

TOMORROW Magazine Volume 1: Houston 2035

Socratic Seminar: What Direction Should Urban Planning Take for the Houston Area?

Introduction:

Urban planning and zoning content is often difficult for students to grasp. They don't understand the choices local and regional governments make which have direct impact on their quality of life and the environment. This activity is designed to allow students to explore urban planning options and the conflicting opinions supporting them, according to area residents and organizations.

Materials Provided:

The following pages begin with a background reading for participants. Also included is general background information about two trends in urban planning, Smart Growth and New Urbanism, taken from their web sites. Information about organizations involved in Houston's regional planning follows and participants can conduct their own research by going these websites. Lastly, articles are provided to present varying points of view on the future of urban planning for the Houston region. Choose those that you find most appropriate for your participant group. You can combine shorter ones to balance reading selections for participant groups. A brochure provided by the American Planning Association describing the role of planner can be found at the following web address:

<http://www.planning.org/essay/resources/pdf/planit.pdf>

Materials for Participants:

- Copies of the *Background Reading*, and web pages on Smart Growth for each participant.
- Copies of supporting articles, each distributed to a different quarter of the participant group.
- Copies of *Socratic Seminar Participant Guidelines* for each participant.
- Copies of *Socratic Seminar Rubric* for each participant.

Procedure:

1. Distribute *Background Reading* to participants before the seminar so that they have a chance to read them. Also provide different supporting articles to subgroups within the participant group.
2. Instruct participants to read materials and highlight or use sticky notes to identify important points.
3. Request participants generate questions relevant to the materials to add to those below. (Optional)
4. Discuss content terms in italics from *Background Reading* if participants are not familiar with them.
5. Follow the rest of the directions in the *General Procedure for Conducting a Socratic Seminar*

Suggested Leader Questions:

1. Listen to the following two statements. 'The goal of urban planning is sustainable development.' 'The goal of urban planning is affordable housing for all.' Do you agree with either of these statements? Why? Are these statements mutually exclusive or inclusive?
2. What are the interests of citizens living in this region?
3. What are the interests of developers in this region?
4. Do politicians represent the citizens in the policies that they propose?
5. Who benefits from current zoning laws? Do these laws present a disadvantage to some groups?
6. What do you think about Smart Growth? How is New Urbanism different from Smart Growth?
7. Who do you think benefits or loses from these urban planning strategies?
8. If you were an advocate for the natural environment, what type of planning would recommend?
9. Can the development goals of the city of Houston benefit outlying regions, including suburban and rural areas? Or are the goals of different areas in conflict?
10. If you were on the city council, or a regional planning board, what would you recommend for an urban planning strategy?

Background Reading:

Urban centers, or cities and towns, grow by two different mechanisms, natural population increase, related to *birth and death rates*, and *immigration*. Since the industrial revolution, more and more people have been moving to urban areas from rural areas, a trend described by the term *urbanization*. *Urban*, *suburban*, and *rural* areas are defined by their population densities, with urban the highest, rural the lowest, and suburban in between. Urban areas attract people because they provide opportunities for jobs, better housing, schools, security, freedom, and recreation. In city centers, many walk or take *public transit* to school, or the store, and to work.

Cities have their own problems however, such as air and water pollution, substandard housing for the poor, higher crime rates, higher taxes, and lack of *green space*. These are several reasons why many city people choose to move from the city center to suburbs, where land and housing is cheaper and crime rates are lower. The result for many American cities within the last century is diminished neighborhoods inside the city and *urban sprawl* on the outskirts. Outside city limits, there are fewer building regulations and land use restrictions, which makes it easier for developers to build. Cheap gas prices allow people to afford longer commutes to work. Transportation routes attract developers to build subdivisions along them, pushing development farther and farther from the city center, jobs, and amenities.

Urban sprawl has created another set of problems. Farmlands and ecosystems have disappeared, replaced by housing and roads. People living in developments with few services must drive longer distances for medical care, schools, groceries, and shopping. The higher carbon footprint of suburbanites is directly related to their transportation requirements. With few public places for people to gather in near their neighborhood, people spend most of their time in their house, their car, or place of work. People often don't get to know their neighbors. It is difficult to develop a sense of place, a sense of belonging, a sense of responsibility to the environment you live in. What do you know about your own neighborhood?

