

# Houston

Peer Exchange Visit  
February 1-3, 2017

**E**QUITABLE  
**E**CONOMIC  
**D**EVELOPMENT  
**F**ELLOWSHIP

**NLC** NATIONAL  
LEAGUE  
OF CITIES

CITIES STRONG TOGETHER



The National League of Cities (NLC) is dedicated to helping city leaders build better communities.



PolicyLink connects the work of people on the ground to the creation of sustainable communities of opportunity that allow everyone to participate and prosper.



The Urban Land Institute (ULI) has a mission to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.

## The EED Fellowship is made possible with support from:



The Surdna Foundation seeks to foster sustainable communities in the United States - communities guided by principles of social justice and distinguished by healthy environments, strong local economies, and thriving cultures.



The Open Society Foundations work to build vibrant and tolerant societies whose governments are accountable and open to the participation of all people.



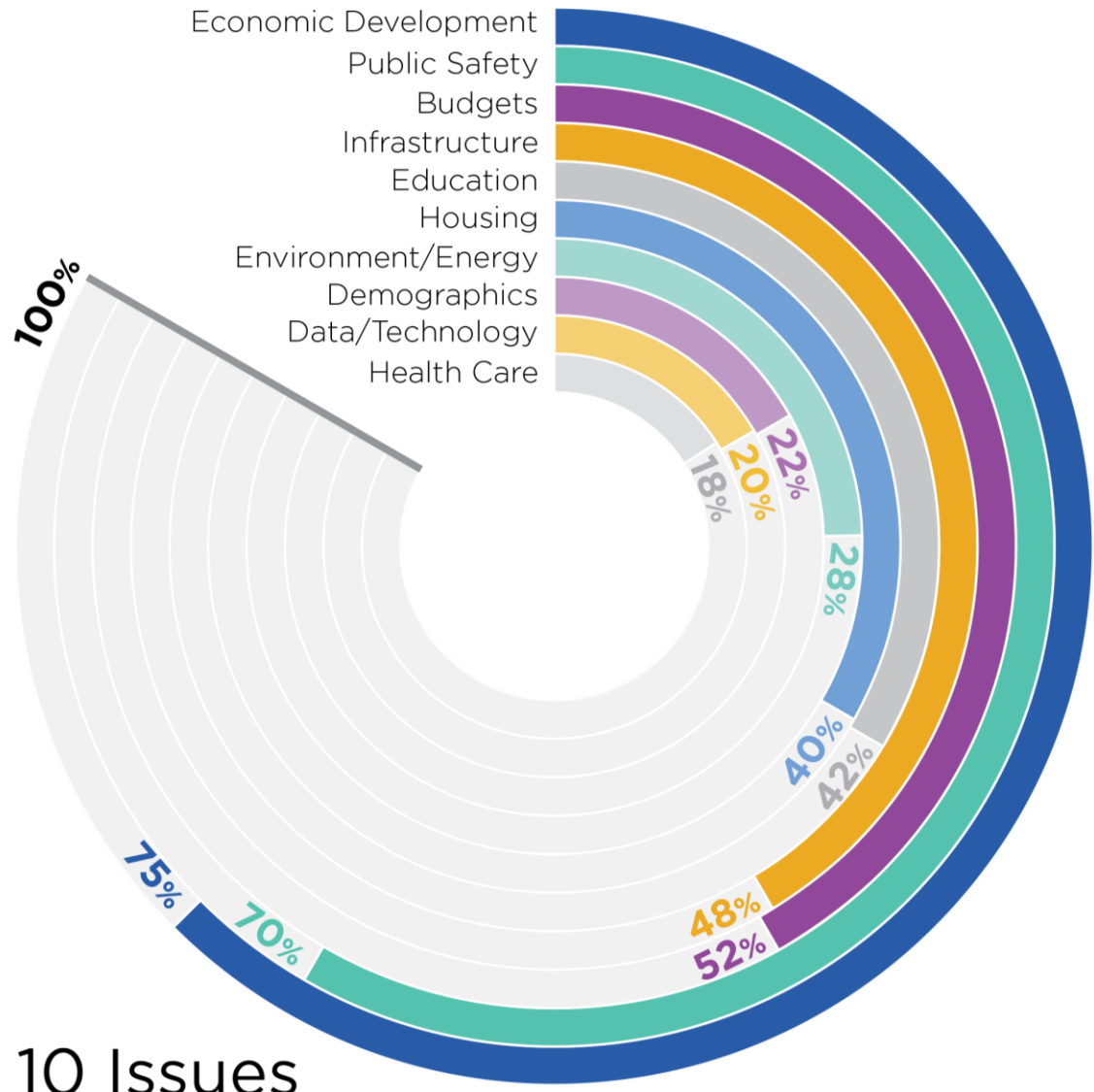
# Economic Development: A Top Priority

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**75%**

of state of the city speeches included significant coverage of economic development issues.

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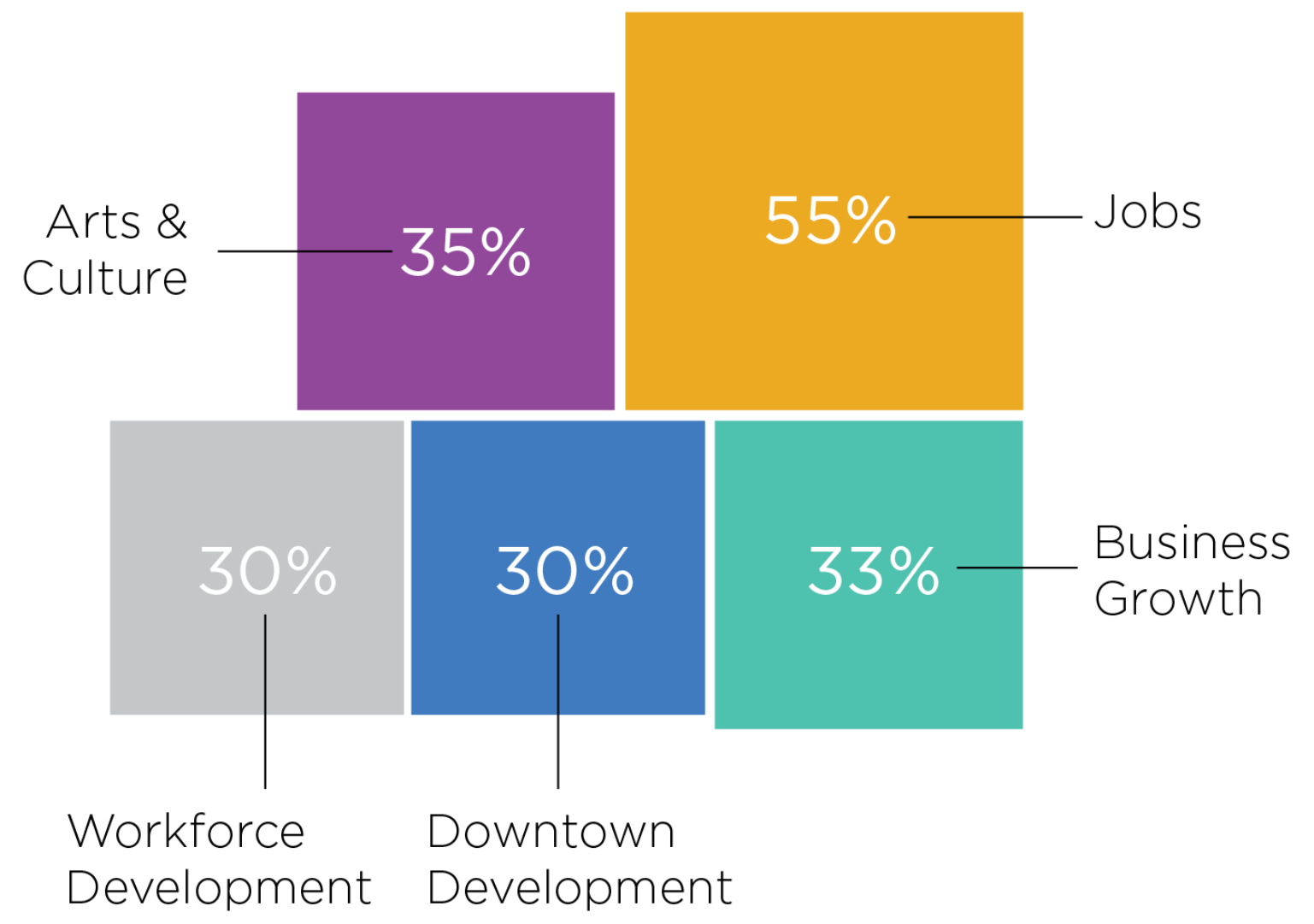
Top 10 Issues

