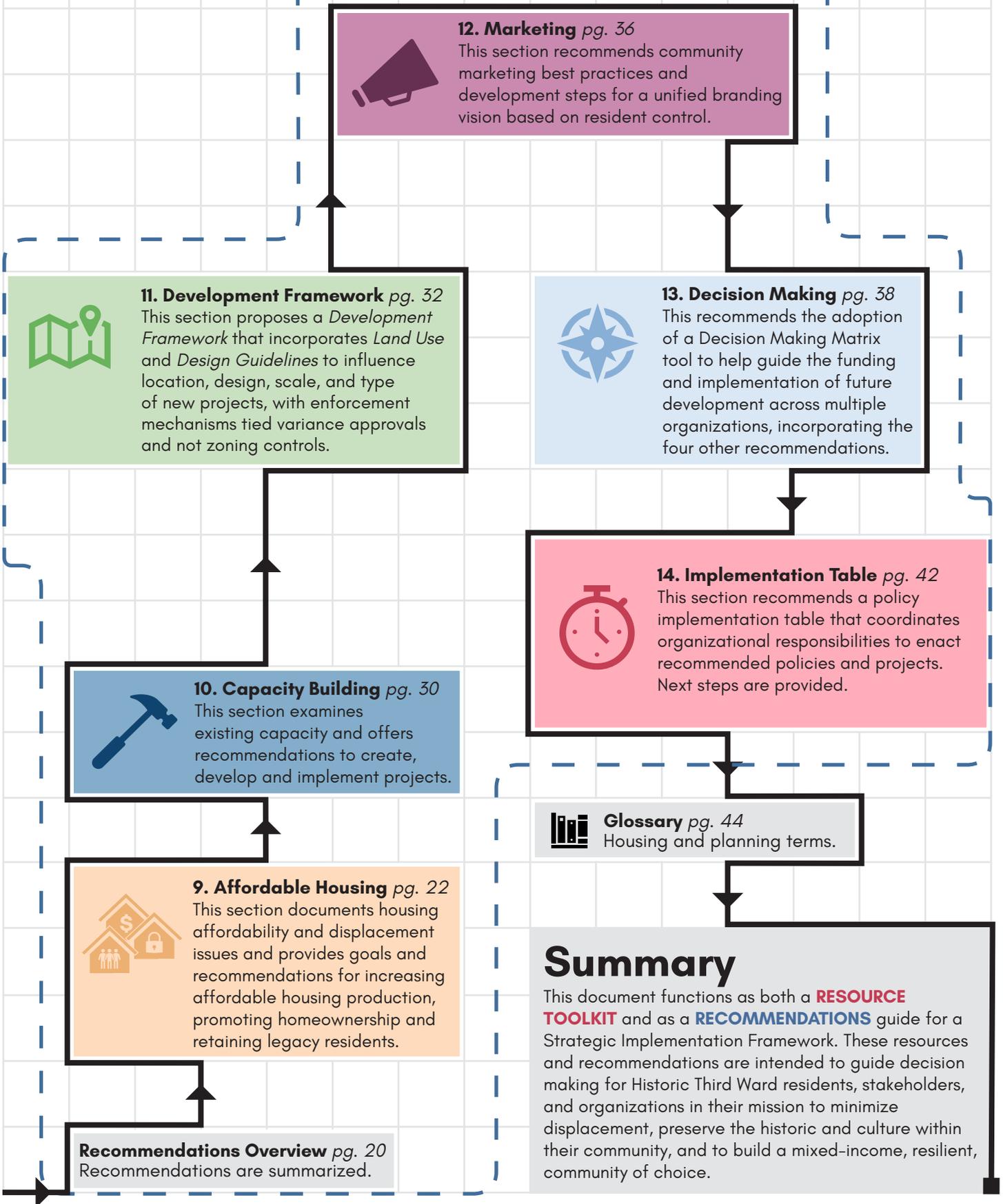
Proposed and new projects are listed with details, along with a corresponding map showing each project's location.



8. Market Conditions *pg. 18*

Statistics on the local market and maps of recent sales and properties values are provided.

RECOMMENDATIONS



Background

For most Houstonians, Historic Northern Third Ward is known as a predominantly African American community with a rich history and cultural legacy. Recent market rate housing development, ongoing demolitions, years of disinvestment, and displacement of long term residents have triggered concerns of gentrification and the displacement of the neighborhood's people, history, and culture. Local community organizations, led by Project Row Houses, formed the Emancipation Economic Development Council (EEDC) to address these issues.

Eventually, the EEDC and Project Row Houses partnered with the Kinder Foundation and the Houston Endowment to form the Emancipation Community Development Partnership (ECDP). The Strategic Implementation Framework is the final product of the ECDP's work to build organizational consensus around the implementation of strategies to address gentrification, reduce displacement, and to create resilient, equitable communities of choice. In order to achieve these initial goals, this Framework is intended to:

- Provide a roadmap for stabilization and redevelopment in Historic Third Ward,
- Create an established process for implementation through shared vision, and
- Direct strategic use of public and private funding.

The Framework's intended audiences and boundaries are discussed below.

Framework Audience

This document is intended to be used by a variety of audiences, with each audience receiving a different value from the use of the Framework. The four audiences and their uses are described below.

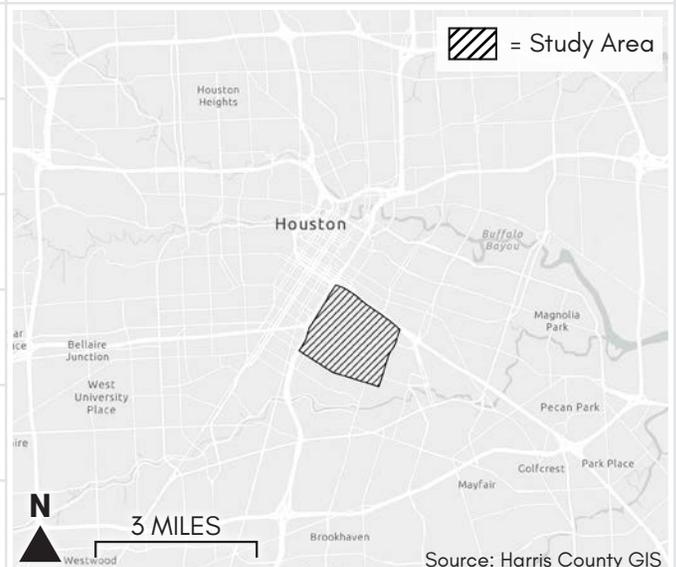
- 1 Historic Third Ward Residents**
Residents can educate themselves on ongoing community development efforts, neighborhood conditions, and future planned policy.
- 2 Community Developers and Non-Profits**
Use the Resource Toolkit to build capacity and reference the Recommendations to match the expectations of potential funders.
- 3 Private/Public Funders and Investors**
Research, identify, and vet potential funding opportunities and policy recommendations utilizing a decision making criteria toolkit.
- 4 Public Officials**
Decisions about allocation of affordable housing public funds and public policy in Historic Third Ward can be informed by the Framework.

Framework Boundaries

The Historic Third Ward is located immediately southeast of Houston's core Downtown and Midtown districts. The Historic Third Ward is separated from more prosperous areas to the North and West by grade-separated Interstates 45 and 69. The Study Area follows four boundaries:

- Northern boundary: Interstate 45
- Eastern boundary: Cullen Boulevard
- Southern boundary: Blodgett Street
- Western boundary: Interstate 69

Both a neighborhood and city-scale map are shown below.



Vision and Goals

Framework Vision

The Framework's Vision Statement is a declaration of a community's objectives and is intended to guide the decision-making for future projects. The Historic Third Ward's Vision Statement is the synthesized result taken from previously completed plans: *The Northern Third Ward Planning Project*, *Emancipation Avenue Main Street Program*, and *The Third Ward Complete Communities Action Plan*. Additional input was received from the EEDC Advisory Committee, serving as the ECDP Framework Committee. The Vision Statement, shown below, establishes a general list of priorities that can be used by local residents, stakeholders, and organizations to achieve their goals.

“ Historic Third Ward will be a **thriving and prosperous community** that celebrates and preserves the **history, culture and the people** through engagement of residents and stakeholders to create innovative and sustainable **economic development opportunities**, develop **price appropriate housing**, establish a **world class health and educational system**, and share culturally enriching activities with **minimal displacement** of existing residents. ”

- Historic Third Ward Vision Statement



Framework Goals

The Framework Goals provide a specific set of objectives and are split between Action Goals and Values Goals. Like the Vision, these Goals were produced from stakeholder feedback in accordance with the objectives found in the Historic Third Ward's previously completed planning documents. Action Goals describe the coordination and implementation-oriented outcomes that the Framework hopes to stimulate, while Value Goals describe the Framework's embedded value objectives that are derived from the community's desired vision for itself.

The **Action Goals** specify what the Framework's functional outcomes serve to accomplish.

- 1** Create overarching **vision** for the Historic Third Ward
- 2** Provide **implementation** approaches for planned development
- 3** Set **expectations** for future action in the community

The Framework's **Value Goals** highlight what objectives are most important.

- 1** Guidance to stabilize community in the face of **gentrification**
- 2** Direction to minimize **displacement** of heritage and community



Existing Planning Documents

 **DISCOVER MORE**

A list of previous housing or housing-related plans and studies that affect the Historic Third Ward area are shown below (Figure 1) on a timeline with brief descriptions, with more detail provided in Table 1.

Click on a plan's title to download an online copy

Figure 1: Existing Plans Timeline and Descriptions



	Year of Study	Existing Conditions								Opportunities/Recommendations					Implementation							
		Demographics	Housing	Commercial	Education	Safety	Public Services	Transportation	Environmental	Housing	Historic Preservation	Commercial	Economic Dev.	Public/Open Space	Safety	Urban Design	Catalytic Projects	Community Assets	Metrics	Schedule	Budget	Outreach
Housing Related Plans and Studies																						
Third Ward Urban Redevelopment Plan	2005																					
MIT CoLab Recommendations for Democratic...	2015																					
Emancipation Park Neighborhood Strategies for...	2016																					
Northern Third Ward Neighborhood Planning Project	2017																					
Old Spanish Trail/Almeda (TIRZ 7) Fiscal Year 2017...	2017																					
The Joint Infrastructure Development Plan	2017																					
Houston Bike Plan	2017																					
Houston Southeast Community Plan	2017																					
Midtown Affordable Housing Plan	2017																					
ECDP Program and Policy Landscape Report	2017																					
Complete Communities Action Plan	2018																					
Third Ward Mobility Assessment	2018																					

Table 1: Existing Plans Description Matrix

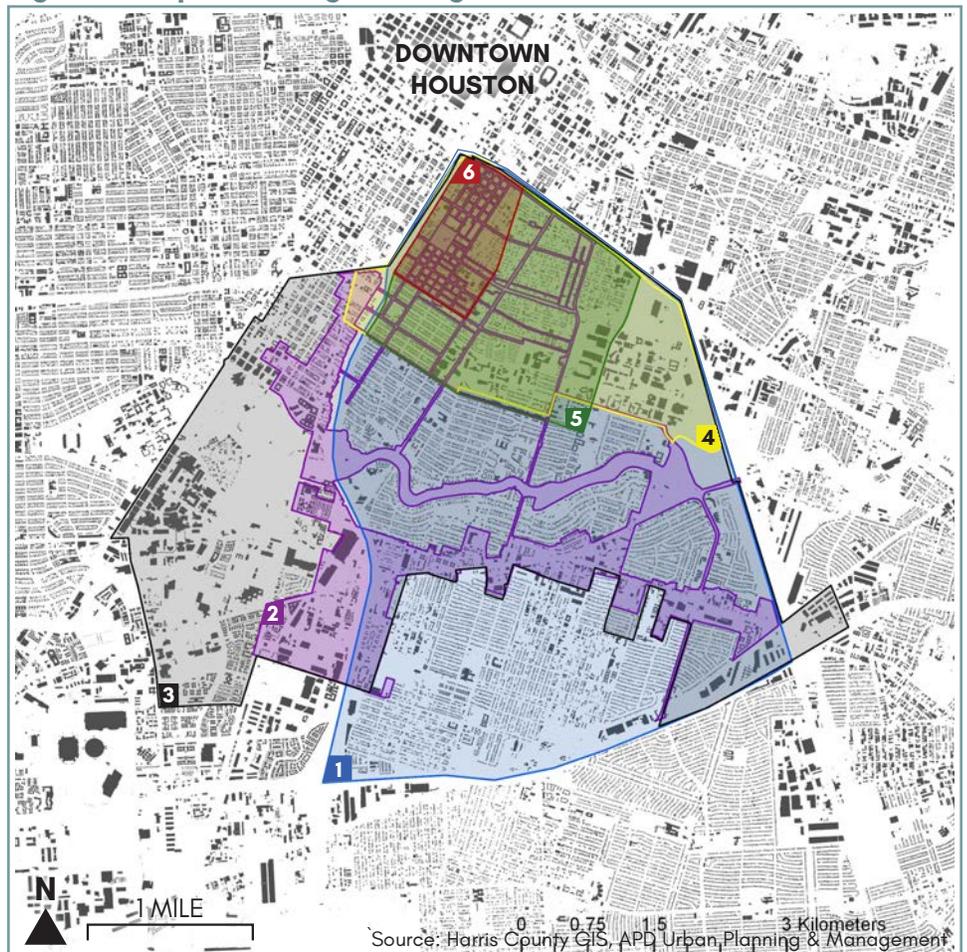
Location of Plans

The map to the right shows the boundaries, where available, of the existing planning documents. Several plans share the same boundaries. In particular, Northern Third Ward Neighborhood Planning Project, highlighted in green, shares the same boundaries as the Strategic Implementation Framework.

Legend

- 1** Midtown Affordable Housing Plan
- 2** Old Spanish Trail
- 3** Joint Infrastructure Development Plan
- 3** Complete Communities Action Plan
- 4** Third Ward Urban Redevelopment Plan
- 5** Northern Third Ward Neighborhood...
- 5** Third Ward Urban Redevelopment Plan
- 6** ECDP Program and Policy Landscape....
- 6** MIT CoLab Recommendations for...

Figure 2: Map of Existing Planning Documents



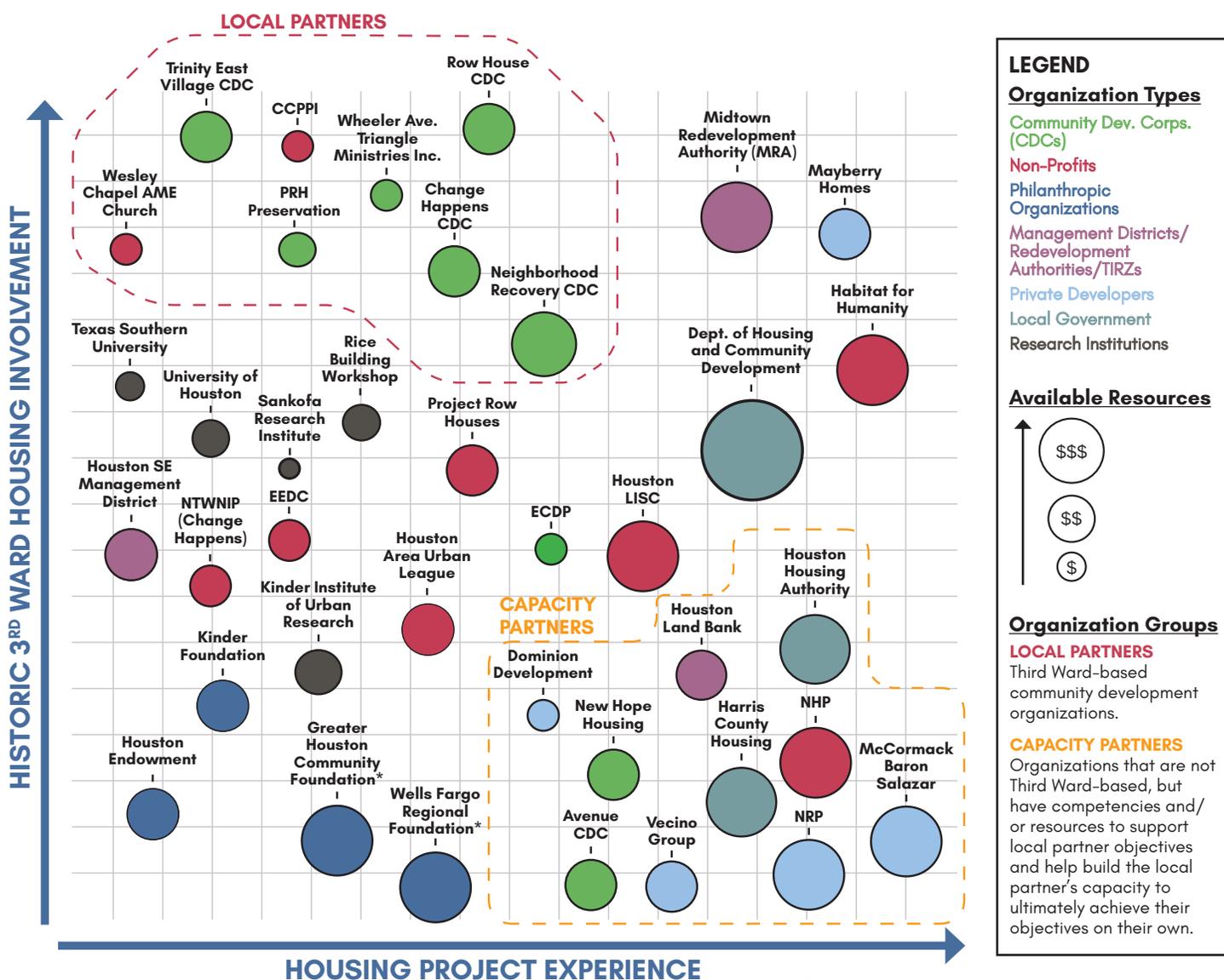


Organizations in the Historic Third Ward housing network are shown below, categorized by four different subjective attributes:

1. Organization Type: defined by the color of the organization "bubble",
2. Availability of Resources: a subjective value associated with available and/or leverageable resources,
3. Involvement in Historic Third Ward Housing Issues: a subjective value that increases along the vertical axis, and
4. Experience in Housing Production and/or Management: a subjective value that increases along the horizontal axis.