Although, population pressures and development continue the push of urban sprawl, a new interest in returning to the city, or denser suburban centers, is surfacing. The Houston region is made up of polycenters, with areas like The Woodlands, Katy, and Sugar Land also providing some of the urban amenities typically found in the core city. Higher gas prices, congested traffic, and an ailing environment have threatened everyone's (especially the commuter's) quality of life. People are choosing to trade in their car time and expense, for opportunities to pursue other interests.

What does that mean for cities and suburbs? Diminished cities have an opportunity to revitalize neighborhoods, public places, retail areas, and job centers. Renovating neighborhoods, cleaning up green spaces and water ways, and providing housing and transportation options will encourage people to move back to the city, which can support higher population densities. Thriving cities attract industry, services, and people, which increase the tax base. With effective regional planning, existing suburbs and connection pathways are enhanced and diversified. Urban sprawl is controlled, growth progresses in a way that focuses on the citizen benefits and less harm to the environment. The focus is on *sustainable* development.

Traditionally, the economic benefits of growth and development are encouraged. American cities and towns depend on property taxes to pay for *infrastructure*, such as roads, schools, water treatment, solid waste treatment, and fire stations. Economic growth is the fastest way to meet the growing infrastructure needs of expanding urban areas. *Urban planning* has relied on *zoning* to regulate the use and development of land. Zoning limits the type of development, such as residential, retail, or industrial to certain areas. However, zoning often favors some types of development that increase the tax base over others. The conservation of green space, ecosystems, and agricultural land does not have the same economic value. Although, growing evidence indicates that these criteria are important to the quality of life. In addition,

strict zoning laws limit innovative approaches to urban planning, such as mixed use developments.

Developers, politicians, and citizens have different views on urban planning in the region. Developers are interested in providing marketable products that people want and minimizing their costs. Politicians are interested in providing a tax base for the city, attracting business and industry, and supporting what they believe their citizens want for the area. Citizens want housing options, safe neighborhoods, jobs, good schools, and other amenities. According to the American Planning Association “Planning is a profession that works to improve the welfare of people and their communities by creating more convenient, equitable, healthful, efficient, and attractive places for present and future generations.” How would you decide which direction the Houston region should take?

What is Smart Growth?

We define smart growth according to its outcomes – outcomes that mirror the basic values of most Americans. Smart growth is growth that helps to achieve these six goals:

- 1. Neighborhood Livability** The central goal of any smart growth plan is the quality of the neighborhoods where we live. They should be safe, convenient, attractive, and affordable for all people. Sprawl development too often forces trade-offs between these goals. Some neighborhoods are safe but not convenient. Others are convenient but not affordable. Too many affordable neighborhoods are not safe. Careful planning can help bring all these elements together.
- 2. Better Access, Less Traffic** One of the major downfalls of sprawl is traffic. By putting jobs, homes and other destinations far apart and requiring a car for every trip, sprawl makes everyday tasks a chore. Smart growth's emphasis on mixing land uses, clustering development, and providing multiple transportation choices helps us manage congestion, pollute less and save energy. Those who want to drive can, but people who would rather not drive everywhere or don't own a car have other choices.
- 3. Thriving Cities, Suburbs and Towns** Smart growth puts the needs of existing communities first. By guiding development to already built-up areas, money for investments in transportation, schools, libraries and other public services can go to the communities where people live today. This is especially important for neighborhoods that have inadequate public services and low levels of private investment. It is also critical for preserving what makes so many places special—attractive buildings, historic districts and cultural landmarks.
- 4. Shared Benefits** Sprawl leaves too many people behind. Divisions by income and race have allowed some areas to prosper while others languish. As basic needs such as jobs, education and health care become less plentiful in some communities, residents have diminishing opportunities to participate in their regional economy. Smart growth enables all residents to be beneficiaries of prosperity.
- 5. Lower Costs, Lower Taxes** Sprawl costs money. Opening up green space to new development means that the cost of new schools, roads, sewer lines, and water supplies will be borne by residents throughout metro areas. Sprawl also means families have to own more cars and drive them further. This has made transportation the second highest category of household spending, just behind shelter. Smart growth helps on both fronts. Taking advantage of existing infrastructure keeps taxes down. And where convenient transportation choices enable families to rely less on driving, there's more money left over for other things, like buying a home or saving for college.
- 6. Keeping Open Space Open** By focusing development in already built-up areas, smart growth preserves rapidly vanishing natural treasures. From forests and farms to wetlands and wildlife, smart growth lets us pass on to our children the landscapes we love. Communities are demanding more parks that are conveniently located and bring recreation within reach of more people. Also, protecting natural resources will provide healthier air and cleaner drinking water.