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# Economic Development: A Top Priority

**TOP 5**  
ECONOMIC  
DEVELOPMENT  
SUB-TOPICS



# Equitable Economy: The Challenge

**6 in 10**

of **U.S. prisoners**  
are Black/Latino

*(yet only comprise 30%  
of the U.S. population)*



**35%**

Black or Latino men  
**won't graduate** from  
High School

*(80% of White males  
will)*



Black and Native  
American  
**unemployment** is

**2x**

that of Whites

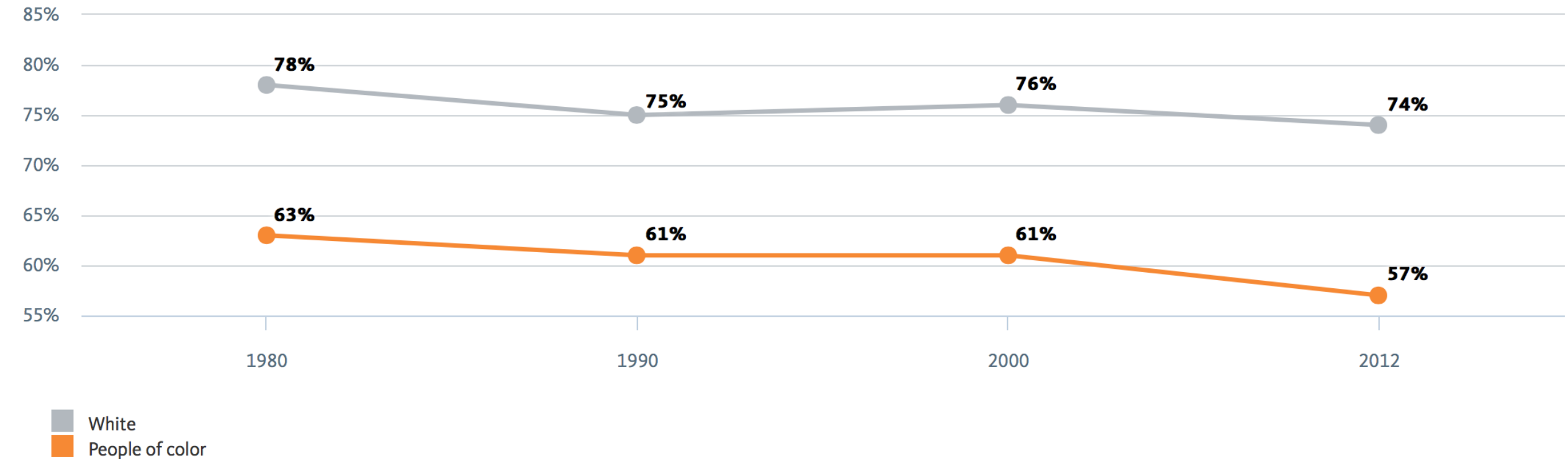
**57%**

of Blacks and  
Latinos spend more  
than 30% of their  
income on  
**housing costs**