This chart is intended to illustrate a description of existing organizational resources, a contact list for affordable housing network development, and organization partnering opportunities. **LOCAL DEVELOPMENT PARTNERS** and **CAPACITY PARTNERS** have been grouped to illustrate their relative relationship to each other in a given group. The goal is to highlight partnership opportunities between the Local Partner organizations and Capacity Partner organizations. Partnerships may be formed that complement each other's strengths, resources and opportunities.

This chart may be used as a tool to reflect on an organization's relative position and characteristics to support the production of affordable housing in Historic Third Ward. Further, it may also be used to facilitate an understanding of the dynamic relationships within and between organizations. It should be considered as a tool to facilitate a deeper understanding of one aspect of the local affordable housing production network.



*Disaster relief-related

Figure 3: Organizational Partners



Resources

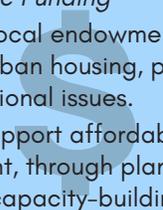
Local housing developers or other organizations seeking to invest in the Historic Third Ward have a number of resources available to aid in their endeavors. These resources are listed below, along with a short description and links to additional information where available.

Local Philanthropy

Philanthropic Funding

Summary: Local endowments targeting urban housing, planning, and recreational issues.

Goals: To support affordable housing development, through planning, advocacy, capacity-building, preservation or new construction.

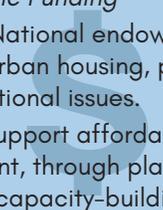


National Philanthropy

Philanthropic Funding

Summary: National endowments targeting urban housing, planning, and recreational issues.

Goals: To support affordable housing development, through planning, advocacy, capacity-building, preservation or new construction.



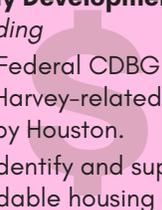
Department of Housing and Community Development

Public Funding

Summary: Federal CDBG and Hurricane Harvey-related funds managed by Houston.

Goals: To identify and support new local affordable housing developers.

[Click Here to Learn More](#)



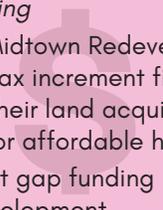
Land and Capital Plan TIRZ

Public Funding

Summary: Midtown Redevelopment Authority's tax increment financing that funds their land acquisitions and plans for affordable housing.

Goals: Inject gap funding into local housing development.

[Click Here to Learn More](#)



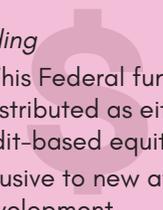
Low Income Housing Tax Credit (LIHTC)

Public Funding

Summary: This Federal funding source is distributed as either 4% or 9% tax credit-based equity.

Goals: Exclusive to new affordable housing development.

[Click Here to Learn More](#)



Opportunity Zone Equity

Private Funding

Summary: This newly created private funding source consists of equity with a reduction in capital gains taxes.

Goals: Used to both preserve and develop affordable housing.

[Click Here to Learn More](#)

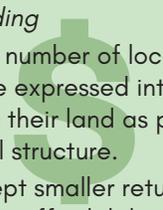


Private Landholder Contributions

Private Funding

Summary: A number of local land holders have expressed interest in contributing their land as part of a partner deal structure.

Goals: Accept smaller returns in exchange for affordability.



Community Reinvestment Act Funding

Private Funding

Summary: A variety of programs from major corporate financial banks focused on community development.

Goals: To improve local quality of life.

[Click Here to Learn More](#)

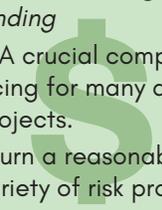


Private Debt Financing

Private Funding

Summary: A crucial component of gap financing for many affordable housing projects.

Goals: Return a reasonable profit under a variety of risk profiles.

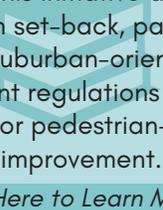


CoH Walkable Places

Proposed Regulatory Relief

Summary: This initiative allows a reduction in set-back, parking, and other suburban-oriented development regulations in exchange for pedestrian-friendly site design improvement.

[Click Here to Learn More](#)



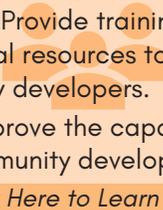
CoH Department of Housing and Community Development

Capacity Building

Summary: Provide training and operational resources to local community developers.

Goals: Improve the capacity of local community developers.

[Click Here to Learn More](#)



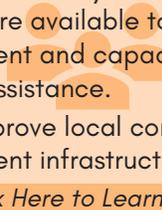
Local Partners

Capacity Building

Summary: A variety of local partners are available to provide development and capacity building assistance.

Goals: Improve local community development infrastructure.

[Click Here to Learn More](#)





Proposed and New Projects

The table below and Table 34 show a list of proposed and new projects in Historic Third Ward. Considering the large number of proposed projects, it will be important for all partners moving forward to ensure that they:

- Leverage limited funding sources and coordinate phasing of projects using similar funding sources
- Coordinate with upcoming infrastructure projects - especially those that will create more walkable streets surrounding new projects.
- Work to ensure that contiguous projects are appropriate in scale and massing.
- Negotiate where larger projects include each other's properties.

#	Project Name	Project Type	Developer/ Organization	Project Program	Project Phase
1	Emancipation Center	Mixed Use	CCPPI/Midtown	Mixed-use, Garage, and 20 Affordable Housing Units	Construction
2	Emancipation East and West	Mixed-Use	CCPPI/Midtown	Commercial, and 200 Apartments	Planning
3	RH CDC Francis Project	Mixed Use	RH CDC	22 Residential Units, and up to 8 Commercial Units	Planning
4	Riverside Hospital Redevelopment	Healthcare	Harris County	Healthcare Facility	Planning
5	Townhouse Complex	Residential	HOU Homes Inc	31 Townhouses	Completed
6	Webster Block	Residential	PRH Preservation	5 -10 New Houses and Common Area, and 21 Units Renovation	Construction
7	Tuam Terrace Apartments	Residential	RH CDC	24 Multifamily Units	Planning
8	Bobbie Todd House	Residential	Wheeler Avenue Triangle Ministries/Vecino	105 Multifamily Units	Planning
9	Trinity East Village Phase I	Residential	TEV CDC/NHP	Approximately 100 - 200 Units	Planning
10	Change Happens	Residential	Change Happens	Unknown	Planning
11	2222 Emancipation	Commercial/Retail	Unknown	8500 sq. ft. Retail/Commercial	Construction
12	Law Harrington Center	Residential	The Montrose Center	112 Units and Health Clinic	Predevelopment
	Midtown Affordable Housing Plan	Residential	TBD/Midtown	1000+ Multifamily, Duplex, and Single-Family Units	Plan Proposal
■	Emancipation Economic Development Corridor	Economic Development	Houston Southeast	Economic Development Programs	Construction
★	Gateways/Overhead Signs	Economic Development	Houston Southeast	Gateways/Signs	Planning
--	Emancipation Avenue Street Improvements	Infrastructure	OST/Alameda Corridors Red. Authority	Street Redevelopment	Predevelopment
--	Elgin Roadway Improvements	Infrastructure	HSE/OST Alameda CRP	Street Redevelopment	Planning
--	Holman Street	Infrastructure	HSE/OST Alameda CRP	Street Redevelopment	Predevelopment
--	Ennis Street	Infrastructure	HSE/OST Alameda CRP	Street Redevelopment	Predevelopment
--	Alabama Street	Infrastructure	HSE/OST Alameda CRP	Street Redevelopment	Predevelopment
--	Live Oak	Infrastructure	HSE/OST Alameda CRP	Street Redevelopment	Predevelopment
●	Emancipation Park Circulator	Infrastructure	HSE/OST Alameda CRP	Bus Route	Planning
●	Third Ward B-Cycle Expansion	Infrastructure	HSE/OST Alameda CRP	Transportation Improvements	Planning
●	Third Ward Transit Shelter Improvement	Infrastructure	HSE/OST Alameda CRP	Transportation Improvements	Planning
●	Emancipation Park Parking Facility	Infrastructure	HSE/OST Alameda CRP	Parking	Planning
--	McGowen	Infrastructure	HSE/OST Alameda CRP	Street Redevelopment	Planning

Table 2: Proposed and New Projects

Locations of Proposed and New Projects

Figure 4 includes projects proposed from existing plans, as well as projects proposed by partners. The list and map are not meant to be all inclusive, but to demonstrate that a concerted effort must be made to ensure proper coordination between agencies.

Figure 4: Proposed and New Projects



Legend

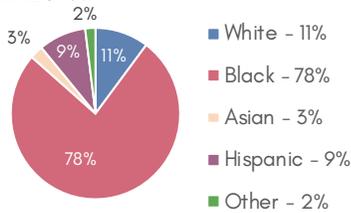
- | | | |
|--------------------------------|-------------------------------|--------------------------------|
| Gateways and Signs | Upcoming Projects | Project Row House Project Area |
| Bus and Cycle Stations | Midtown Properties | Row House CDC Project Area |
| Corridor Improvements | Economic Development Corridor | TEV Project Area |
| Dedicated On-Street Bike Trail | City Plat Submissions | Study Area Boundary |
| Shared On-Street Bike Trail | | |



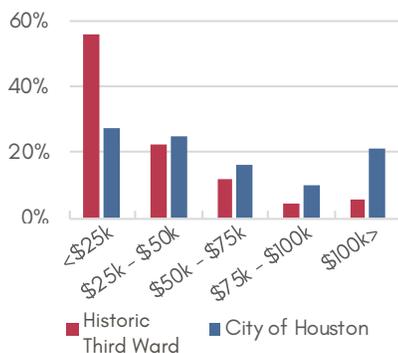
Housing Conditions

Figure 5: Population Infographics

- 1** Historic Third Ward's African American population has been stable from **77% in 2000** to **78% in 2018**.



- 2** Over **55%** of households in Historic Third Ward had incomes less than \$25,000 in 2016.



- 3** Historic Third Ward households fall into these housing markets:



- 1/4 own their home**
- 1/2 rent at market rate**
- 1/4 rent subsidized**

- 4** Historic Third Ward households live in these residential housing types:



- 45%** Single Family
- 41%** Multifamily
- 14%** Duplex/Quadplex

Residential Make-up

The Historic Third Ward's demographic make-up (Table 3) demonstrates a community with significant income challenges. Median household incomes are less than half of that of the City of Houston and 37% of households are living below the poverty line. The 27% of households currently paying more than half of their income in rent is comparable to 25% for the City of Houston, but is likely due to Historic Third Ward's high percentage of households receiving a rent subsidy (25%). It is likely that over one-third of market rate renters are paying more than half of their household income for rent. This population is extremely susceptible to shocks in their income and rising rent pressure.

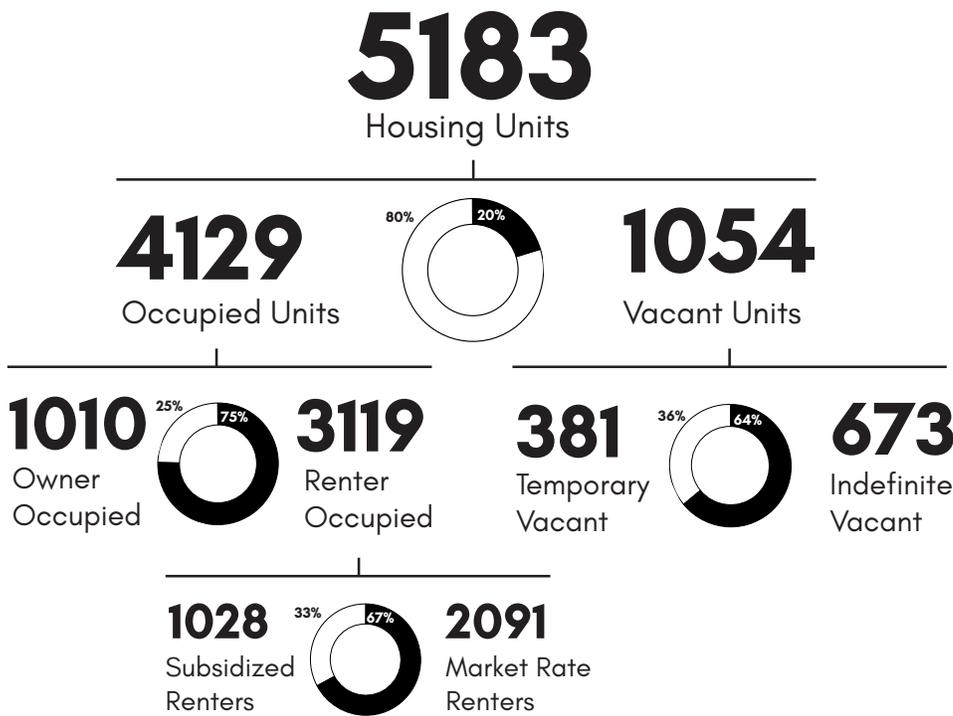
About 55% of households living in some type of non-single family type housing, with 41% living in multifamily and 14% living in a duplex or quadplex-style.

Demographic Category	Study Area	Houston
<i>Location Characteristics</i>		
Square Miles	2.2	627
Acres	1,433	401,280
<i>Population Characteristics</i>		
Total Population (2010)	8,780	2,099,256
Total Population (2016)	9,620	2,304,482
Total Households	4,129	867,915
Household Density	2.8 per acre	2.2 per acre
Median Age	32	34
Below 20 Years of Age	26.9%	27.7%
Above 65 Years of Age	13.5%	10.6%
Average Household Size	2.3	2.7
<i>Income</i>		
Median Household Income	\$23,325	\$47,493
Average Household Income	\$36,856	\$72,500
Poverty Rate	37%	21%
<i>Housing</i>		
Median Homeowner Property Value	\$155,619	\$163,700
Renters Paying more than 30% of Income in Rent	53%	50%
Renters Paying more than 50% of Income in Rent	27%	25%
Ownership Rate	25%	43.1%
Vacancy Rate	20%	12%
Indefinite Vacancy Rate	13%	3.7%
<i>Education and Employment</i>		
At least High School Diploma Attainment	82%	77.9%
At least Bachelor's Degree Attainment	25%	31.7%
Unemployment Rate	14.1%	4.1%

Source: American Community Survey, 2016-2017

Table 3: Historic Third Ward Demographics (2017)

Figure 6: Historic Third Ward Occupancy Make-up (2017)



Source: Harris County GIS, American Community Survey 2017

Occupancy Make-Up

In 2017, 4,129 of 5,183 households units in the Historic Third Ward were occupied; which equates to approximately 1,054 vacant units (20%). Vacancy is divided between “Temporary Vacant” (36%) and “Indefinite Vacant” (64%), with indefinitely vacant units being defined as abandoned properties, an important factor in blighted areas.