“What is Smart Growth” created by Smart Growth America:
<http://www.smartgrowthamerica.org/whatisg.html>

Learn About New Urbanism

Creating Enduring Neighborhoods

A growing movement, New Urbanism recognizes walkable, human-scaled neighborhoods as the building blocks of sustainable communities and regions. The Charter of the New Urbanism articulates the movement's principles and defines the essential qualities of urban places from the scale of the region to the individual building.

Making Urbanism Legal Again

Although compact, mixed-use urban form achieved such value before 1950, separate-use zoning codes and high-volume road standards subsequently helped to make sprawl today's default development option. New Urbanists are providing leaders with tools to reverse course and strengthen the character, livability, and diversity of their communities.

Making Connections a Priority

Through grids of streets, transportation choices, and the siting of buildings along sidewalks, New Urbanism brings destinations within reach and allows for frequent encounters between citizens, in sharp contrast to sprawl (right). A key measure of connectivity is how accessible communities are to people with a range of physical abilities and financial resources.

Celebrating Shared Spaces

New Urbanism makes shared space the organizing element of a community. Architecture physically defines streets as places of shared use. Care for the public realm adds character, builds value, promotes security, and helps residents feel proud of their community. Plazas, squares, sidewalks, cafes, and porches provide rich settings for interaction and public life.

Achieving Sustainability -- From Building to Region

By focusing development, New Urbanism promotes efficient use of infrastructure and preservation of habitats and farmland. With green building leaders, CNU is establishing new standards for green design at the neighborhood scale. Transportation plays a pivotal role in sustainability and truly efficient transportation – walking, bicycling, and transit use – is only possible where there is compact, urban form.

Reclaiming Urban Places Once Thought Lost

New Urbanism is repairing the damage done to our cities through environmental degradation, misguided infrastructure projects and designs that isolated the poor. Through the federal Hope VI program, new urbanists have transformed deteriorating public housing into livable mixed-income neighborhoods. And in numerous cities, CNU is helping to replace blighting freeways with neighborhood-friendly boulevards.

Renewing a Ravaged Region

Since the historic October 2005 Mississippi Renewal Forum, CNU members have led planning efforts along the hurricane-battered Gulf Coast, including in New Orleans (left). Master plans, form-based codes, and transportation designs are helping citizens and their leaders forge collaborative visions, while Katrina Cottages (right) have emerged as a new model for affordable emergency housing of enduring quality.

“Learn about New Urbanism” created by the Congress for the New Urbanism:

http://www.cnu.org/Intro_to_new_urbanism

Regional Players – Some of the Organizations Involved in Planning in the Houston Region

The Houston-Galveston Area Council is the region-wide voluntary association of local governments in the 13-county Gulf Coast Planning region of Texas. Its service area is 12,500 square miles and contains more than 5.7 million people. H-GAC's mission is to serve as the instrument of local government cooperation, promoting the region's orderly development and the safety and welfare of its citizens. H-GAC is governed by a Board of Directors composed of local elected officials who serve on the governing bodies of member local governments. H-GAC provides many tools: information, region-wide plans, and services to support the region's local governments. Key H-GAC governmental services include transportation planning, cooperative purchasing, homeland security, air and water quality planning, forecasting, and mapping. H-GAC also serves the region through workforce development, criminal justice, 9-1-1, trauma care planning, small business finance, and other programs contributing to the region's quality of life and economic competitiveness.

<http://www.h-gac.com/>

Houston Tomorrow is a 501(c)(3) charitable nonprofit organization founded in 1998 to explore urban issues and to inform the discussion of growth in the Houston Gulf Coast Region. The mission of Houston Tomorrow is to improve the quality of life in the Houston region. Its vision is to assure a high quality of life and a strong and healthy economy, community, and environment, with policies for growth that don't compromise the ability of future generations to meet their needs and pursue their dreams.