# Equitable Economy: The Challenge

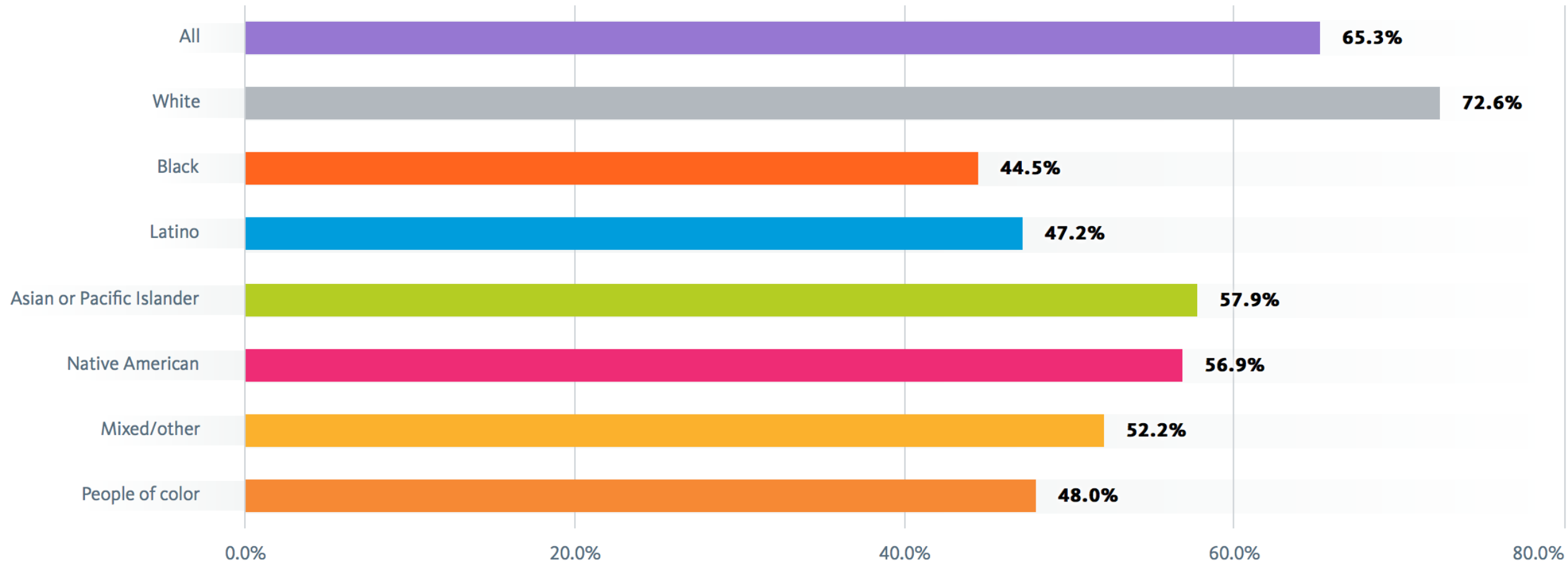
Share of workers **earning at least \$15/hour** by race/ethnicity:  
United States, 1980-2012





# Equitable Economy: The Challenge

% owner-occupied households by race/ethnicity: U.S., 2012





SCHOOL OF DESIGN

**Rose Center  
for Public Leadership in Land Use**





**Equitable Economic Development  
Fellowship**

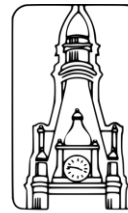




City of Memphis



City of Milwaukee



Minneapolis City of Lakes



# What is Equitable Economic Development?

- Unlocks the full potential of the local economy by dismantling barriers and expanding opportunities for low-income people and communities of color.
- Through accountable public action and investment, it grows quality jobs and increases entrepreneurship, ownership, and wealth.
- The result is a stronger, more competitive city.

Definition developed by:

the EED Fellows

at the June 2016 Fellowship Retreat

in Portland, Oregon



# The Panel





# The Panel

- **Holly Eskridge**, Entrepreneurship and Small Business Manager, Neighborhood Business Services Economic Development, City of Charlotte, NC (EED Fellow)
- **Gregory Hunter**, Director Brokerage Service, Cushman & Wakefield, Oakland, CA
- **Ken Little**, Commercial Corridor Manager, Department of City Development, City of Milwaukee, WI (EED Fellow)
- **Ricardo Noguera**, Community and Economic Development Director, City of Tacoma, WA
- **Chelsea Rao**, Senior Vice President, Norton Scott LLC, Washington, DC
- **Tammy Shoham**, Vice President, Research, Jones Lang LaSalle, Washington, DC



# Presentation Outline

1. **Observations**
2. Community Planning
3. Drive Intentional Development
4. Business Attraction, Retention, and Expansion Opportunities
5. Conclusion + Homework

