After the Sprawl
Community Development Corporations Work to Reclaim the Inner City

Houston is a city without boundaries—either geographic or legislative. Its western prairies stretch to the Brazos River, with no natural boundary stopping its potential expansion. The fact that Texas law allows for continual annexation of land in the city’s extraterritorial jurisdiction diffuses any pressure for redevelopment of the inner city. Houston’s development community has always preferred to build new housing with new infrastructure on newly subdivided land, while neglecting or abandoning the city’s historic neighborhoods: the original six wards, the communities of Harrisburg and Magnolia, and other such neighborhoods developed before World War II.

The availability of federal and state subsidies for the construction of new roads, highways, and ring roads has made land on the edge of all U.S. cities easily accessible for subdivision. Houston, with its flat lands, has been particularly prone to sprawl: its area is now 594 square miles, with a population density of 4.6 people per acre. Los Angeles, the other “car” city, has an area of 453 square miles and building rather than profit. CDCs generally are formed by concerned citizens who have learned from civic activism that change is best accomplished through coalitions of many stakeholders focused on one task. The task they choose is developing their neighborhood.

Currently, 39 CDCs throughout Houston have projects planned, under construction, or completed. How has the CDC movement fared in Houston, in the face of a culture based on individual rather than community initiative?

On 12 December 1994, New Foundations for Neighborhoods—a program of the United Way and the Local Initiatives Support Corporation, a national intermediary organization that provides technical and financial support to CDCs—conducted a bus tour to show corporate leaders, bankers, and local legislators
housing developed by four of Houston's leading CDCs. At the first stop, at the corner of Garrow and Palmer in the East End near Navigation, were two houses built by the Second Ward CDC — the first single-family houses built in Second Ward in 30 years. Next were 30 units of new single-family housing built by the Fifth Ward Community Redevelopment Corporation, part of an extensive proposal to redevelop Fifth Ward with new housing (including multifamily housing), new businesses to revitalize Lyons Avenue, an educational festival scheduled for October 1996, partnering with the Neighborhoods to Standards program, and beautification and tree-planting projects. Also on the tour were seven houses just being completed by the Acres Homes CDC on huge Acres Homes lots (originally platted to accommodate subsistence farming), outside the Loop and west of Interstate 45 around Little York; and 13 new single-family houses built by the Greater Houston Urban Redevelopment Corporation in the Laura Koppe area off 59 North.2

Mortgage financing for most of the housing on the tour was provided by a zero-percent mortgage program administered by New Foundations and the Houston Housing Finance Corporation, a public, nonprofit housing finance agency, with permanent financing available from area banks such as First Interstate and Texas Commerce. The city has offered funding assistance in the form of "soft" second mortgages: when the first mortgage is paid, the second mortgage is forgiven.

The CDCs whose projects were presented on the tour are four of 23 currently assisted by New Foundations, up from only three in 1991. Although this total pales in comparison to the Chicago area's 100, the growing number of CDCs in Houston does show that the idea is catching on. The Heights CDC is well on its way to completing eight new houses in 1995. The Houston Area CDC is redeveloping a downtown hotel, the 1414 Congress Hotel, into a 57-unit single-room-occupancy (SRO) facility, designed to provide subsidized housing as a transitional step for those wishing to get out of area shelters but not yet able to afford permanent housing at market rates.

The Greater Park Place CDC, the Neartown CDC, and the Association for the Advancement of Mexican Americans CDC (AAMA-CDC) have ongoing programs to rehabilitate or develop new housing capacity in their service areas while they foster efforts to revitalize or beautify their neighborhoods. Other CDCs, such as the Third Ward CDC and the Frenchtown Community Association, are currently working on master planning and community center developments. All these efforts point to the benefits that can accrue from the maturation of the CDCs' boards of directors and their relationships with the corporate, financial, and governmental entities of the city of Houston. These relationships are the key to the future of the CDC movement in Houston.

The typical CDC project takes several years to design, permit, build, and sell. The long gestation periods frustrate many participants and jeopardize projects with contingent funding. For example, Community Development Block Grants or Home Investment Partnership Program money from the U.S. Department of Housing and Urban Development may leverage bank loans, which may leverage foundation grants. Thus a hitch in one funding source can imperil all. Delays are due to several factors. Inevitable difficulties result because the board members of the CDCs are largely novices: for many this is the first effort at understanding the complexities of building permitting and construction. The process is further slowed by the byzantine process of development planning, surveying, designing, permitting, contracting, and selling property in older neighborhoods. Extended schedules and inflated development budgets may result when redeveloping land with hidden environmental hazards, such as those that deterred the city of Houston from completing a 59-unit project at the Milby Bus Barn site despite an extensive, expensive, and successful remediation effort.

Most CDCs begin by building single-family detached houses in the $55,000 to $65,000 range, but these small individual projects fail to address the critical need for 20,000 units indicated by Houston's housing authority. And, except for the Fifth Ward CRC, few of the CDCs have looked beyond house construction to the larger forces that create viable neighbor-

1 City of Houston Planning and Development Department, "Demographic and Land Use Profile for Houston, Texas," June 1992, p. 9.
3 James Robinson, "Is the Housing Authority Undererving Hispanics?" Houston Chronicle, 14 August 1994, pp. 1C, 6C.