<http://www.houstontomorrow.org/>

The Center for Houston's Future is an independent 501(c)(3) organization that brings together business and other communities on behalf of the future of Houston and the region. Its vision is to advance the Houston region as one of the top ten global communities in which to live and work. The Mission of the Center is to engage the community to think long-term and act strategically for the future economic, physical, social and cultural well being of the region through research, facilitation and collaboration.

<http://www.centerforhoustonfuture.org/>

Blueprint Houston is a non-profit organization dedicated to building community support for a planning process that makes improvements to Houston's quality of life and place. Given that quality of life and place are important to the health and prosperity of all Houstonians, Blueprint Houston seeks to initiate a coordinated planning process that leads to a general plan for the city's future, based on meaningful, timely and effective citizen participation.

<http://www.blueprintheouston.org/>

Houstonians for Responsible Growth's mission is to work with elected officials and the public to preserve the policies and principles that have made Houston one of the most affordable and successful major cities in the world. HRG organized in response to a significant number of proposals by the City of Houston proposing stringent land-use controls. Our broad based membership includes land and property owners, architects and engineers, home builders, developers of commercial properties and residential communities, Realtors, attorneys, bankers, community leaders, and many others who understand that Houston's history of rejecting heavy-handed land use restrictions, including zoning, has been a key element to our city's prosperity.

<http://www.houstongrowth.org/>

education.houstontomorrow.org

The mission of Houston Tomorrow is to improve the quality of life in the Houston region.

Article 1: Full Buses, Empty Food Pantries Tell the Tale of High Fuel Prices in Houston

As low-income residents of Houston's suburbs look for ways to beat high gas prices and stretch household budgets, they increasingly use public transit wherever available, form carpools and seek public assistance for their daily needs, report *Houston Chronicle* writers Eric Hanson and Renee C. Lee, citing an example of Sugar Land resident Siva Pinnaka, who used to drive daily some 15 miles northeast to downtown Houston, but switched from his car three weeks ago to Fort Bend County's TrekExpress bus and now estimates his travel savings at \$100 a month.

Fort Bend County Transportation Department Director Paulette Shelton said the nine TrekExpress buses that usually had about 7,000 passengers a month carried almost 10,000 in May, with "inquires about the service" also going up.

In Brazoria and Galveston counties, the "on demand" Connect Transit system, which requires at least a one-day advance request but charges only \$1 for a trip between residents' homes and any two-county destination, saw a similar ridership increase, while its own gas cost jumped from \$14,583 to \$23,385 a month.

"It's killing us," said system director James Hollis, hoping the Texas Department of Transportation will help plug the gap again this year.

At the same time, Montgomery County food pantries face overwhelming tasks, with New Caney's Mission Northeast listing 96 new families in February but 256 last month, and additional demands also reported by First Christian Church in Conroe, the Interfaith in The Woodlands, and other charitable groups throughout the region, all noting major increases in carpooling among their clients.

In Liberty County, the number of the needy seeking help from the Spirit of Sharing social service agency - supported mostly by area churches, themselves facing donation decline -- grew recently by almost a third to about 2,000 recipients.

No one is turned away for food, but those from other areas, said Spirit of Sharing spokeswoman Evelyn Coleman, sometimes must be denied clothing or money for their medical, utility or gas bills.

East Fort Bend Human Needs Ministries activist Vickie Coates told the writers the agency has "doubled on the amount of food" given to the needy during visits to spare them trips, while applying for a private grant that would found a gas assistance voucher program.

Reprinted from the Houston Chronicle for educational purposes only. Originally appeared 06/19/2008 at www.chron.com.

Article 2: Growth Expected to Be Key Issue in Houston's Next Mayoral Election

Three-quarters of 703 Harris County residents randomly selected for the University of Houston Center for Public Policy's 2008 Houston Area Survey said population growth could be best absorbed through urban redevelopment, almost two-thirds thought more land-use planning would benefit the city, more than half expressed willingness to support zoning, and more than one-third -- in contrast to one-fourth in 2007 -- called traffic congestion their biggest problem, reports *Houston Chronicle* writer Mike Snyder, with all three expected mayoral candidates in 2009 taking notice and generally promising to back changes in the city's development policies.