# Opportunities: social/cultural/organizational

- East End pride
- Clear sense of cultural place
- Civic-minded: many organizations already working to improve the community
- People want to invest here; existing residents want to stay here; newcomers are attracted here
- TIRZ in place
- Immigrant pride, multicultural community, diversity of restaurants and businesses, character
- Strong spirit of entrepreneurship

# Opportunities: physical

- Nice parks and trails
- Close proximity to major employers, downtown, and the port
- Transit line access
- Under-utilized land: opportunities for public investment in the community (recreation centers, social services, libraries, affordable housing, governmental offices, etc.)
- Handsome housing stock in some sub-areas
- Access to Hobby International Airport
- World-class public art, performance spaces
- Historical assets
- Urban farms

# Challenges: social and cultural

- Disconnect between state, city, and community organizations
- Retail is not serving complete neighborhood needs/ Retail leakage
- Low employment of locals in area industry
- Lack of infrastructure for data sharing
- Gentrification and displacement is already underway
- Incoming developers are not engaging the community
- Language barriers
- Low educational attainment
- Limited marketing of opportunities in underutilized sites
- Underutilized job training programs



# Challenges: physical

- Under-utilized land
- Mixed housing stock
- Lack of code enforcement
- Incomplete neighborhood-serving retail: shortage of food (especially affordable or fresh), health services, supermarkets
- Limited bus service
- Inferior sidewalks, curbs, streets
- Size of the study area and East End Management District are immense
- Seemingly little affordable housing being developed
- No evidence of public investment preceding private developments



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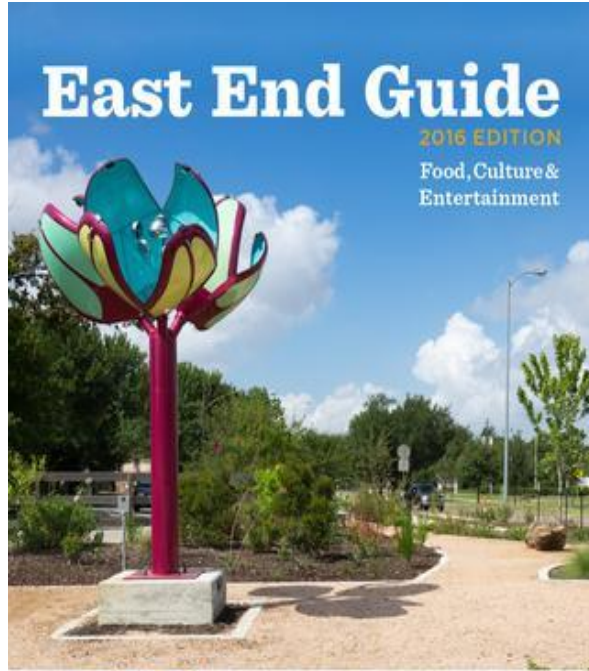


# Attract complete retail and services (fresh food, groceries, entertainment, health clinics, etc.)



- Grow local retailers that produce business ownership opportunities.
- Attract national retailers that offer franchise opportunities.
- Pursue retailers that support retail sectors not currently found in community.
- Identify anchor activity to support district.
- Many services can co-locate in retail corridors.
- Infrastructure must support commercial district (i.e., parking, sidewalks, gathering spaces, lighting, identity)