Approximately one-fourth of the total households units (1,028) enjoy some type of housing subsidy. Of these, an estimated 300 currently utilize the Housing Choice Voucher program, while the remaining 728 are in subsidized units. This subsidized population is largely protected from future increases in market pressure and escalating rents. Another one-fourth of the housing units are owner-occupied units, which offers another layer of protection against rising rents.

Housing Type & Location

Housing types, broken down by occupied owner or rental status and the number of units, are shown on the right. All other property types, including vacant land, a vacant structure, commercial or institutional, are noted in light gray as “Non-Residential”. The darker colored residential property indicates that these are market rate rental units with tenants more susceptible to displacement. Occupied housing units with either subsidized rental or ownership enjoy some form of protection against gentrification.

Legend

- = Subsidized Multifamily
- = Homeowner Single Family
- = Homeowner Duplex
- = Market Multifamily
- = Market Single Family
- = Market Duplex
- = Non-Residential
- = Study Area Boundary

Figure 7: Historic Third Ward Occupancy Type Map



Building Conditions

A parcel level survey was conducted in Fall 2016 to ascertain existing property conditions for each parcel in the Historic Third Ward. Approximately one-third (31% or 1,726) of the parcels contained a building or structure in good condition, concentrated primarily in the southwestern section of the Historic Third Ward. 17% (977) and 7% (373) of the structures were classified in fair and poor condition, respectively. Structures or buildings that were considered deteriorated, dilapidated and/or potential demolition candidates represent approximately 5% (265) of the total parcels in Historic Third Ward. Vacant lots account for just over one-third (34% or 1,907) of all parcels surveyed.

Key Findings

Although the summary above paints a negative perception of Historic Third Ward, the significant number of buildings in fair to poor condition, along with the number of vacant lots, represent opportunities to bring online renovated or new affordable or price-appropriate housing development projects. The data also provides a baseline by which to begin to measure housing and displacement trends.

Category	Parcels	%
Vacant Lot	1907	34%
Good	1726	31%
Fair	977	17%
Poor	373	7%
Parking Lot	198	4%
Deteriorated	185	3%
Institutional Land	88	2%
Dilapidated	59	1%
Under Construction	43	1%
Public Space	41	1%
Demolition	20	0%
Parking Garage	19	0%
Rehabilitation	14	0%
Total	5650	100%

Table 4: Property Condition Summary Table

Figure 8: Historic Third Ward Building Condition Map

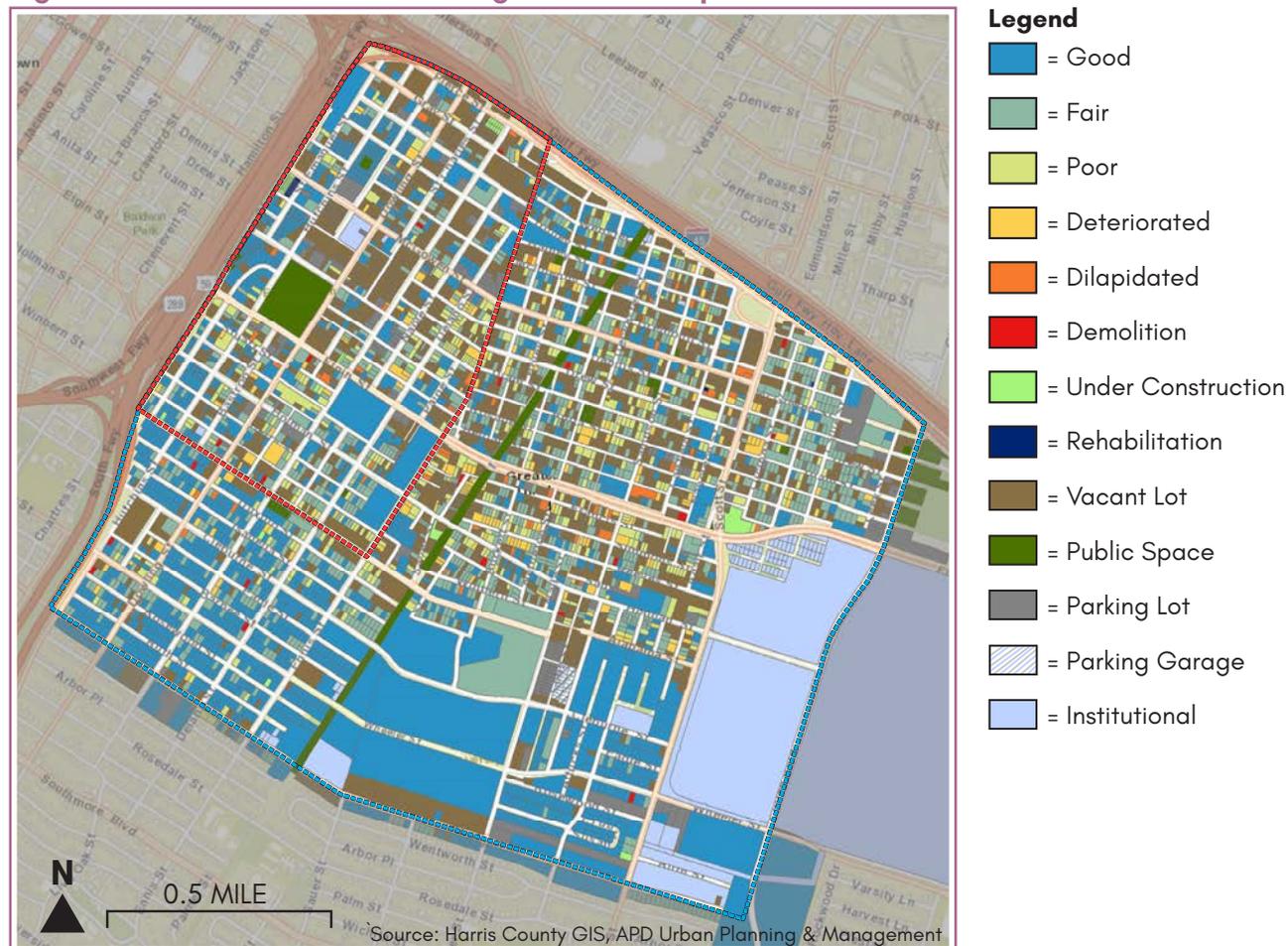
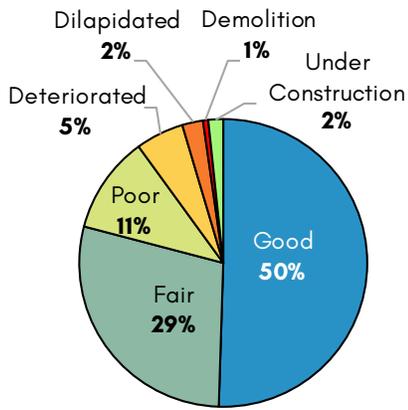
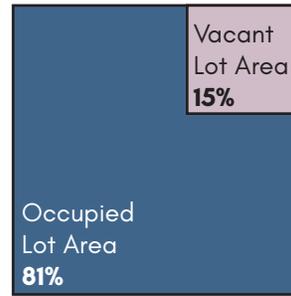


Figure 9: Property Conditions Infographic



80%
of the building stock is in either "Good" or "Fair" condition



Less than **1/6**
of Historic Third Ward's total acreage is vacant lot (228 acres)



83%
of all buildings are occupied



1/25
of Historic Third Ward buildings are in blighted condition

Property Tenure

The information represented in this section describes the building tenure on each parcel within the Historic Third Ward. A map was created to visualize the location of the properties and their corresponding tenure condition (See Figure 10).

Approximately 15% (455) of all residential parcels are vacant and 17% (85) of the non-residential structures (commercial, industrial and institutional structures) in the Historic Northern Third Ward are vacant. A significant number of vacant lots (43.4% or 2,447 lots) are distributed throughout the Historic Northern Third Ward, however only 15% of the total area, or acreage of the Historic Third Ward, consists of a vacant lot. This number increases to 23% when excluding land owned by educational institutions. This is due to the small size of the average vacant lot. Approximately 60% (773) of these cover an average area of 3,600 sq. ft.

A substantial portion of vacant land is controlled by the Midtown Redevelopment Authority, which intends to facilitate more than 1,000 affordable housing units in the study area.

Figure 10: Historic Third Ward Property Tenure Map





Market Conditions

DISCOVER MORE

Click to access 2017's *Historic Third Ward Market Analysis*

Market conditions in the Historic Third Ward speak to both the area's capacity for redevelopment and the ongoing market pressure on residential rents for vulnerable populations. Mixed with an aging housing stock, the potential for redevelopment is high for both private and affordable housing markets.

As of 2017, 31% of Historic Third Ward's 228 acres of vacant property was owned by non-profit entities, noted in Figure 11 as churches, institutions, local and state governmental organizations, CDC's, or redevelopment authorities. These organizations' commitment to providing future price appropriate housing is crucial in limiting displacement in the Historic Third Ward.

Market pressure continues to build up in western half of the neighborhood where all of the most expensive homes sales occurred over the past five years. This market pressure is likely to build and expand eastward as increasing demand for in-town housing continues to spread into the southeastern part of Houston.

Figure 12: Market Conditions Infographic



79% of housing stock is greater than **50 years of age**

227 homes were sold between 2012 and 2017

31%

of vacant property is owned by non-profit entities

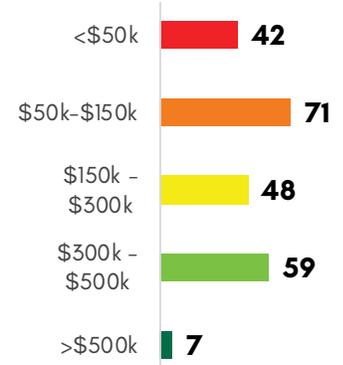
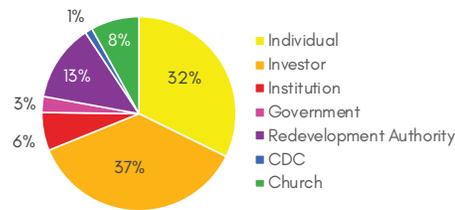


Figure 11: Distribution of Vacant Lots by Ownership (2017)



Vacant Lot Ownership

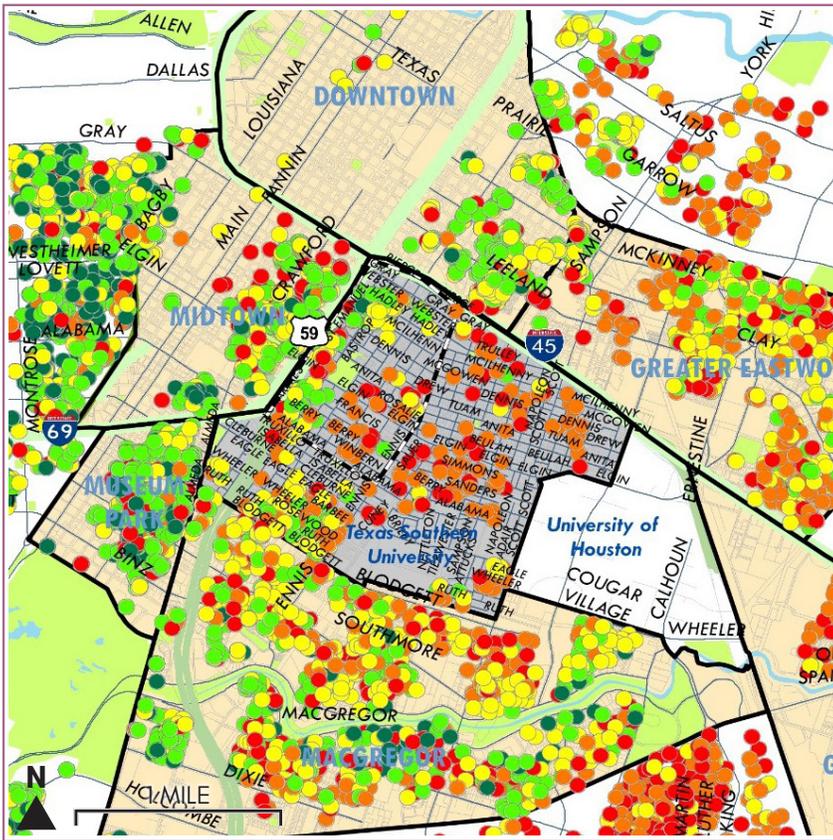
The "Investor" group, defined as owning more than 15,000 square feet or more than three parcels, own 37% of vacant land, or 84 acres. There are estimated to be 130 of these entities, with the average owning a little over 2/3 an acre. The "Individuals" group, defined as all private land owners not in the "Investor" group, own 32% of vacant land, or 74 acres. There are estimated to be 502 of these entities, with the average owning around 1/7 an acre.

The assessed value of vacant land in the Historic Third Ward ranges from \$12 to \$25/SF. Based on an average size of 7,245 SF per lot, one can estimate vacant lot prices to range between \$86,940 to \$181,125, if assessments reflect market values.

Legend

- = Church
- = CDC
- = Institutional
- = Investor
- = Government
- = Individual
- = Redevelopment Authority
- = Study Area Boundary

Figure 13: Home Sales Pricing Activity (2012 - 2017)



Source: InfoUSA, RKG Associates 2017

Home Sales Activity

Home sales were compiled for the Historic Third Ward between 2012 and 2017. The highest value home sales occurred in the northwest section of the study area, closest to Midtown. No home sales higher than \$200,000 were recorded east of Sauer Street (an area known as “The Bottoms”). This portion of Historic Third Ward has seen far less appreciation in recent years and the number of sales has been less frequent.

Legend

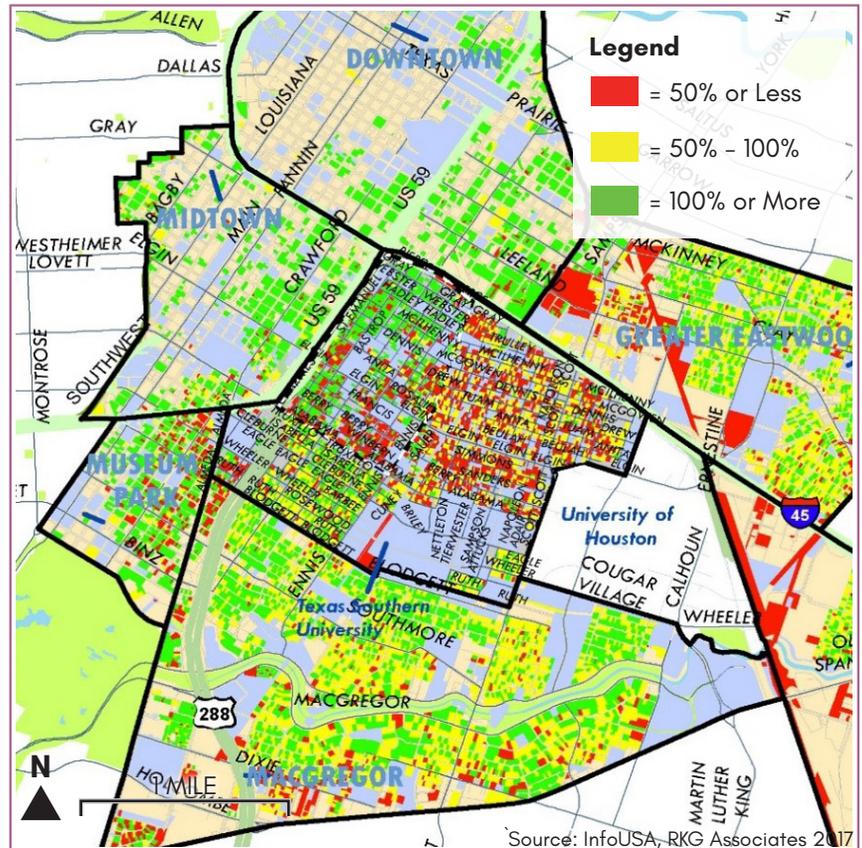
- = \$50k or Less
- = \$50k - \$150k
- = \$150k - \$300k
- = \$300k - \$500k
- = \$500k or More
- ⋮ = ECDP
- = Study Area
- = Surrounding Submarkets

Home and Land Values

Like home sales, home values reflect a significant divide between the eastern and western halves of the community. The median assessed value per square foot for Historic Third Ward is \$24.04/SF. This median neighborhood value was also compared against the surrounding submarkets, which primarily have residential properties above the median Third Ward value.