With Mayor Bill White ineligible to run for a fourth term next year, City Councilman Peter Brown, an architect and urban planner, said he would work for adoption of a form-based development code, advocated by New Urbanism experts, but questioned by some, including industry-based Houstonians for Responsible Growth group.

Without sound development standards, the councilman noted, "we're losing our share of the middle class," and "getting flooding, air pollution, (and) neighborhood blight and decline."

City Controller Annise Parker, a former city council member, would prefer land-use controls other than conventional zoning to protect city neighborhoods.

"If you're going to build a mid-rise or a high-rise," she stated, "it ought to be on a major thoroughfare, not looming over and dwarfing hundreds of homes nearby."

And businessman Bill King, a lawyer and former Kemah mayor, agreed that Houston needs somewhat tougher development rules, while considering most local neighborhoods more concerned about crime and gridlock.

"I think that all of us recognize that there's got to be an appropriate balance between somebody's right to see their property in any way that they see fit, and any noxious effects," he said. "Where you hit that balance is the question."

Reprinted from the Houston Chronicle for educational purposes only. Originally appeared 04/19/2008 at www.chron.com.

Article 3: Outdated City Rules Hamper Redevelopment of Midtown Houston "Wasteland"

The remarkable progress of the Houston Redevelopment Authority and civic leaders in transforming a neglected Midtown "wasteland" into a vibrant pedestrian-friendly district -- with population increased from 500 to 9,500 and the tax base from \$157 million to \$800 million since its Tax Increment Reinvestment Zone (TIRZ) took effect in 1995 -- could have been faster and more comprehensive if not hampered by outdated city rules that forbid some elements of walkable design.

For example, the 25-foot building setback rule "gives pedestrians little to see except parking lots," while others often require developers to seek variances, "a costly and cumbersome process," reports *Houston Chronicle* writer Mike Snyder, quoting Main Street Coalition Chairman, developer Ed Wulfe, who observed, "Unfortunately, the Houston way is slow and painful."

Redevelopment Authority and Midtown TIRZ Director Charles LeBlanc said the authority sent city lawyers numerous drafts of a development code for the district, but all were rejected as tantamount to zoning, which city voters have repeatedly turned down.

Frustrated planner and developer, Midtown Management District Board Vice Chairman Ian Rosenberg, who is converting a vacant 80-year-old Caroline Street building into a European-style wine bar and cafe, told the writer he had to lease additional space to have the required off-street parking, but to place an awning over a sidewalk he would need a Planning Commission variance.

Questioning the logic of the parking size requirement when he expects local residents to walk to his bar, he said some changes definitely "have to happen in the way things get built."

He and others found city officials receptive at a conference last month on an urban transit corridors initiative. While special mixed-use pedestrian-friendly development rules for a particular neighborhood may be legally questionable, the officials said, they might work for neighborhoods near transit, including Midtown with its Main Street light-rail line.

Planners noted that although transit stops are ideal as anchors for urban villages, the Main Street line attracted few projects due partly to speculation that has driven land prices up.

Reprinted from the Houston Chronicle for educational purposes only. Originally appeared 9/11/2006 at www.chron.com.

Article 4: Harris County's Open Space Could Disappear by 2035 if Houston Continues Low-Density Developments

As the city of Houston already takes some 650 square miles, whatever open space Harris County still has will be all gone by 2035 if development continues at the current low-density rate of 3,500 people per square mile (fewer than six per acre), with subdivisions, office parks and shopping malls spreading over another 1,000 acres across the eight-county region, warns the Houston-Galveston Area Council of Governments (H-GAC), while Texas A&M University environmental expert John Jacob calls the implication "probably catastrophic."

According to new H-GAC projections, reports *Houston Chronicle* writer Mike Snyder, the region's population will grow from 5.3 to 8.8 million within 30 years, including a Harris County jump from 3.8 to 5.8 million.

To save it from further sprawl, open space loss and crippling road congestion, the H-GAC and the nonprofit Blueprint Houston group will release recommendations from their "Envision Houston Region" public planning process early next year, hoping to make a difference in distribution of federal money expected for the next Regional Transportation Plan.