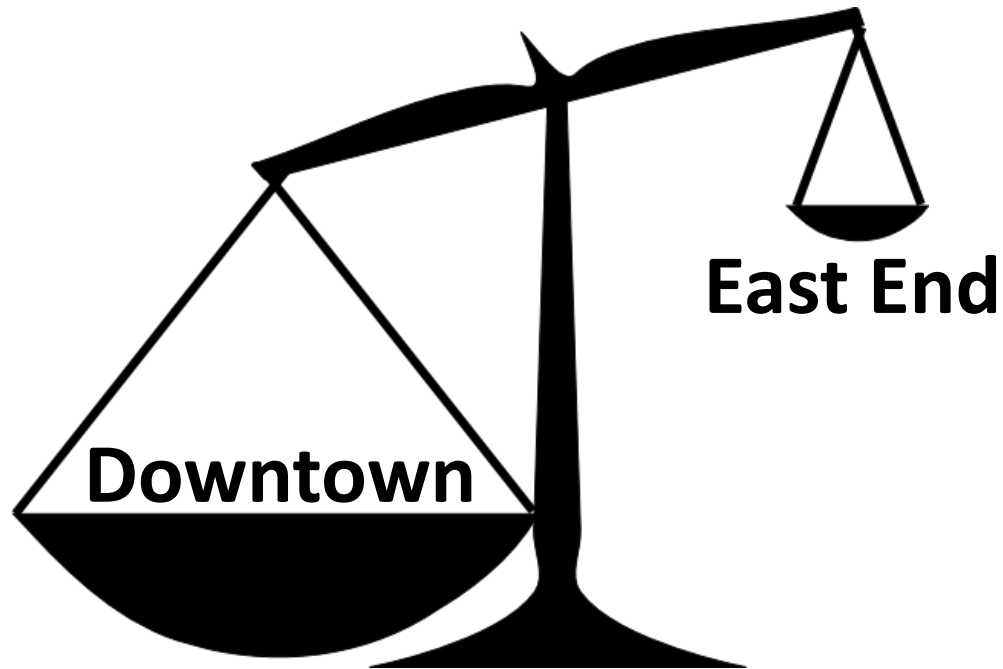
# Improved agency/organizational/stakeholder collaboration



- Create District newsletter requiring input from all stakeholders (Public, Non-Profit, Private) to encourage sharing of information.
- Link infrastructure project funding to community led planning process.
- Dedicate budget set-a-side to small one time capital projects..
- Center collaborations around art or beautification projects.



# East End needs a BIG IDEA – anchors to attract activity



Light rail takes people from East end to/from Downtown, needs to serve both direction



FY 2016 Ridership

## Average daily weekday ridership

Red Line	49,047
Green Line	2,706
Purple Line	3,420

Source: Houston Metro Monthly Ridership Report, Dec 2015



# Solicit local expertise to find the Big Idea



- Workforce development groups
- Artists
- Universities
- Industry (Energy, Port of Houston, TMC)
- East End resident liaisons
- ULI / Real estate community

# Big idea: Leverage East End culture to drive anchor development



## Philadelphia Wholesale Produce Market

- 686,000 square feet
- Newest and most advanced produce terminal in the country.
- Port of Philadelphia is the largest port in the United States for the import of fresh produce.

How do you leverage Houston and East End strengths to create an anchor site?