An additional data point worth considering is the relationship between the value of land and residential property in the Third Ward. Presently, 65.1% of vacant parcels are valued above 50% of the assessed median value of all residential lots, indicating that many residential properties are at risk of being demolished. A home that is valued less than the land that it sits on is likely to be torn down and replaced with a more intense, higher-valued land use, if the Harris County Appraisal District’s assessed values reflect market values.

Figure 14: Residential Inventory, % Assessed Median Value (2017)



Source: InfoUSA, RKG Associates 2017

RECOMMENDATIONS

The Framework’s recommendation sections are organized into five areas, with the first four forming the criteria for the fifth, Decision Making. These recommendations are intended to provide the Historic Third Ward a clear route to implement new development that retains the character, history, and people of the community. Recommendation summaries are included in the Implementation Table.



Source: Project Row Houses

1. AFFORDABLE HOUSING

Establishes metrics for current and future housing need, suggests production targets to meet that need, and recommends goals and related policies to achieve production.

Local Need

- 1 Current rents are pressuring rental households today
- 2 This pressure is likely to grow worse in the next 5 years
- 3 Populations threatened by displacement are identified

Goals

- 1 Reduce the housing-cost burden
- 2 Retain existing residents by minimizing displacement
- 3 Create a resilient, mixed-income community of choice

Strategies

- 1 Recommend policy actions and strategies targeted towards homeowners or renters
- 2 Strategies are centered around new construction, acquisition and rehabilitation, and blight reduction.



Source: Project Row Houses

2. CAPACITY BUILDING

Examples and recommendations for strengthening local capacity through tools and resources are provided.

- 1 *Local Development Partner* development and project capacity is examined and scored
- 2 Focus areas for improvement are summarized for organizations seeking to improve their capacity potential
- 3 Examples of available capacity building resources are provided with links and descriptions where applicable
- 4 Capacity building program recommendations are provided for funders

3. DEVELOPMENT FRAMEWORK

This section recommends the formal adoption of Land Use and Design Guidelines as part of a Development Framework to guide new development in the Historic Third Ward.

Building a Development Framework

- 1 Established vision, existing conditions, and upcoming projects were analyzed to create a guiding framework
- 2 Land Use Guidelines are created using connectivity, compatibility, and preservation concepts to guide scale, location, and types of future development
- 3 The creation of Design Guidelines is recommended to improve the design quality and consistency of new developments

Enforcing a Development Framework

- 1 Enforcement mechanisms and related processes are recommended to encourage cooperation and success
- 2 A development team and associated reference material are recommended to build community buy-in
- 3 A Development Framework review process is proposed and outlined to be incorporated into variance approval

4. MARKETING & BRANDING

A marketing and branding plan is recommended to maintain the historic culture and neighborhood fabric of Historic Third Ward.

- 1 Create positive identity for Historic Third Ward
- 2 Develop brand image for revitalization vision
- 3 Coordinate housing product and program marketing and define success through the creation of metrics
- 4 Develop pipeline of qualified homebuyers for affordable housing



Source: Project Row Houses



Source: Project Row Houses

5. DECISION MAKING

This section recommends the coordinated adoption of a Decision Making Matrix tool to facilitate the selection of projects for funding by both public and private partners.

Decision Making Matrix

- 1 Location Suitability and Project Suitability criteria form the basis for a Decision Making Matrix funding suitability score used to guide the funding of projects
- 2 A Location Suitability map scores the displacement effect of future projects using socioeconomic, environmental, and social factors
- 3 Project Suitability scores consider organizational and project-related criteria. Criteria are related to a project's affordability, organizational capacity, Development Framework compatibility, and marketing

Coordinated Adoption

- 1 Matrix scoring criteria rewards projects and developers that adopt the Framework Plan's recommendations and values
- 2 The adoption of the matrix by key public and private funding partners is crucial in tying funding to the Framework Plan's recommendations



Source: Kinder Foundation

IMPLEMENTATION TABLE SUMMARY

This table matches the previously established goals and strategies with partners for implementation over a five to ten-year period.

Goals

- 1 Organizes and prioritizes overall goals and strategies for a coordinated implementation strategy
- 2 Matches strategic implementation goals and strategies with partners
- 3 Provides metrics to evaluate goals and strategies

KEY TAKEAWAYS

- 1 A clear vision is necessary to guide successful redevelopment and mitigate displacement
- 2 A significant number of interested and active partners creates synergy
- 3 Funding decision making must be coordinated to avoid project overlap, leverage resources, and promote Framework recommendations



Affordable Housing

How to Use this Section

This section provides a general affordable housing strategy for the Historic Third Ward by first demonstrating local need and threatened populations. Production targets, costs, and acquisition strategies are recommended in the context of creating a resilient, mixed-income community of choice. An outline with goals, actions, and strategies to target this need is provided, with descriptions of recommended housing policies.

1. LOCAL NEED FOR AFFORDABLE HOUSING

A. Current Rental Pressure

Wide-scale displacement can still occur in communities without ongoing gentrification due to low income households' inability to afford the existing market rate product. Today, a large number of households in the Historic Third Ward struggle with housing costs. This situation is likely to grow worse with rising gentrification. This burden is shown below:

1 Of the 2,204 rental households making below 60% AMI, **1175 Households** are living in a market rate, unsubsidized unit¹

2 Of these 1,175 HHs, it's likely that **775 Households** are paying more than 50% of their household income in rent²

3 According to the Residential Market Analysis, this rent burden is explained by the difference of a **Gap of 815 units** priced for households below 30% AMI

B. Rent and Value Growth (2012 - 2018)

Shown below, Historic Third Ward market rate rents and single family home values have increased annually at 10.8% and 3.8%, respectively, since 2012.³ These percentage increases add more market pressure on Historic Third Ward residents and represent an over-performance compared to the surrounding neighborhoods of Midtown and Macgregor and City of Houston as a whole. For example, single family home values for Historic Third Ward have increased 85% since 2012, while values for the City of Houston have increased 56%. Similarly, rent increases in the study area have outpaced increases in surrounding markets at 25% growth since 2012. These increases create new challenges as already cost burdened households will find it more difficult to afford to live in the Historic Third Ward. While the rising cost of land introduces another difficulty, the large amount of non-profit land ownership creates an opportunity to convert that growing value into new sources of subsidy for affordable housing production.

Figure 15: Rent Growth as % (2012 - 2018)

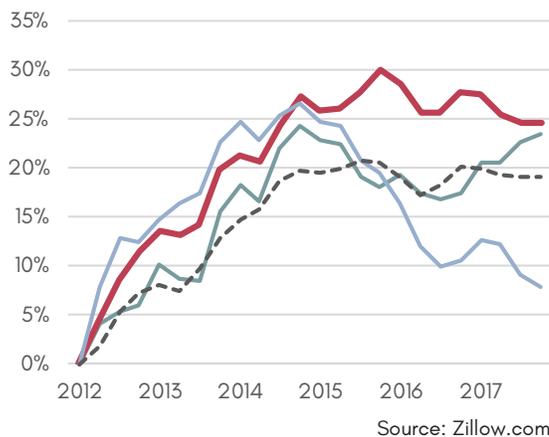
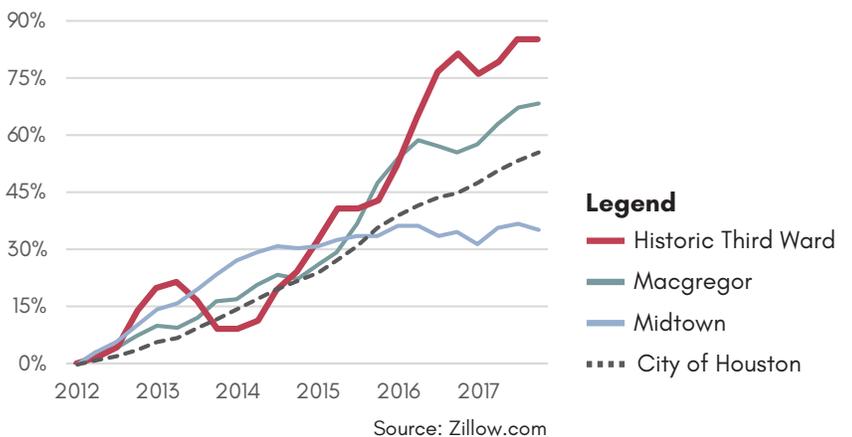


Figure 16: Single Family Value Growth as % (2012 - 2018)



C. Threatened Populations

Threatened populations were identified based on household income, ownership type, and access to housing subsidy. Rental households with incomes less than 60% AMI were deemed the population most threatened by displacement. The number of households and their descriptions are provided below based on their threat of displacement.

Extremely Threatened - 1175 HHs

- Market Rate renters making less than 30% AMI (735 HHs)⁴
- Market rate renters making 30% -60% AMI (440 HHs)

Very Threatened - 450 HHs

- Market rate renters making less than 80% AMI (260 HHs)
- Homeowners with less than 30% AMI (190 HHs)

Threatened - 230 HHs

- Homeowners making between 30% and 60% AMI (40HHs)
- Homeowners with less than 30% AMI (190 HHs)

2. AFFORDABLE HOUSING PRODUCTION TARGETS

Affordable Housing Production Targets

It is recommended that 1,200 new affordable housing units be built over a ten-year time frame. This number is based on the 1,175 households determined to be “Extremely Threatened” by displacement (page 22). The mix of this production target is discussed below.

A ten year production target was chosen because, based on current market trends, it is unlikely that the entirety of the neighborhood will see uniform rent increases or be threatened by displacement equally. Prices in the northwest portion of the neighborhood have risen far more dramatically than other parts of the Historic Third Ward meaning that need is more concentrated in this part of the neighborhood today. If market trends continue, it is expected that the eastern portions of the neighborhood could see similar rent and value appreciation after five (5) years.

Historic Third Ward Demographic References (2017)⁵

- Total Households: 4,129
- Owner Households: 1,010
- Renter Households: 3,119
- Market Rate Renters: 2,091
- Subsidized Renters: 1,028

10-Year Production Target: 1,200 New Affordable Units

60% New Construction
40% Rehabilitation

Promotion for the cost effectiveness of rehabilitation while still focusing a majority of resources on quality new construction.

25% Single Family
75% Multifamily

Recognizes that duplexes, quadplexes, and other multifamily provide the most efficient means of housing people affordably while creating single family ownership opportunities.

80% Family
20% Senior

This mix is based on the current ratio of seniors to non-senior households in the Historic Third Ward and takes into account the future aging of the population.

40% 30% AMI
30% 60% AMI
30% 80% AMI

This mix is based on current need as identified by displacement threat with assumptions about existing resident’s income growth over a ten-year period.

Mixed-Income Community Production Targets

The New Affordable Unit production targets were constructed not just with the needs of existing residents in mind, but also with the goal of creating a resilient, mixed-income community of choice. A resilient, mixed-income community will contain a variety of ownership, housing, and subsidized types and ensure that existing low-income households and newly arriving market rate owners and renters are integrated into a thriving neighborhood with great amenities and public resources. The goal is to consider future market growth in building subsidized units.

Market Rate Growth Assumptions⁶

- 2.3% Annual Unit Growth
- 15% Vacancy
- All New Market Rate Units Priced Above 120% AMI

The targets below assume an absolute market and subsidized growth of around 1,700 new households to the Historic Third Ward over the next ten (10) years. Assuming that the vast majority of existing residents would be able to stay in the neighborhood, these additional 1,700 households would be higher-earning households renting or purchasing market rate units. This growth number assumes continued 2.3% market rate unit growth (based on single family unit growth from 2012-2017), a decrease in the vacancy rate from 23% to 15%, and the addition of 1,200 affordable housing units. Market rate growth assumptions are referenced above.

Mixed-Income Target : 4,129 Households 2018 ➡ 5,829 Households 2028

35% Owner
65% Renter

This represents a 10% improvement of the ownership rate and an addition of 1,030 new homeowners into the neighborhood, a portion of which would be existing renters.

45% Single Family
55% Multifamily

This mix is targeted to remain constant over a ten-year period as the addition of affordable multifamily units is balanced by the addition of new single family market rate

40% Subsidized
60% Market Rate

With the addition of over 1,000 subsidized units, the subsidized ratio is targeted to increase from 25% to 40%, though the local income mix is projected to broaden.

Production Target Make-Up

As described in the previous two sections, the affordable housing target production numbers are broken into “New Construction” and “Rehabilitation” projects (Table 5). These two categories are further divided by housing type: “Single Family”, “Multifamily -Senior” and “Multifamily - Family” (inclusive of duplex/quadplex units). These production numbers were not produced with cost, financing, or detailed programming breakdowns. Instead, these are intended to be used to guide housing-affiliated organizations in their goal of minimizing displacement in the Historic Third Ward.

The specifics on how these targets could be further broken down will be decided by local partners. For example, the construction of new single family is likely to include a mix of attached and detached units. “Multifamily - Senior” and “Multifamily - Family” are likely to include both larger scale, podium constructed multifamily with elevators, and smaller-scale garden apartments, duplexes, and quadplexes. Additionally, some units, primarily the newly constructed and rehabilitated single family, will be offered as for sale units.

Acquisition Targets

Acquisition targets are properties that are good candidates for redevelopment, either through rehabilitation or new construction. Only vacant residential structures that are in poor or worse condition and renting at market rate are considered for acquisition and rehabilitation. Targeting residential properties in poor or worse condition has the added benefit of removing blight while increasing affordability.

A large amount of rehabilitation targets are located on the eastern portion of Historic Third Ward, while few targets are located in the southwest portion.

Legend

- = Market Rate Residential Target
- = Vacant Residential Target
- = Demolition Target
- = Vacant Parcel
- = Non-Target
- = Framework Study Area

Housing Type	New Construction	Rehabilitation	Total
Single Family	100	200	300
Multifamily	-	-	-
Senior	180	0	180
Family	440	280	720
<i>Total</i>	<i>720</i>	<i>480</i>	<i>1200</i>

Table 5: Affordable Housing Production Numbers

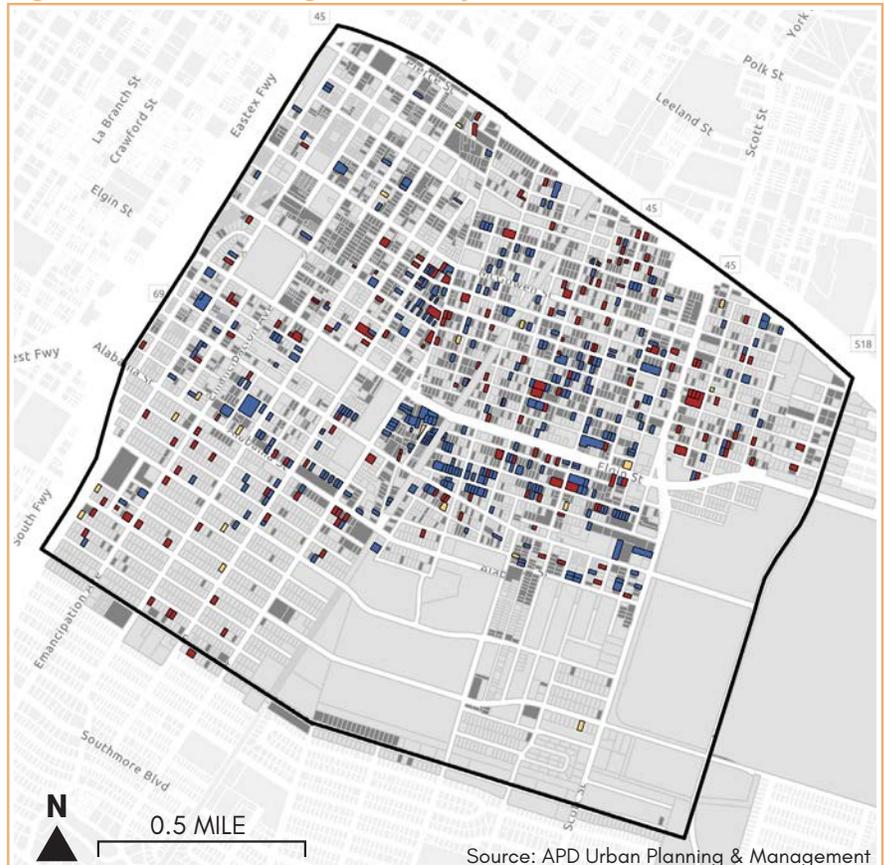
Development Cost

Based on cost inputs compiled by the Midtown Affordable Housing Plan published in 2017, a development program with these production target numbers would be expected to cost upwards of \$200 million. This plan would require the acquisition of about 35 acres of vacant land for new construction. The Rehabilitation targets would require acquisition of about 25% of the total Naturally Occurring Affordable Housing stock.