At their workshops last fall, said Blueprint Houston Executive Director Heidi Sweetnam, hundreds of people backed proposals to create a linear park system along bayous; bar construction in flood plains; build more "town centers" with housing, shops and jobs; and combine transportation services to improve mobility and cut commute times.

Officials and developers alike see transportation investments as the most effective in shaping the form and direction of growth, the writer observes, quoting Citizens Transportation Coalition Chairwoman Robin Holzer. "It matters where and how you spend that money," she pointed out. "This new (envisioning) process has made improving the quality of life an essential part of the transportation plan, which was just unheard of before."

In addition, the process has highlighted the importance of keeping open space not only for wildlife and recreation, but also for rainwater absorption, which limits runoff and flood risks. Area environmentalists told the writer it's sometimes harder to push for preservation in the absence of forests or mountains, said Katy Prairie Conservancy Executive Director Mary Anne Piacentini, since people do not necessarily or immediately "understand the subtle beauty of the prairie."

Aware of these concerns, General Growth Properties, which is building the 20,000-home master-planned Bridgeland community northwest of Houston, a project which may take 15 to 20 years, will preserve about 3,000 of its 10,000 acres as open space.

The A&M University expert complemented the company for preserving more land than is typical, although still too "fragmented" to retain its full ecological value.

Reprinted from the Houston Chronicle for educational purposes only. Originally appeared 12/26/2005 at www.chron.com.

Article 5: Smart-Growth Overhaul at U. of Houston Includes Converting 62 Parking Lots to Mixed-Use Structures

Inspired by the example of Columbia University in New York, the University of Pennsylvania in Philadelphia, the University of Southern California in Los Angeles and other urban colleges that are improving campuses and "their gritty surroundings," the University of Houston (UH) is planning a similar smart-growth overhaul of its 550-acre main campus, whose 62 parking lots will be converted into garages, classrooms, offices, dense housing, shops, and restaurants.

The first major project, next August, reports *Houston Chronicle* writer Matthew Tresaugue, will be a \$100 million building for graduate and professional school students, with more than 700 loft apartments, ground-level retail and a large lecture hall.

Expecting enrolment to increase from 35,000 to 45,000 students over the next decade, UH officials want the campus redevelopment to ensure a better fit with the surrounding Third Ward, reduce its blight and attract more business.

They are already talking with private developers about construction of a mixed-use town center at neglected Scott Street just west of the campus.

"We haven't done a good job of working with the neighborhood in terms of developing the Third Ward to both of our benefits," regrets UH Associate Vice President David Irvin. "Our lack of attention has caused the area to not be as dynamic as it could be."

Local residents and community leaders count on the campus and the area transformation. "Right now there is no place to get coffee or a beer," notes University Oaks Civic Club President, attorney Doug Erwing, hoping the planned UH buildings won't overshadow the single-family homes around the campus. "I think there will be more life, and I think it bodes well for our neighborhood."

His neighbor, state Democratic Representative Garnet Coleman, also supports the UH plan. "This could be a catalyst," he observes. "All these years, no one crosses Scott Street to patronize businesses. There shouldn't be a disconnect between the university and the neighborhood. That isn't good for anybody."

Reprinted from the Houston Chronicle for educational purposes only. Originally appeared 12/17/2006 at www.chron.com.

Article 6: Lack of zoning has paid off for Houston

During the past year, I've made several appearances on television news programs to talk about the housing crisis. My role was that of the straight man.

Typically, the shows would have three journalists from different regions of the country — one from the Northeast, one from the West Coast and me.

After the doom-and-gloom pronouncements from the coasts, I would come on and say, "Things aren't so bad here in Houston."

Houston has remained on the sidelines of the latest national financial crisis. Our housing prices haven't plunged, just as they didn't soar as the national housing bubble inflated. Our prices remained modest, if you believe the conventional wisdom, because we have a secret ingredient: plenty of land.

An abundance of open space by itself, though, may not be what protected us. Texas, after all, experienced an ugly real estate implosion in the late 1980s.

In a report issued by the Federal Reserve Bank of Dallas' Houston branch, senior economist Bill Gilmer found another reason Houston has been shielded from the country's real estate crisis: the lack of zoning. Gilmer's findings are worth considering as the zoning debate rages anew.

From an economic perspective, zoning laws work as a constriction of supply, which played a role in rising housing prices in other parts of the country.