### CULTURE



### ACTIVE INDUSTRY



### INNOVATION

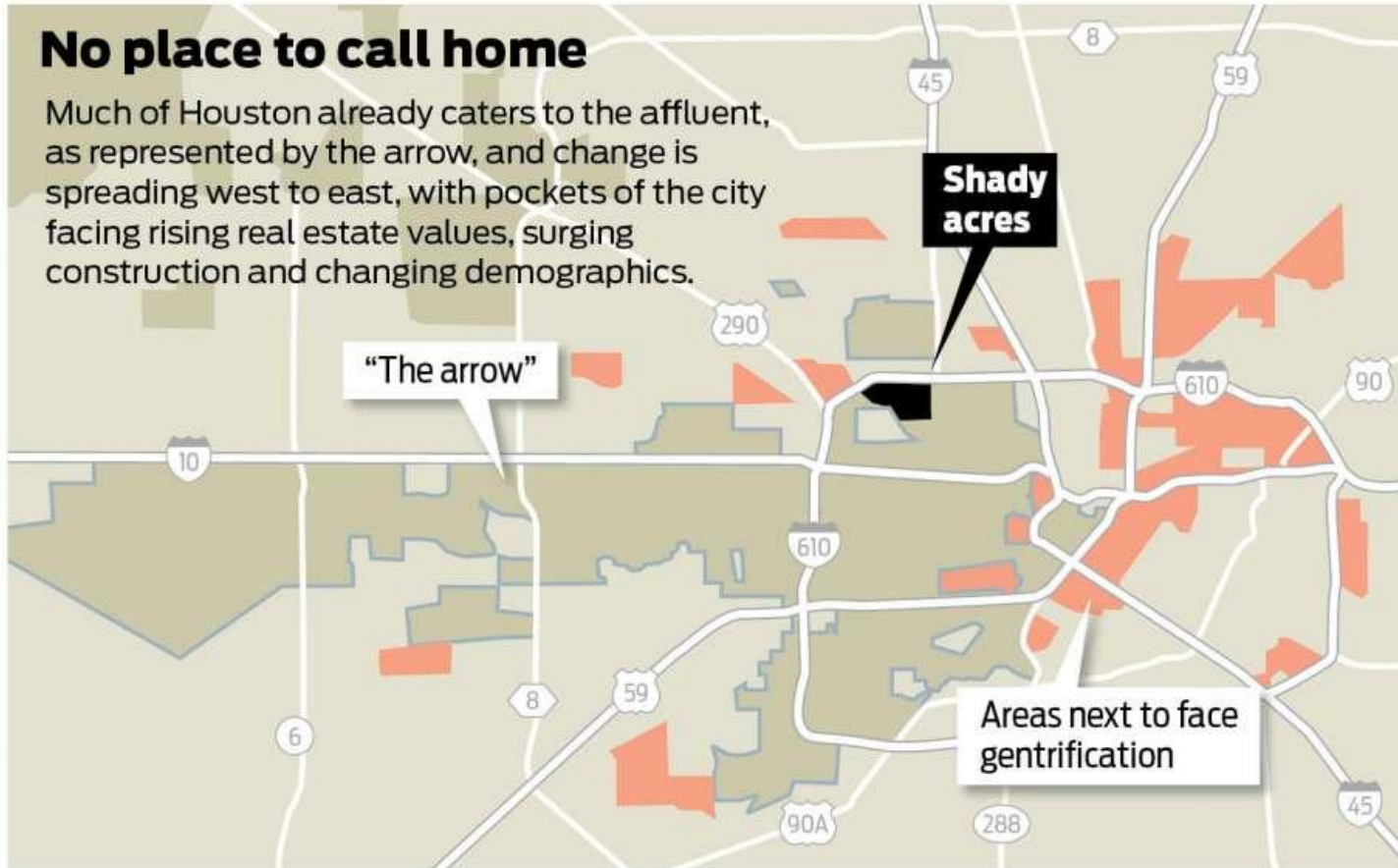


### PROXIMITY TO DOWNTOWN

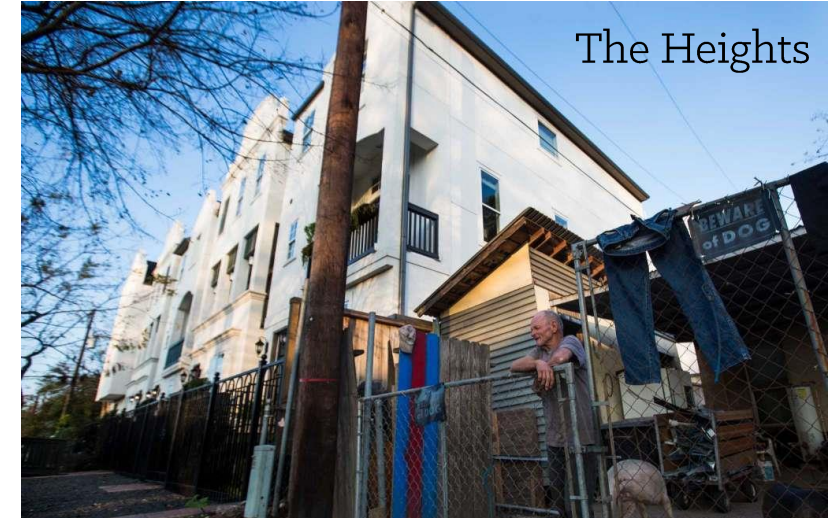




# Incentivizing development in East Houston is not enough – gentrification is imminent



Houston Chronicle  
December 29, 2015





# East End as a national model for stopping retail displacement in a gentrifying neighborhood







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# Drive intentional development

- a. Define 4-5 areas with greatest potential and/or greatest need within the East End and use existing incentives (i.e., Chapter 380) around these areas.
  - Leverage existing public investments such as the port or the streetcar infrastructure by creating incentive programs and “carrots” for developers to encourage specific types of development, including retail.
  - Use Chapter 380 to create opportunities for hard-to-employ individuals and families.
  - Identify existing cultural assets such as murals and arts centers that capture the neighborhood essence and target development and infrastructure around these assets.
- b. Demonstrate commitment to East End development with “skin in the game.” Consider opportunities to land swap or redevelop City-owned parcels in the East End for community-centric projects that will incentivize other commercial, retail, and residential development.
  - Consolidation of city agencies/employees into a new East End building.
  - Public-private partnership to create anchors such as cultural institutions, recreation centers, libraries, multi-purpose institutions, etc.