Required Subsidy

Additional work is needed to determine the amount of subsidy required to make these units affordable, but based on other affordable projects with a similar mix of subsidy, the revenue generated from these affordable rents would likely require between \$50 - \$100 million. This subsidy number is highly dependent on the desired mix of affordability and the mix between rehabilitation and new construction units, with new construction units requiring more subsidy.

Figure 17: Possible Targets for Acquisition



3. AFFORDABLE HOUSING POLICY STRATEGIES

Goals, actions, and strategies for affordable housing are provided in this section, detailing the universe of recommended housing policies to reach the targets.

Goals

These community-vetted goals guide recommended actions and strategies. Goals target present and future affordability issues, while setting targets for community growth.



Reduce Housing Cost Burden

Current housing costs are stretching the budgets of many Historic Third Ward households. Reducing this cost burden is the first step to ensuring long-term housing stability.



Retain Existing Residents

Future rises in rent and luxury housing conversion place further stress on an already challenging situation for many area households. The large-scale displacement of residents and community should be prevented to preserve the legacy of the Historic Third Ward.



Create a Resilient Mixed-Income Community of Choice

An effective Historic Third Ward housing strategy is more than preserving the community as it is today. It also means treating new investment as an opportunity to build a stronger, more resilient and equitable neighborhood that includes a broad mix of incomes and economic opportunities.

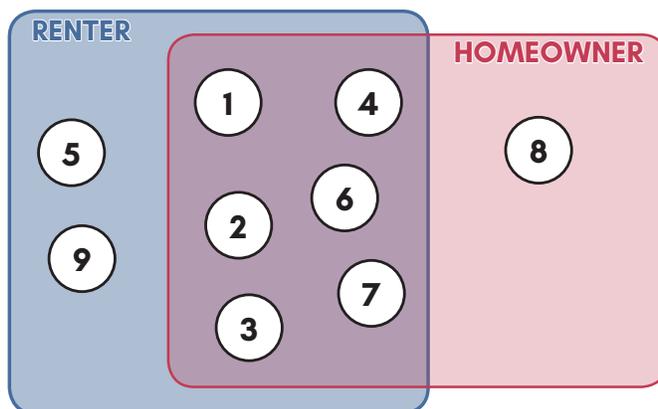
Actions

Actions are policies or sets of policies that promote housing affordability and minimize the threat of displacement primarily through capital investments or legislative policy.

- | | | |
|---|--|--|
| 1 New Infill Construction | 4 Rehabilitation Loans & Grants | 7 Property Tax Reduction |
| 2 Land Banking | 5 Blight Reduction | 8 Homeownership Loans |
| 3 Acquisition & Rehabilitation | 6 Legal Assistance | 9 Property Management Social Services |

Strategies

Strategies are combinations of coordinated actions targeted towards a single issue - like homeowner and renter housing improvements. On the right, policy actions are organized under their associated strategy. Some actions are used for more than one strategy.



RENTER POLICY STRATEGY

These recommendations are focused around constructing new affordable housing and minimizing displacement for Historic Third Ward renters. These recommendations are intended to complement one another and be enacted in unison across multiple organizations.



NEW INFILL CONSTRUCTION

The construction of new, infill affordable housing should form the cornerstone of any anti-displacement housing strategy. New rental construction will draw on a variety of funding sources, build multiple rental housing types, and offer a range of affordability options, including: very affordable, affordable, and workforce options.

- The **large amount of vacant land currently owned by local non-profit entities** (191 acres, or 13% of the study area's acreage)⁷ creates an opportunity to build new rent- and income-controlled housing through either their liquidation for use as monetary resources or use as inputs in new projects.
- **Funding sources will dictate the level of subsidy and type of housing provided.** For example, LIHTC funds serve households making less than 60% AMI, while project based vouchers serve households making less than 50% AMI.
- **Housing production targets** will be based on the established need and the current threat of displacement. Additionally, the level of subsidy will also be based on that need.
- **Housing type will range from single-family to multifamily rental**, with a diversity in unit sizes and design types.
- **Local non-profit entities with large land holdings should be encouraged to develop their property into affordable or mixed-income residential developments.** In cases where the controlling entity does not have the capacity to develop, they should partner with an organization that does.



LAND BANKING

The Houston Land Bank (formerly Land Assemblage Redevelopment Authority) should be used and strengthened as a resource to target the acquisition of blighted and vacant properties in the Historic Third Ward and to develop or sale those properties at reduced prices to local community development corporations.



ACQUISITION & REHABILITATION

Acquisition and rehabilitation of existing Naturally Occurring Affordable Housing (NOAH) is one of the most cost effective means for preserving the Historic Third Ward's affordability and minimizing displacement of renter residents. The Historic Third Ward has a large stock of single family and multifamily product that could be acquired by local community development corporations, rehabilitated, and rented to local households. As an example, units would be offered to households making less than an AMI percentage threshold and have their annual rent increases limited based on AMI.

Production Potential

Production potential is based on the amount of housing stock in the area that could be acquired and repurposed as permanently affordable rental housing. Target numbers for acquisition should be based on need, condition and price of the property, avoidance of concentrated affordable housing, and the desired amount of housing type. To the right, an estimate is compiled of the **1,980 available NOAH** units that could be acquired and rehabilitated in the Historic Third Ward today.⁸ These are occupied, market-rate rental units that could eventually see their tenants removed as rents increases.

Single Family
980 units

Duplex/Quadplex
288 units

Multifamily
712 units



REHABILITATION LOANS & GRANTS

Another strategy to encourage the rehabilitation of the existing NOAH stock and the long-term affordability of these units is to provide low-interest rehabilitation loans to private owners of rental housing and to tie affordability requirements to these loans. These requirements would limit the renting of these units to households making below an AMI percentage threshold, would limit increases to rents, and give priority to residents who are currently at risk of being displaced in the Historic Third Ward. These loans could provide crucial gap financing for Opportunity Zone projects. An additional benefit of this policy is the ability to reward landlords who demonstrate a commitment to improvement of the social conditions of Historic Third Ward residents.



BLIGHT REDUCTION

In addition to the local improvement of conditions, blight reduction policies also have the benefit of making it more expensive to offer sub-par housing, and consequently, make it easier to provide a good product at affordable prices. The policies listed below often work strongest when paired with an aggressive rehabilitation strategy and function as the “stick” component of a “Carrot and Sticks” strategy. This strategy works to provide both rewards and regulatory controls to promote affordable rental housing.

Rental Registration

Rental Registration requirements are a tool used by local governments to identify code problems and intervene before a residential property deteriorates into a blighted condition.

- A rental registration database could be created to identify, track, and prioritize problem properties and landlords for specific properties, places or districts.
- It could grant the authority to a code enforcement office to inspect the exterior and interior of rental properties on a regular basis, especially for repeat offenders.

Increased Code Enforcement

Code enforcement strategies will emphasize proactive solutions rather than reactive solutions, helping to ensure problems are unlikely to arise.

- Hold repeat offenders accountable by enforcing harsher penalties on multiple violations, especially landlords with large holdings.
- Place special focus on offenses that affect safety and health - like mold, leaks, and structural deficiencies.
- Increase funding to support code enforcement action and demolition of blighted vacant buildings.



LEGAL ASSISTANCE

Present eviction law in Houston greatly favors landlords over renters. This unevenness is made worse by the lack of credible legal representation for most renters, who are unlikely to defend themselves without aid. Legal assistance can be provided, through either increased funding from the City or through philanthropic means, to provide assistance to renters who have been recently evicted or who are threatened by eviction. Local legal aid for Historic Third Ward residents might also have the effect of improving landlord behavior, who might treat their tenants more fairly if faced with the possibility of being challenged in eviction court.



PROPERTY TAX REDUCTION

Property tax abatements are often used as an economic development tool in underinvested areas. Through their use, they can attract new market housing while also contributing to gentrification of their surrounding area. To guard against this, property tax abatements for residential projects should have affordability set aside requirements. Additionally, property tax abatements and exemptions can be used to help rehabilitate NOAH and convert them into affordable housing by linking property tax reductions to requirements that stabilize annual rent increases.



PROPERTY MANAGEMENT SOCIAL SERVICES

Many single family and multifamily properties are operated by private property management companies, which lack the tools or desire to assist with many of the unique problems that low-income households face. In response to this, non-profit property management companies have arisen that can provide both standard property management and supportive housing social services. Funding could be set aside to create or hire a property management company to provide supportive services for the many planned new and rehabilitated affordable projects.

CASE STUDY GOOD SHEPHERD

- Good Shepherd is a non-profit housing provider that operates Good Shepherd Works, a social enterprise that helps manage their properties and other affordable housing in the surrounding geography.
- They offer landscaping, unit turnover, vocational training, and pest treatment to local non-profit and private market landlords and to homeowners near the Ontario suburb of Hamilton.
- Many employees of the property management company were originally housed in one of Good Shepherd’s properties.

HOMEOWNER POLICY STRATEGY

These recommendations are focused on creating new ownership opportunities for low-to-middle income households in the Historic Third Ward and reducing displacement pressure on existing homeowners. These recommendations are intended to complement one another and be enacted in a coordinated manner across multiple organizations.



NEW INFILL CONSTRUCTION

The construction of new, infill housing for affordable homeownership opportunities can complement a renter-targeted housing strategy. New homeownership construction will draw on a variety of funding sources and build multiple single-family housing types. It will draw on existing Historic Third Ward renters with incomes high enough to qualify for a subsidized home mortgage loan, likely for households earning more than \$40,000 annually.

- The **large amount of vacant land currently owned by local non-profit entities** (191 acres, or 13% of the study area's acreage) creates an opportunity to build new ownership housing through either their liquidation for use as monetary resources or use as inputs in new projects.
- **Funding sources will dictate the level of subsidy and type of housing provided.** For example, LIHTC funds can be used for renter-to-ownership strategies. Subsidized ownership opportunities can draw from CDBG funding or other City grants.
- **Housing production targets** will be based on the established need and the ability of these households to afford home ownership.
- **Housing type will range from detached single-family to attached single-family** with a diversity in unit sizes and design types.
- Subsidized **renter-to-owner strategies** could be used to promote a stable, long-term, place-anchored anti-displacement strategy.

CASE STUDY MECHANICSVILLE

- Mechanicsville Cityside was a 70+ single family unit, renter-to-homeowner, new infill construction project completed in 2016 through a collaboration between a local private developer, affordable housing developer, CDC, and the City of Atlanta.
- The project utilized 9% LIHTC funds to create a lease-to-purchase program where long-term renters would be gain ownership of the house after living in the unit for the first 15 years.



LAND BANKING

The Houston Land Bank (formerly Land Assemblage Redevelopment Authority) should be used and strengthened as a resource to target the acquisition of blighted and vacant properties in the Historic Third Ward and to develop or sale those properties at reduced prices to local community development corporations.



ACQUISITION & REHABILITATION

While the acquisition of Naturally Occurring Affordable Housing (NOAH) can provide a strong resource for preserving affordable rental housing, it also offers the opportunity to convert some of the rental single-family housing into homes owned by their occupied households. In this scenario, existing housing could be purchased from the private market and offered to the household renting the property on a lease-to-purchase basis. These homes would require deed-restrictions on the future resale value and income-requirements to ensure that this product maintains affordability for low-to-medium income households. Under this scenario, the housing could alternatively be included in the Community Land Trust with a lower priced rent-to-own model.

Production Potential

The production potential for the conversion of single-family rental product into rehabilitated ownership product will utilize the single-family, non-owner occupied housing stock in the Historic Third Ward. This number is shown on the right.

Single Family
980 units



REHABILITATION LOANS & GRANTS

One of the biggest causes of homeowner displacement in gentrifying communities is the loss of a home due to structural damage and lack of ongoing maintenance. Many senior homeowners lack the resources to undertake ongoing maintenance of their properties and properties can become unlivable if enough of a maintenance backlog builds up. Rehabilitation grants, primarily funded through local sources, provide a source of protection against this threat, providing senior homeowners with a one-time grant of up to a certain amount for repair of issues that might threaten the ability to stay in the home.

Homeowner Rehab Programs

- These policies consist of financial assistance for emergency repairs, code violations, anticipation of code violations, and exterior repairs guided by design standards to promote safety.
- These programs would focus on promoting safe structures for long-term homeowners.



LEGAL ASSISTANCE

Legal assistance for homeowners comes in two forms – Foreclosure Legal Assistance and Clear Title Assistance. Both of these services are usually provided through a local non-profit or philanthropic sources and can be provided for free to local homeowners.

Foreclosure Assistance

Many low-income homeowners do not have the resources to hire a lawyer in the case of foreclosure. While the number of local foreclosure has decreased from 52 in 2011 to 18 in 2016, this number still represents a sizable loss of residents over a long-period of time. Legal aid often provides the crucial piece so that homeowners can stay in their home after foreclosing on their property.

Clear Title Assistance

Disputed or unclear title can create big problems in cases of inheritance of a property. Many seniors in low-income neighborhood lack clear title. Legal services can help identify and clear up cases where this exists. One benefit of these services is that it allows neighborhoods to become inter-generational, with the children and grand-children of former owners continuing to stay in the neighborhood.



PROPERTY TAX REDUCTION

One of the most commonly encountered concerns regarding gentrification is the fear that appreciation will cause a large tax increase. Homeowners are unlikely able to realize the gains of their housing investment until they sell their home. Increased property taxes can have the effect of increasing legacy-homeowner population loss by straining already low-incomes. Existing property tax exemption programs may be inadequate in addressing this concern. To remedy this, additional property tax reduction programs can be offered to provide low-income homeowners with property tax relief, either through the use of public or private sources of funding.

CASE STUDY ANTI-DISPLACEMENT TAX FUND

- This \$5 million philanthropically-funded and non-profit implemented program provided full property tax relief coverage for all future property tax increases over a 20-year period for homeowners on Atlanta’s Westside.
- The program also gave clear title assistance and the payment of back taxes for all participants that required it.



HOMEOWNERSHIP LOANS

Homeownership remains barely out of reach for many renters in the Historic Third Ward. Whether due to a lack of qualifying income or because of a poor credit history, many cannot qualify for the loans necessary to purchase some of the area’s new or rehabilitated housing stock. Subsidized loans with reduced interest, downpayment assistance, or credit training to improve their credit score offer opportunities for low-to-middle income households enter into homeownership for the first time.

Homeowner Loans Programs

1. Down-payment and closing-cost assistance programs for first-time buyers below an income-threshold. The assistance is dependent on the successful completion of homeowner training courses.
2. Linking loans with new, affordable infill construction or rehabilitation to provide assistance to both local residents and offer a leg up for many of the CDCs who are looking for their first successful project.



Capacity Building

How to Use this Section

This section examines the existing capacity of *Local Development Partners* (Figure 10 on page 17) to realize their development goals and offers examples and recommendations on how these partners can build greater capacity in the future. This section also provides recommendations on how public officials and public/private funders can help build capacity through the execution of programs.

1. CAPACITY ASSESSMENT

Collaboration among local public, private, and non-profit organizations will be imperative to meet the Framework’s recommended affordable housing production targets. Many small, independent organizations in the Historic Third Ward have been recently active in building capacity around housing development. Together, these groups own 21% of acreage in the Historic Third Ward, of which more than half is undeveloped.

A Development Readiness Assessment, which scored a developer’s capacity around for key areas, was conducted in 2017 by APD-U for a group of developers in the Historic Third Ward. They were composed of small non-profits, church-affiliated groups, and major housing developers, listed below.

- Change Happens CDC
- Dominion Development
- Harmony Enrichment CDC (Wesley Chapel AME)
- Houston Habbitat for Humanity
- Houston House of Praise and Worship (Urban Challenge CDC)
- Houston Housing Authority
- Neighborhood Recovery CDC
- Row House CDC
- Trinity East Village CDC
- Wheeler Ave Triangle Ministries Inc

*CCPPI and PRH Preservation were formed after the Development Readiness Assessment was concluded.

Development Readiness Summary

The Development Readiness Assessment concluded that all of the local small developers needed some form of technical assistance in the pre-development phase of affordable housing development. Some of the small developers had little to no development experience and their proposed projects needed a significant amount of pre-development work. Developers interested in expanding into multi-family housing at scale will need to strengthen their financial capacity. Small, local developers can leverage their experience and influence by partnering with more experienced organizations (*Capacity Partners*).

The assessment indicated that all of the local organizations are interested in training and capacity building to improve their ability to deliver quality affordable housing. Several of the local entities currently manage affordable housing developments but their roles are limited to rent collection and minor repairs. Reserves to fund capital expenditures as the properties age will also be needed.

On a scale of 1 to 5, with 1 being the least ready and 5 being the most ready, **the average readiness score of all of the small local developers was 2.9**, indicating a need for more policies to help build local capacity.

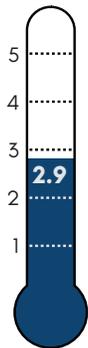
Capacity Strengths

- Commitment to stabilizing neighborhood
- Site control of key development parcels
- Many utilize Historic Third Ward’s value network of relationships
- Single family rental property management experience
- Local funding sources have shown interest in working with these developers

Capacity Weaknesses

- Many lack development experience, with limited-to-no LIHTC experience
- Small developers are working in silos
- Lack a strategic property acquisition plan
- Organizational mission requires unique financial and revenue arrangements
- Little appetite for government financing

DEVELOPMENT READY



DEVELOPMENT READINESS



CAPACITY AREAS

Capacity areas highlight organizational and project-related skill sets that are important factors in a developing successful projects and in determining both public and private funding decisions.

Partnership

Ability to build capacity when an organization lacks resources or experience through partnerships

Organizational

Experience in development and/or project management, existing partnerships, financial stability, and community engagement

Funding

Ability to produce proper underwriting and to secure financing through use of project budgeting and proformas

Development

Skill to assess the risk and impacts of the proposed project, with due diligence on markets, environment, and entitlements

2. RESOURCES & RECOMMENDATIONS

 **DISCOVER MORE** Click on links to Capacity Resources below.

Community development corporations, non-profits, local churches, philanthropic organizations, local government, and other organizations must build greater capacity to mitigate unwanted effects of market pressure and to prepare for CDBG Hurricane Harvey disaster relief funding. Detailed capacity building resources are provided below as example tools with associated recommendations for building capacity in each of the four (4) key areas. It is recommended that public and private funding partners formally adopt these measures of capacity to better communicate with local development partners on funding requirements.

Partner Technical Assistance

Target: CDCs, Community Groups
Provider: LISC

Direct consulting, referrals to other organizations when appropriate, and targeted grantor engagement of consultants for specific projects.

[Click Here to Learn More](#)

Organizational Capacity Map

Target: CDCs, Private Developers, Funders
Provider: EEDC

Facilitates better understanding of capacity, community needs, and real estate development opportunities to promote collaboration.

[Provided on Page 8](#)

Management Method and Tools

Target: Local Government
Provider: HUD

A compilation of management methods and tools designed to help HOME Participating Jurisdictions to improve, expand or repair their relationships with CHDOs.

[Click Here to Learn More](#)



PARTNERSHIP CAPACITY BUILDING TASK

Create a collaborative group with clear roles and responsibilities and outline individual competencies and opportunities for *Local Development Partners* and *Capacity Partners*.

Organizational Capacity Building Grant (Local Examples)

Target: CDCs, Community Groups
Provider: Local and National Philanthropic Organizations

Monetary grants for organizational development related to governance, finances, strategy, and staff.

[Click Here for an Example](#)

[Click Here for an Example](#)

CHDO Organizational Capacity Certification Assessment Tool

Target: CDCs
Provider: City of Houston, Housing and Community Development Department

Facilitates the certification of organizations seeking Community Housing Development Organization (CHDO) status.

[Click to Learn More](#)

Workshops, Trainings, and Programmatic Technical Assistance

Target: CDCs, Non-Profits
Provider: LISC

Training to support program development, community outreach, and CHDO strategy development.

[Click Here to Learn More](#)



ORGANIZATIONAL CAPACITY BUILDING TASK

The City of Houston should create opportunities to build the capacity of nonprofit partners while deploying the \$1.17 billion of CDBG Disaster Relief funding.



FUNDING CAPACITY BUILDING TASK

Create a workshop series to help organizations understand how to engage in financing models that consider carrying conventional and non-conventional debt including HOME, CDBG, Low Income Housing Tax Credits, and Non-recourse permanent debt.



DEVELOPMENT CAPACITY BUILDING TASK

CDCs, neighborhood non-profits, faith-based organizations and other community-based groups that own land in the Historic Third Ward can create pre-development packages that require design guidelines and feasibility assessments.



DEVELOPMENT CAPACITY BUILDING TASK

Develop capacity building series that engages local CDC's and non-profit partners in training and dialogue on how to best meet these challenges, respond to new opportunities and create an efficient delivery system for services.



Development Framework

De-vel-op-ment Frame-work

/de`velopmunt `frām,werk/
noun

a high-level strategy that sets the stage for the future growth of an area. It guides and informs the preparation and consideration of future development projects through the adoption and enforcement of land use and design guidelines.

How to Use this Section

This section recommends the adoption of Land Use and Design Guidelines as part of a Development Framework to guide the scale, location, type, and design of new development in the Historic Third Ward and to be incorporated into a formal review process by Houston.

1. FRAMEWORK CREATION

The Development Framework is a visual representation of the project vision. To do this, several aspects of Historic Third Ward and its history must be considered.

1 Previous Plans

Several of the existing previous plans make recommendations on a Development Framework, these include:

- Midtown Affordable Housing Plan
- Northern Third Ward Neighborhood Plan
- Third Ward Urban Redevelopment Plan
- MIT CoLab Recommendations for Engagement
- Emancipation Avenue Main Street

2 Common Themes

Common themes mentioned in previous plans and stakeholder engagement are important to consider when creating a Development Framework. Common themes found include:

- Protection of historic and institutional uses
- Creation and preservation of affordable housing
- Development of economic development opportunities
- Conservation of single family character

3 Existing Conditions

A review of existing conditions is important for the Framework to take advantage of opportunities, while reducing any negative existing conditions.

4 Upcoming and Proposed Projects

Efforts must be made for future projects to align as closely as possible to the Framework. The Framework should also leverage any upcoming infrastructure projects to determine the impact on future development potential.

2. FRAMEWORK ENFORCEMENT

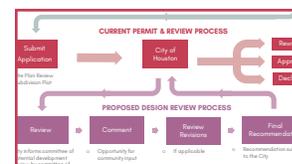
The City of Houston is unique in that it lacks the zoning powers used to enforce a Development Framework. For this project, a suggested enforcement mechanism is outlined to the right. Proper enforcement of the Framework will be important for the vision to be accomplished.



Land Use Guidelines set the larger vision with specific development land uses for the area.



Design Guidelines define how to develop each of the areas identified in the Development Framework.



Development Framework is part of a Review Process tied to variance requests for the City.



KEY FUNCTIONS

1 Sets a common understanding and vision for the broader Study Area

2 Creates consensus and stimulates participation in implementing the desired vision

3 Builds a process for review and funding to incentivize desired projects

4 Establishes basis for fair and consistent decision making

3. LAND USE GUIDELINES

Land Use Guidelines consider three important aspects of the Historic Third Ward vision to determine where future projects are best suited to be built, shown in map form in Figure 18.

1. Connectivity

The Historic Third Ward street layout is made up of a grid system with two major thoroughfare types converging at Activity Centers. These offer excellent neighborhood connectivity and provide opportunities for higher density uses due to Emancipation Avenue’s designation as an economic development corridor, their existing commercial land uses, and the upcoming complete street infrastructure projects.

Primary Corridor: a mix of higher density uses

- Emancipation Avenue, Scott Street, and Alabama Street

Secondary Corridor: medium density residential

- Elgin Street and McGowen Street

2. Compatibility

Land use compatibility is important to ensure that competing land uses do not negatively affect each other. A density gradient is proposed that transitions the corridors’ high and medium densities into the area’s low density interior.

Commercial/ Mixed Use: five-story maximum that allows a broad range of commercial and residential uses and is concentrated along the Primary Corridors.

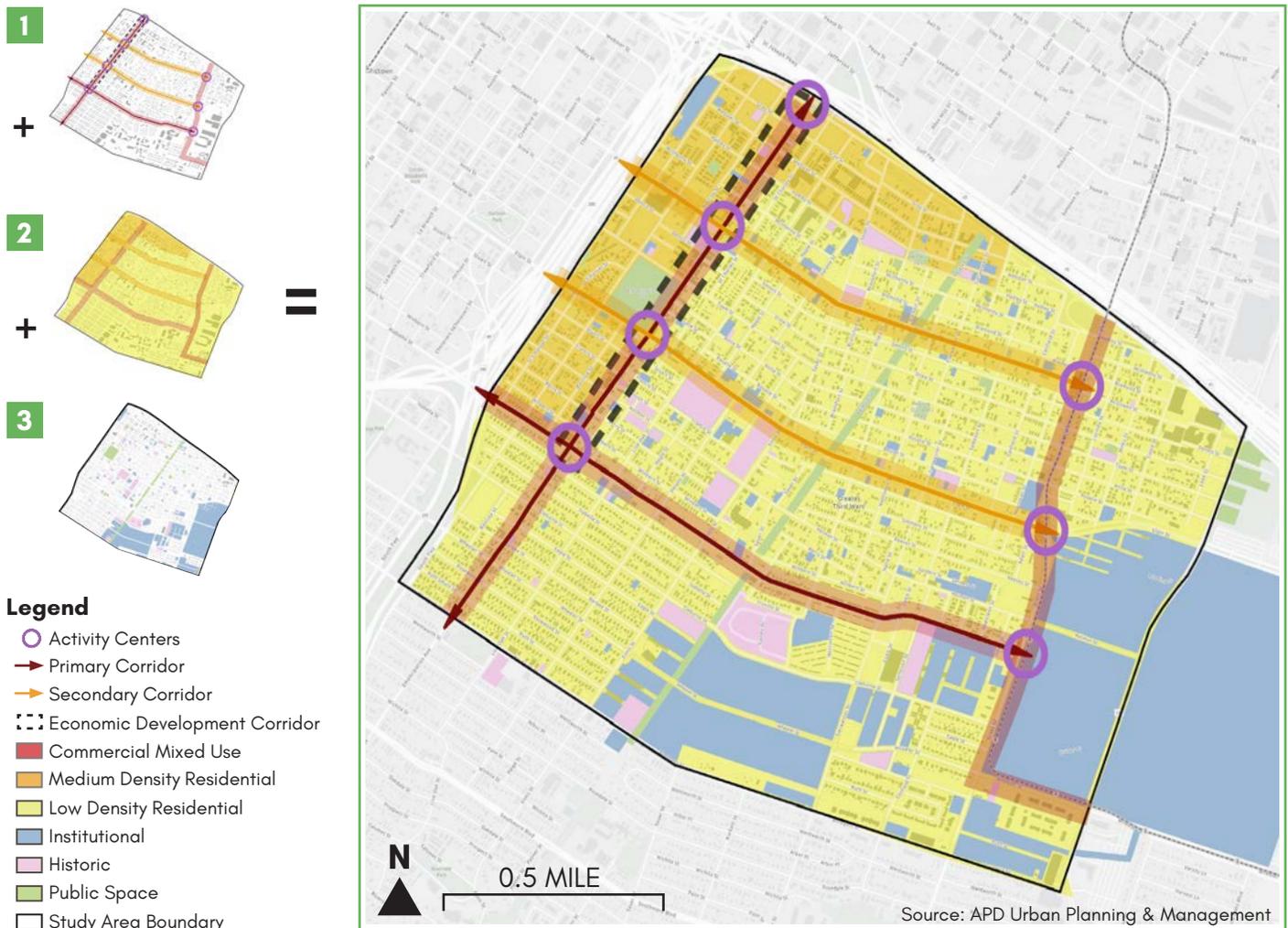
Medium Density Residential: three story-maximum multifamily and townhouse development found primarily along Secondary Corridors and in areas with a large number of vacant parcels and townhouse developments.

Low Density Residential: ensures the preservation of the neighborhood’s residential character and includes duplex/quadplex and single family detached development.

3. Preservation

The preservation of land use includes Institutional, Public Space, and Historic areas that must be protected moving forward. Institutional land uses include uses like schools, hospitals, or churches. Public Space includes greenspace, parks, or trails. Historic includes buildings noted as historical assets or resources.

Figure 18: Recommended Land Use Development Framework Map



4. DESIGN GUIDELINES

This Framework recommends the development of Design Guidelines in the Development Framework to establish the vision of design for future development in the Historic Third Ward. These are based on the existing conditions and historic characteristics of a neighborhood. This section outlines general components that would form the development of comprehensive Design Guidelines. These are intended to protect the character of the neighborhood and ensure that new development, or changes to existing development, are compatible with the surrounding neighborhood by requiring an informed review of proposed projects.

Design Guidelines should include the following components:

1. General Components

- **Purpose and Intent** - Should illustrate the desired vision for the future growth of the Historic Third Ward.
- **Existing Character and Conditions** - Briefly tells the story of how the neighborhood came to be and describes the current state of the area including strength and weaknesses.
- **Review Process** - Outlines the method that will be used to review potential development (Figure 19).

2. Urban Design Components

- **Site Planning** - This should give guidance on how potential developments sites will be accessed, parking and service areas, and building layout. Portions of the Historic Third Ward have drainage issues, this should be addressed in this portion of the Design Guidelines.
- **Streetscapes** - Guiding the design of pedestrian and vehicular access is important to revitalization and connectivity. This should align with the Complete Communities Action Plan and Emancipation Avenue Main Street initiatives.
- **Parks and Open Spaces** - Should include brief explanations of appropriate access, sidewalks, boundaries, and lighting.

3. Architecture Components

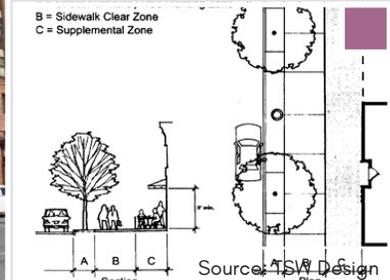
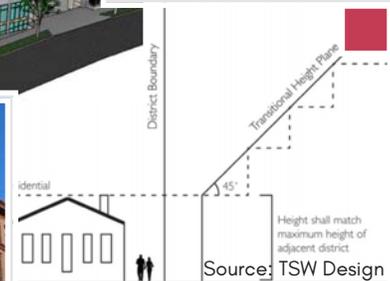
- **Scale** - Refers to the height and mass of a structure with respect to location and adjacent land use.
- **Setbacks** - The minimum amount of open space required between the structure and property line.
- **Materials & Fenestration** - Guides the cohesive architectural character of the neighborhood while highlighting areas of use and points of visual interest for pedestrians on structures.

Design Guidelines

/de`zín `gíd,lín/

noun

helpful recommendations that set a common understanding and vision for the design of future development. They encourage the design of new developments to conform to the desires of the public. Design Guidelines may be managed through an appointed design review committee, commission, or advisory boards.



5. REVIEW PROCESS RECOMMENDATIONS

This section outlines the recommended steps needed to develop and implement a Development Framework Review Process with Land Use and Design Guidelines.