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# Business Attraction, Retention and Expansion Opportunities

- Increase partner collaboration
- Coordinate messaging and marketing
- Launch Houston small business portal
  - Regulatory
  - Supportive service and resources
  - Pilot portal education and outreach in East End

# Portal: Regulatory Example



**BOSTON** PERMITS & LICENSES

Sign In ?

## Welcome to Boston Permits & Licenses

This site will guide you through the process of applying for select permits at both the Inspectional Services Department and the Boston Fire Department. In the future, this site will also allow you to apply for additional permits and licenses from other departments. To access ISD permits for printing that were applied for prior to 3/22/2016, [click here](#).

To manage BFD permits and applications that were applied for prior to 6/30/2016 or to apply for Tent with Assembly, Temporary Place of Assembly, Place of Assembly and Self-Service, [click here](#).

[Start A New Project](#)

[VIEW EXISTING PROJECTS](#)



# Portal: Service and Resource Example



STARTING



GROWING



LOCATING



FINANCING



CONTRACTING

I NEED HELP WITH...



BLOG

EVENTS

PODCAST

VIDEOS

CHARLOTTE



This adventure represents our own desire & intention to **LIVE BOLDER**, just like the Kinetic Heights slogan challenges everyone to do!

Steve Gruendel: At the [Kinetic] Heights of Entrepreneurship

# Explore the creation of a kitchen, retail, or other type of incubator program to help existing businesses scale-up and remain in the neighborhood

- Incubator programs provide access to shared workspace and equipment, business training, and technical assistance
- Examples:
  - Food Business Pathways Program (New York City)
  - Union Kitchen (Washington, D.C.)
  - Little Rock Urban Farming (Little Rock, Ark.)
- Resources/Research:
  - [Food-Based Business Incubator Programs Guide \(NLC\)](#)
  - [US Kitchen Incubators: An Industry Update \(ACT\)](#)



Photo: Union Kitchen

# Help activate the commercial spaces with a pop-up retail program

- Pop-ups are temporary storefronts for entrepreneurs (e.g., The Esplanade at Navigation)
- The city can provide access to space and permits
- Benefits:
  - Creates more foot traffic in an area
  - Entrepreneurs can build a customer base and get hands-on experience
  - A good strategy for helping the city and partners understand the capacity for entrepreneurship/small business development in the area
- Examples:
  - San Antonio's OPEN initiative
  - San Jose's Pop-Up Project





# Business Attraction, Retention and Expansion Opportunities

- Hire bilingual economic development staff for East End
- Increase communications
- Survey area businesses
- Establish business retention, attraction and relocation program
- Explore a Mercado project



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# Conclusions

- The large expanse of the East End demands a proactive approach to resident and community engagement.
- Gentrification is inevitable, but can be managed.
- The City could leverage existing tools (i.e. 380 Program) and assets (i.e., city-owned property) for equitable community development.
- There are many organizations working on business attraction, retention, and expansion, but there needs to be better alignment and coordination. There is a role for the city in better coordinating these efforts, through tools like the portal and an ombudsperson.



# Homework

1. Convene a task force of local residents and experts to work towards identifying an anchor project in the East End.
2. Develop a defined workforce stakeholder group: convene partners, define roles, establish plan for small business surveying, and begin portal development.
3. Assess and map city-owned land/parcels/real estate in and around the East End and determine current use.
4. Identify under-occupied city buildings in areas of the city that would be prime for a land swap.
5. Identify and map buildings/murals/places that embody the “cultural core” of the East End.

**Next Check-in:**

**Fellowship Retreat: Washington, DC | June 6-8, 2017**

Thank You

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## **Thank you to the following people; their assistance was essential to the panel's work:**

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