A. Review Process Development Team

The incorporation of proposed Land Use Guidelines, the development of proposed Design Guidelines, and the creation of a Development Review process should be as inclusive of community residents and stakeholders as possible. The following groups and organizations are recommended to be included:

- Community members
- Non-profit Organizations
- City of Houston Department of Planning & Development
- City of Houston Department of Housing & Community Development
- Elected Officials
- TIRZ No. 7 (O.S.T./Almeda)
- Greater Southeast Management District
- Midtown Redevelopment Authority
- Emancipation Avenue Main Street (EAMS) / Emancipation Economic Development Council (EEDC)

B. Reference Material

Extensive work has already been completed concerning the community’s desired design preferences and existing approval processes. The Design Guidelines should incorporate recommendations found in previous planning documents, especially those found in the *Midtown Affordable Housing Plan*. Planning documents that offer a good starting point are found below:

- *Midtown Affordable Housing Plan (2017)*
- Third Ward Urban Redevelopment Plan (2005)
- MIT CoLab Recommendations for Democratic Engagement: Shared Ownership and Wealth Generation in Houston’s Third Ward (2015)
- Northern Third Ward Planning Project (2017)
- Complete Communities Action Plan (2018)
- Emancipation Avenue Main Street Program Plan
- Walkable Places (anticipated in 2019)

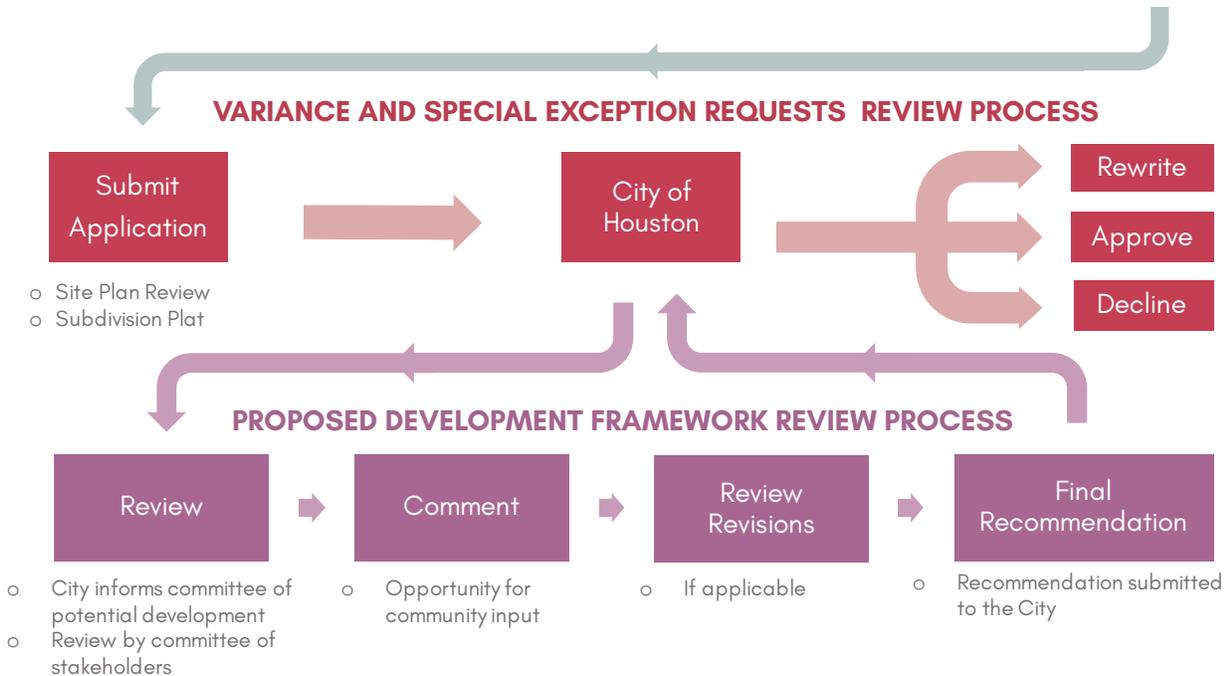
C. Guidelines Review Process

The Framework recommends the City of Houston add a new Historic Third Ward Development Framework Review Process to its current Variance and Special Exception Requests review process, shown below. This added process would start and end with the City of Houston Department of Planning and Development, with the applicant would taking into account the established guidelines.

Figure 19: Development Framework Review Process

DUE DILIGENCE PHASE

- 1** An applicant proposing a project within the Historic Third Ward should review any relevant previous plans or initiatives by the City of Houston or other entities and determine whether their project aligns with Development Framework. Applicant should reference the Land Use and Design Guidelines dependent upon location and use: residential, mixed-use, commercial, or industrial.
- 2** The applicant should meet with members of the review committee who are also potential funding & development partners such as City of Houston, Greater Southeast Management District, Emancipation Avenue Main Street, TIRZ No.7, or Hurricane Harvey disaster relief CDBG funding managers to align goals and ensure compatibility.





Marketing and Branding

How to Use this Section

This section recommends the creation of a Marketing and Branding Plan for the Historic Third Ward that would build from Houston Southeast Management District’s existing work. The section first outlines what a marketing plan is and why it might be helpful. It then discusses the individual components that make up a successful plan. Finally, it provides a case study on a marketing program that prepared renters for homeownership through credit improvement.

Brand

/ˈbrænd/

noun

a promise of what an entity’s purpose and vision stands for. It forms the core marketing message where material like logos and tag lines emerge.

1. MARKETING AND BRANDING PURPOSE

Preservation of the history and the culture of the Historic Third Ward has been noted as an important concern by residents and stakeholders. In order to enhance and protect the area’s historic and cultural resources, the creation of a formalized marketing and branding policy document specific to the Historic Third Ward establishes the next steps in promoting action on the issue.

The development of a marketing and rebranding plan is built on community control of messaging of the Historic Third Ward. Ultimately, these plans allow neighborhood residents and stakeholders to push the reset button on their area’s perception and change the conversation into one that aligns with the vision of a revitalized, resilient mixed-income community. This process is critical for revitalization that maintains a neighborhood’s culture and history.

Benefits

Focused branding can ignite passion and restore belief in the community and its vision. If residents are excited about their neighborhood, outsider investors may latch on to the excitement by integrating their new projects with the community branding vision.

Concerns

Repositioning the brand could fail if it creates expectations that the neighborhood cannot fulfill. They can generate a backlash if current residents have not bought into the vision.



FIVE POINTS
HISTORIC WEST END

“Five Points at Historic West End is that special place near Uptown Charlotte that attracts visitors and businesses that seek a culturally rich and diverse experience. Five Points at Historic West End is the gateway to Charlotte’s oldest historic African American neighborhoods and an anchor university, Johnson C. Smith University. The Five Points business district is transit-oriented, walkable and has easy access to major highways.

Civic-minded communities with local events and engaging, welcoming neighbors surround this special place.”

- Charlotte’s Historic West End Brand Statement

Figure 20: Example Brand Statement



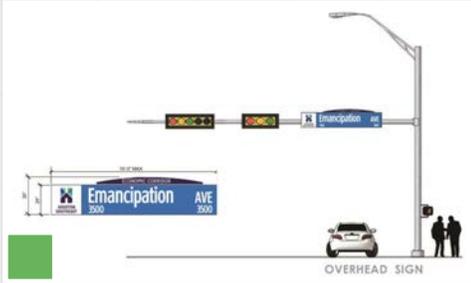
KEY TASKS

Successfully marketing the Historic Third Ward will require restaging the neighborhood brand to focus on the vision of what the neighborhood could be without losing sight of where it has been. Key tasks include:

- 1 Create a positive identity via narratives that embody the vision of residents, potential targets and stakeholders.
- 2 Develop a brand image and an iconic look for the revitalization vision.
- 3 Coordinate housing product, program marketing, and define success through the creation of metrics.
- 4 Create marketing programs that promote neighborhood stabilization and housing affordability

2. MARKETING AND BRANDING RECOMMENDATIONS

Recommendations address the necessary components that make up a Marketing and Branding Plan. Below, each plan component is detailed.



1. Situational Marketing Assessment

Outlines the strengths, weaknesses, opportunities, and threats that could impact neighborhood redevelopment marketing efforts and informs the development of marketing strategies that make use of the opportunities through the use of strengths.

2. Branding and Identity Development

Answers the question of “What is a Brand?” and “Why Branding?” for the community. An **authentic brand narrative statement** incorporates the identity and big idea of the marketing message by consulting stakeholders and key audiences.

3. Target Audience

A successful brand resonates with key audiences. Pinpointing these target audiences helps to generate ideas and craft the message to those that will be receiving it.

4. Objectives, Goals, Strategies

Objectives result from established community goals. They show how the community will benefit from marketing and offer benchmarks for progress. Strategies describe what actions and products need to be developed to achieve the objectives.

5. Project Marketing Guidelines

These guidelines establish a coordinated marketing message for new projects based on community’s vision.

4. Identity Guidelines

Guidelines shape how the visible elements of a brand – colors, design, logotype, and name, symbol – identify and distinguish the brand in the consumers’ mind. An experienced designer will need to be hired to help develop these guidelines.

6. Product

Final marketing and branding products are developed in coordination with proposed neighborhood housing projects or programs. These products could include **wayfinding signs, neighborhood logos, street banners**, or housing product names. A professional designer is required to build these from the group up with stakeholder feedback to ensure they follow identity guidelines.

7. Outreach

Outreach promotes the final marketing product and provides a strategy on how best to communicate the new messaging. **Promotional events**, brochures, or other targeted marketing methods are summarized.

8. Evaluation

An evaluation methodology is created in order to measure the level of success of the marketing and branding recommendations. Concrete metrics are identified, like web page visits, event attendance tallies, or improved home sales.

3. MARKETING AND BRANDING CASE STUDY

The Credit Catchers Case Study demonstrates how marketing and housing goals can be coordinated. This example shows how a marketing-oriented program prepared local renters for homeownership.

CASE STUDY: CREDIT CATCHERS

The Credit Catchers program was a twelve-part course designed for the Florence Neighborhood Revitalization Strategy (NRS) to prepare Florence, SC residents to become homeowners. This course was designed to teach basics of homeownership such as finance and home maintenance and featured a credit counseling program for participants as well. Through the credit counseling portion of the course, participants were able to improve their credit scores, with the goal of ultimately qualifying for a mortgage to purchase one of the brand new homes created as part of the Florence NRS. This course was integrated into the marketing of the new for-purchase housing products as a way to target a forgotten market. It had the dual benefit of making the dream of home ownership a reality for many local residents while ensuring they were first in line to purchase.

Decision Making

DISCOVER MORE

Click here to access the Location Suitability Map of the Historic Third Ward.

How to Use this Section

This section recommends to unify the decision making process for organizations operating within the Historic Third Ward through the joint adoption of a Decision Making Matrix tool. This tool would facilitate a more transparent, objective selection process for funding Historic Third Ward projects. The matrix uses scoring to promote projects that achieve the community's expressed vision. This section demonstrates how location and project criteria are considered in the tool and provides a sample project score sheet to show how to score projects. Matrix adoption partners, benefits and case studies are also discussed.

Decision Making Matrix

/de'siZHən 'məkiNG 'mətriks/
noun

a set of criteria that allows an expert to identify, analyze, and rate the feasibility of a project for development purposes. It allows for a fair and consistent process that can be replicated and used in various scenarios.

1. LOCATION SUITABILITY

The **Decision Making Matrix** tool begins with a Location Suitability Analysis of the Historic Third Ward incorporating spatial existing conditions data. This analysis resulted in an interactive, online Location Suitability Map for the Historic Third Ward. This map is the product of a set of Socioeconomic, Environmental, and Social factors extracted from the Housing, Property, and Market Conditions of this study. A synthesis of this analysis results in the Location Suitability Map (link is above), which allows users to identify potential development sites that are least likely to cause displacement. The map places a score for every parcel in the Historic Third Ward, which is then incorporated into the Matrix tool.



Socioeconomic Factors

estimate the influence of conditions that present an opportunity for affordable redevelopment, like vacant lots and low residential market values.

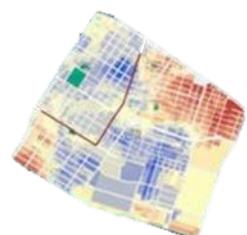
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Environmental Factors

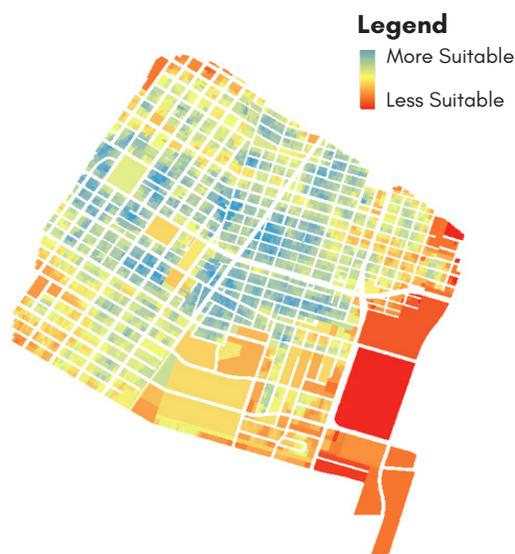
look at conditions that impact an individual's health, like a parcel's vulnerability to flooding and proximity to brownfields.

+



Social Factors examine factors like crime reports, concentration of historic structures proximity to schools, and access to public transportation to determine a score.

=



Location Suitability Analysis

To obtain a more comprehensive assessment, these three (3) analysis were combined into one robust examination process. The final suitability analysis showed that 36% of the parcels within the study area are highly suitable for development. Low suitability areas indicate higher potential for displacement. A link to view each parcel's suitability rating can be found at the top of the page.

2. PROJECT SUITABILITY

Project Suitability is considered using development criteria composed of components found in the previous four Framework recommendation sections.

1 Affordability

Considers the “breath and depth” of a residential project’s affordability or a commercial project’s ability to serve the needs of existing residents. Projects with a higher percentage of affordable units and a greater amount of rent subsidy will receive higher scores.

3 Organizational Capacity

A potential partner’s capacity is determined by demonstrated relevant experience in development and/or project management, existing partnerships, financial stability, and experience with community engagement in a diverse set of neighborhoods.

5 Development Capacity

Evaluates if an organization has properly assessed the risk and impacts of the proposed project, including research of previous community plans, recent market analysis, environmental assessments, and records of entitlements.

7 Development Framework

Evaluates the extent to which the project meets the recommended Historic Third Ward land use and design guidelines established in this plan’s *Development Framework* section.

2 Partnership Capacity

Partnerships are an opportunity to build organizational capacity when an organization lacks resources or experience. A partnership strategy and a drafted or executed MOU will earn higher points.

4 Funding Capacity

Assesses if a project has proper underwriting and secured financing. Partners should be able to display project budget, operating pro-formas, financing options and strategies, capital in place, and other funding commitments.

6 Design & Land Acquisition

Evaluates whether a land assembly strategy has been created, if needed; and if engineering, site plans and design concepts have been already completed

8 Marketing, Branding, and Community Outreach

Potential partners should be able to demonstrate community buy-in and provide a marketing and branding plan that falls in line with the recommended Historic Third Ward Marketing and Branding plan.

3. DECISION MAKING MATRIX TOOL™

Using both the Project Location and Project Suitability criteria, points are given and compared to the maximum points available. This gives potential funding partners, community members, and government agencies a way to evaluate and prioritize the projects most likely to succeed. Below, an example scenario and scoring table is provided to demonstrate how the Decision Making Matrix tool can be used.

Example Scenario: Good Housing Inc.

A National Non-Profit wants to partner with other organizations working in Houston’s Historic Third Ward area to develop affordable quadplex rental units. The organization has experience building affordable single family homes but is new to developing multi-family units (Organizational Capacity). The non-profit has extensive organizational ties and has partnered with LISC multiple times in the past (Partnerships). Although the non-profit owns all the required parcels, the parcels are not contiguous. Some parcels are located in areas that are highly suitable for development, while others are located in areas that will result in high displacement (Location Suitability). They have begun working with community residents and stakeholder to better understand what the community would like to see (Community Outreach).

Table 6: Decision Making Matrix Criteria

Criteria	Awarded Points	Maximum Points
Location Suitability	8.4	12
Project Suitability	-	-
Affordability	10	12
Partnership Capacity	3.5	4
Organizational Capacity	3.5	4
Funding Capacity	3	4
Development Capacity	4	8
Design & Land Acquisition	3	4
Development Framework	3	4
Marketing, Branding, Outreach	3	4
Total	41.4	52

3. MATRIX ADOPTION

An effective decision making process requires that a diverse variety of organizations, starting with the City of Houston, jointly adopt similar criteria for judging the viability of funding projects.

Public Officials

The Department of Housing and Community Development’s adoption of a transparent, objective matrix for funding requests would set a precedent that ripples into other funders’, investors’ and developers’ decision making process.

Funders/Investors

Funders and investors would seek to match the City’s matrix criteria in order to maximize public and private funding. Adoption of matching criteria for both public and private funding sources will set clear standards for development.

Community Developers/Non-Profits

Developers would pursue projects that fit in line with the matrix’s suitability criteria adopted by the City, funders, and investors. As a result, new projects in line with the community vision are more likely to be proposed.

4. MATRIX BENEFITS

The benefits arising from the adoption and implementation of Design Guidelines are numerous. Below, guidelines are discussed in how they benefit Historic Third Ward groups.



- Identify projects or initiatives that align with the community’s aspirations.
- Evaluate proposed developments through an established, shared system.
- Communicate and negotiate aspects of proposed projects with developers.
- Recommend and support policy change and initiatives that align with the community’s aspirations.



- Establishes a consistent development funding and review process without regulating through the legal system.
- Enhance and protect property values.



- Identify parcels best suited for development based on community vision.
- Define project attributes such as type, scale, materials, massing, location, and affordability compatible with community aspirations as early as possible.
- Gain approval for financing or assist in securing additional funds from non-profits and/or community focused entities.



- Communicate and negotiate aspects of proposed projects with developers.
- Recommend and support policy changes and initiatives that align with the community’s aspirations.



- Clear guidance on the community’s desired development character.
- Stimulates dialogue with community members, businesses, and stakeholders, and property owners.
- Creates a process for review, funding, and guidance of development without zoning.

5. DECISION MAKING CASE STUDIES

The case studies below provide examples of how Design Guidelines have been used to support neighborhood redevelopment in other communities.

WHOLE FOODS PITTSBURGH, PA

PRIVATE

Developed by a partnership between the non-profit CDC East Liberty Development, Inc. (ELDI) and for-profit developer The Mosites Company to develop a Whole Foods anchored mixed-use development near downtown Pittsburgh, PA. ELDI created a Strategic Development Plan and Design Guidelines that coordinated decision making between public, private, and non-profit actors and outlined actions such as creating a land bank, holding city owned properties, working with troubled business tenants, and the rehab and construction of new homes and buildings.

ELDI assumed the role of “Community Development Advisor” and fostered community engagement throughout the development process, advised on the design and quality of life issues pertaining to the project, and advocated and prepared grants and other documents for the project to submit to governmental, financial and non-profit entities. Although Mosite already owned the property, in the partnership it provided technical and financial information to ELDI and plans that conformed to the Strategic Plan and Design Guidelines.

LANEY WALKER, AUGUSTA, GA

NON-PROFIT

APD-U was retained by the Augusta Housing and Community Development Department to employ a multi-phased approach to guide redevelopment for the historic Laney Walker/Bethlehem neighborhoods. One of these phases was the creation of a Pattern Book. This book identified opportunities to build on the neighborhoods’ rich historic and cultural past. Local residents and stakeholders were consulted to determine a vision for upcoming projects.

APD-U provided the site plan and architectural design for multiple portions of the project, emphasizing neighborhood integration and sustainability. Permeable rear access lanes, pocket parks, and low-impact stormwater management were incorporated into the Pattern Book and implemented. APD-U, as an independent consultant, selected and guided the review of two major projects against the Pattern Book recommendations. Projects were selected for funding based on their coordination with the Pattern Book. Risk mitigation was provided as leverage to enforce the Pattern Book requirements.

HISTORIC WESTSIDE ATLANTA, GA

PUBLIC

APD-U, in partnership with non-profits the Westside Future Fund and the Arthur M. Blank Foundation, public entities, the City of Atlanta, the Atlanta Housing Authority, and Invest Atlanta and several private clients helped lead efforts to revitalize four historic Westside communities through planning, real estate development, and policies. The Land Use Framework Plan and Westside Design Guidelines propose guiding principles that protect neighborhood character, encourage appropriate projects, and communicate clearly the design expectations to improve the quality of future development.

Future developments seeking funding from the aforementioned organizations are required to review and follow the Land Use and Design Guidelines set forth by APD-U and the community. As an example, one developer that came before the City with a proposal in the Westside neighborhoods reduced the height and density of his project to align with what was outlined in the Land Use Framework Plan and Design Guidelines.



Implementation

Recommendations from the Framework have been compiled and matched with goals, actions, priorities, time frame, evaluative measures, and implementation partners. These tables are meant to be used to coordinate next steps and future action over a 10-year time frame.

Key: ■ = Highest Priority ● = Priority

Table 7: Affordable Housing Implementation

Affordable Housing					
Goal	Action Item	Priority	Time Frame	Metrics to Measure Success	Implementation Partners
Reduce housing cost burden	Construction of new infill units for price-appropriate homeownership and rental households.	■	Short (0-2 years)	Number of new affordable units per quarter.	
	Land banking of vacant properties and vacant lots for the creation of affordable units.	■	Short (0-6 months)	Number of properties acquired per quarter.	
	Acquisition and rehabilitation of NOAH units to preserve affordable housing stock.	●	Short (0-2 years)	Number of acquired and rehabilitated properties per quarter.	
	Provide property tax abatement for rental property owners who maintain their properties and provide affordable rental to existing residents.	■	Short (0-2 years)	Number of registered property owners.	
Retain legacy residents	Ensure that existing Historic Third Ward residents receive priority for placement in newly constructed or rehabilitated housing.	■	Short (0-2 years)	Number of new affordable units per quarter.	
	Prioritize the return of existing tenants in the acquisition and rehabilitation of NOAH units.	■	Short (0-2 years)	Number of acquired and rehabilitated properties per quarter.	
	Provide low-interest rehabilitation loans to builders and developers willing to provide affordable housing.	■	Short (0-2 years)	Number of applicants approved.	
	Provide low- or no cost legal services to renters for their defense against predatory landlords.	●	Short (0-2 years)	Number of renters assisted.	
	Provide property tax abatement for homeowners under a certain income threshold to allow them to stay within the community.	■	Medium (0-5 years)	Number of registered property owners.	
	Partner property management social services with local property owners renting to lower income families.	●	Short (0-2 years)	Number of partnership between property owners and service providers.	
	Create a homeownership loan program with reduced interest and modified requirements for local residents.	●	Medium (0-5 years)	Number of loans disbursed per quarter.	
Create Resilient Mixed Income Community of Choice	Creation of new infill market rate housing for price-appropriate homeownership and rental households.	●	Short (0-2 years)	Number of new market rate housing per quarter.	
	Acquisition and rehabilitation of NOAH units for work force housing.	■	Short (0-2 years)	Number of acquired, rehabilitations, and rented properties per quarter.	
	Place new and rehabilitated affordable housing stock diffusely throughout neighborhood to avoid concentration.	■	Medium (0-5 years)	Location suitability for "Distance to Existing Affordable Housing"	
	Create/enhance blight reduction mechanisms including rental registration and code enforcement programs.	●	Medium (0-5 years)	Percent decrease of blighted properties per quarter.	

Table 8: Capacity Building Implementation Table

Capacity Building					
Goal	Action Item	Priority	Time Frame	Metrics to Measure Success	Implementation Partners
Build local organizations' abilities to self-manage, partner, attain funding, and/or develop new housing projects.	Create/enhance collaborative group with clear roles and responsibilities and outline individual competencies and opportunities.	■	Short (0-6 months)	Create a Memorandum of Understanding (MOU) for all participating groups.	
	Create opportunities to build the capacity of nonprofit partners while deploying the \$1.17 billion of CDBG Disaster Relief funding.	■	Short (0-6 months)	Marketing campaign for Hurricane Harvey CDBG funding program.	
	Create workshop series to help organizations understand how to engage in financing models that carry conventional and non-conventional debt (HOME, CDBG, Low Income Housing Tax Credits, and non-recourse permanent debt).	■	Short (0-2 years)	Calendar of workshops series, number of attendees and graduating entities.	
	Provide technical assistance to create pre-development packages that require design guidelines and feasibility assessments.	●	Short (0-2 years)	Creation of development package and public solicitation.	
	Develop capacity building series that engages CDCs in training and dialogue on how to best meet these challenges, respond to new opportunities and create an efficient delivery system for services.	●	Short (0-2 years)	Calendar of capacity building workshop series, number of attendees, and graduating entities.	

Table 9: Development Framework Implementation Table

Development Framework					
Goal	Action Item	Priority	Time Frame	Metrics to Measure Success	Implementation Partners
Guide the character and location of future redevelopment	Create and implement Design Guidelines through creation of Development Team	■	Short (0-6 months)	Memorandum of Understanding between entities to ensure alignment with Historic Third Ward Development Framework	
	Link implementation of Development Framework (Land Use and Design Guidelines) to variance requests and approvals	■	Short (0-6 months)		
	Utilize Development Framework with Land Use Guidelines to enforce land uses and land use concepts	●	Short (0-2 years)		
	Incorporate Development Framework criteria into interactive Decision Making Matrix tool and link to funding requests	■	Short (0-6 months)	Number of projects scored using DMM tool	

Table 10: Marketing and Branding Implementation Table

Marketing and Branding					
Goal	Action Item	Priority	Time Frame	Metrics to Measure Success	Implementation Partners
Restage Historic Third Ward brand to focus on the new vision of Historic Third Ward	Create positive identify via narratives that embodies the vision of residents, potential target markets and stakeholders	■	Short (0-6 months)	Number of narratives created.	
	Develop brand image and iconic look for Historic Third Ward	●	Short (0-6 months)	Creation of branding imagery.	
	Coordinate housing product and program marketing and define success through the creation of metrics	●	Short (0-6 months)	Programs created per quarter.	
Create visual identity, marketing and branding tactics that support price appropriate housing development	Secure professional marketing/branding entity that understands neighborhoods, housing and community development	■	Short (0-6 months)	Completion of marketing and branding strategy.	
	Develop visual identity that projects the positive aspects of price appropriate housing	■	Short (0-6 months)	Number of products that reflect identify of community.	
	Develop/implement variety of marketing/branding events sponsored by partners using established visual identity	●	Short (0-6 months)	Events held per quarter.	
Create pipeline of qualified homebuyers that prepare potential buyers for homeowners	Identify and create pool of potential homebuyers	■	Short (0-6 months)	Targeted potential homebuyers per quarter.	
	Schedule technical assistance and training programs for potential homebuyers with regular check-in meetings	●	Short (0-2 years)	Number of meetings held per quarter	
	Partner with lending institutions and credit counseling services to assist with credit repair and financial planning in preparation for qualifying for home mortgage	●	Short (0-2 years)	Number of institutions in the program	

Table 11: Decision Making Implementation Table

Decision Making					
Goal	Action Item	Priority	Time Frame	Metrics to Measure Success	Implementation Partners
Promote new development that is in line with Historic Third Ward's vision	Finalize a Decision Making Matrix tool and scoring system that incorporates both Location and Project Suitability Criteria	■	Short (0-6 months)	Number of projects and amount of development funding dispersed with use of the DMM	
	Incorporate Affordable Housing, Capacity Building, Development Framework, and Marketing and Branding components into DMM	■	Short (0-6 months)		
	Adopt the DMM as a tool for multiple funding and development organizations	■	Short (0-2 years)		

Legend

CDC = Community Development Corporations
 COH = City of Houston
 CCPPI = Center for Civic and Public Policy Improvement
 Developers = Affordable Housing Developers/Builders
 EAMS = Emancipation Avenue Main Street Program

EEDC = Emancipation Economic Development Council
 FBO = Faith Based Organizations
 Financial Partners = CDFIs, Foundations, Financial Institutions
 HA = Housing Authorities
 HHC = Houston Housing Collaborative
 HLB = Houston Land Bank

HSE = Houston SE Management District
 Intermediaries = LISC, Enterprise
 MRA = Midtown Redevelopment Authority
 NP = Non Profit Organizations
 Taxing Entities = COH, HISD, Harris County, State of Texas
 UL = Houston Urban League



Glossary

Affordable Housing: Price appropriate housing for households with incomes at or below 80% of the Area Median Income for the HUD current year.

AMI - Area Median Income: Set by HUD every year, it is the midpoint income level at which 50% of all households in a specific region earn above or below the median income.

Blighted Condition: buildings in a deteriorated, dilapidated, or potential demolition condition.

Community Brand: promise of what an entity's purpose and vision stands for. It forms the core marketing message where material like logos and tag lines emerge.

Deteriorated Condition: Buildings or structures which require major repairs such as a new roof, foundation, siding or windows. These can be rehabbed and repaired for a substantial amount of funds.

Dilapidated Condition: require extensive rehab or remodeling to reactivate. These buildings or structures are questionable whether it should be saved.

Potential Demolition Condition: a candidate for demolition. The buildings or structures are burnt, missing a roof, or are collapsing.

Fair Condition: require only minor repairs such as painting and landscaping. Minor repairs can be completed within a day/weekend and will typically cost less than \$1,000 in repairs.

Good Condition: in sound condition without the need for obvious repair.

Poor Condition: indicate deferred maintenance and require some level of general repairs. Will require repairs with more than \$1,000 in repairs.

Capacity Building: process by which individuals and organizations obtain, improve, and retain the skills, knowledge, tools, equipment and other resources needed to do their jobs competently or to a greater capacity

CHDO (Community Housing Development Organization): a private nonprofit, community-based organization that has staff with the capacity to develop affordable housing for the community it serves

Decision Making Matrix: a set of criteria used to identify, analyze, and rate the feasibility of a proposed project.

Design Guidelines: helpful recommendations that set a common understanding and vision for the design of future development.

Development Framework: a high-level strategy that sets the stage for the future growth of an area. It guides and informs the preparation and consideration of future, more detailed development projects.

Displacement: movement of a population out of a neighborhood as formal or informal redevelopment occurs.

Fenestration: refers to the design, construction, or presence of openings on a building, including doors windows and store fronts, etc.

Gentrification: a process of renovating deteriorated urban neighborhoods by means of the influx of more affluent residents.

Household: includes all the persons who occupy a housing unit as their usual place of residence.

Housing Cost Burden: households which pay over 30% of their household income on housing mortgage payments or rents.

Housing Unit: a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied (or if vacant) and is intended for occupancy.

Household Size	30%	60%	80%	100%
One	\$15,700	\$31,400	\$41,950	\$52,400
Two	\$18,000	\$35,900	\$47,950	\$59,900
Three	\$20,200	\$40,400	\$53,950	\$67,400
Four	\$22,500	\$44,900	\$59,900	\$74,900
Five	\$24,300	\$48,500	\$64,700	\$80,900
Six	\$26,100	\$52,100	\$69,500	\$86,900
Seven or More	\$28,200	\$56,500	\$75,300	\$94,100

Table 12: Qualifying Incomes for AMI Levels

Household Size	30%	60%	80%	100%
Studio	\$393	\$785	\$1,049	\$1,310
One Bedroom	\$421	\$841	\$1,124	\$1,404
Two Bedroom	\$505	\$1,010	\$1,349	\$1,685
Three Bedroom	\$585	\$1,168	\$1,558	\$1,948
Four Bedroom	\$653	\$1,303	\$1,738	\$2,173

Table 13: Equivalent Rent Levels for AMI

Land Banking: the practice of aggregating and converting parcels of vacant, abandoned, and tax delinquent properties for future sale or development usually by governmental entities or nonprofit corporations.

Market Conditions: factors that influence the housing market in a particular area, such as cost of living, demographics, supply and demand

Market Rate Housing: housing, either rental or ownership, that is rented or sold at market prices, that is, without any subsidies.

Mixed Income Community: development or area that includes diverse types of housing units, such as apartments, town homes, and/or single-family homes available for people across a wide range of income levels.

Parcel: official property lines as dictated by the local government authority.

Parcel Analysis: an analysis of parcels to examine conditions and characteristics.

Price Appropriate Housing: housing mortgage payments or rents which do not exceed 30% of a household's income.

Property: all observable variables (buildings, land, etc.) within a parcel.

Setbacks: the minimum distance which a building or other structure must be set back from a property line, street or other structure.

Study Boundaries: boundaries used to measure factors impacting the housing markets at different levels.

Suitability Analysis: type of analysis used in GIS to determine the best location for something to be built or placed, given specific criteria.

Workforce Housing: price appropriate housing for households with incomes between 80% and 120% of the Area Median Income for the HUD current year.

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Acknowledgments

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