"It raises the price of new-home construction," Gilmer said. "Those supply restrictions began the process of price increases."

Speculators finish the job, inflating the housing bubble with demand for mortgage securities that encourage ever-riskier lending practices.

As housing demand has increased, cities with tight zoning laws saw a steep rise in prices because of limited supply.

Rising prices ultimately extinguish demand, as we're now seeing with the collapse of the mortgage market.

Construction met demand

In Houston, however, demand was met with new construction rather than rising prices. As a result, when the real estate bubble burst, the effects on Houston were less severe than elsewhere.

As of January, about 4 percent of Texas homes backed by subprime loans were in foreclosure, according to the Fed. That compares with 11.5 percent for California and 14.4 percent for Florida.

That's not to say we've been immune. For the first four months of the year, foreclosures in the Houston area were almost 17 percent higher than a year earlier, according to Foreclosure Information and Listing Service.

Houston's combination of available, unrestricted land and municipal utility districts to fund infrastructure have allowed it to grow at a lower cost than other metropolitan areas, Gilmer said.

"A lot of cities want to force you into particular patterns of development," he said.

The higher prices that come with zoning essentially close some of the most desirable neighborhoods to all but the wealthiest homeowners.

Shock, disbelief

Gilmer said he's often surprised by the reaction of colleagues in other cities when he discusses Houston's housing prices.

"They do not believe housing could be that cheap," he said. "It's a tremendous draw for people who are locked out of communities in San Francisco, where they have to commute two or three hours each way." Of course, Houston's lack of zoning is something that outsiders view as, well, crazy for a city our size. I must admit that before I moved here, I was among them.

After all, who wants to see their property values fall because a neighbor opens a nightclub or an auto repair shop in a residential neighborhood?

Many neighborhoods, though, already have deed restrictions or homeowners associations that address such concerns, Gilmer said.

Zoning, by comparison, is designed to regulate development on a broader scale, which is why it can become exclusionary, he said.

As homeowners, many of us don't mind the higher prices that come with building restrictions. We like to see the value of our real estate investment rise.

Cost of zoning

The question for Houston becomes whether the cost of zoning is worth the benefit. Gilmer's study, released earlier this year, is a reminder that the real secret ingredient in Houston's economic recipe is affordable housing, not just abundant land.

Not only do our housing prices make Houston attractive for relocations, it means that residents spend less of their income on housing, so they have more to spend on other things.

"It's a big driver of our growth," Gilmer said. "There aren't a whole lot of places that can offer a big city life and affordable housing."

That's something I never get to talk about on TV.

As the straight man, I don't get to deliver the punch line.

Reprinted from the Houston Chronicle for educational purposes only. Originally appeared 05/27/2008 at www.chron.com.

Article 7: Lanier puts his weight behind builders / Ex-mayor joins campaign against development regulations he says hurt city

Former Mayor Bob Lanier has joined prominent home builders and developers campaigning to limit new development regulations they believe could threaten Houston's growth.

Lanier's comments are part of a nascent effort to respond to recent city laws and policies, including a high-density development ordinance now being written, that affect the politically powerful real estate industry.

A new organization, Houstonians for Responsible Growth, which has begun the process of registering as a political action committee, is coordinating the campaign, said Ken Hoagland, a political consultant working with the group.

Lanier's involvement came in a letter delivered Dec. 27 to all 14 City Council members and Mayor Bill White. It also was signed by Leo Linbeck Jr., owner of a major local construction company, and Richard Weekley, a prominent developer and home builder.

"We are writing you because of our growing concern that the city is embarking, with the best of intentions, down a path of more extensive planning and regulations, many of which have ill-served cities across our nation," the letter states.

The public involvement of people with the stature of Lanier, Linbeck and Weekley suggests there's a well-organized effort to preserve Houston's traditional laissez-faire approach to land-use regulation.

Along with the letter, council members received copies of a book by Randal O'Toole, an economist associated with the libertarian Cato Institute, about the perils of government planning.

Lanier said he agreed to sign the letter because he shares the concern that increasing regulations could add to the cost of new housing in Houston and price young families and first-time buyers out of the market. "Each unit of additional cost knocks off a certain number of people from buying a home," said Lanier, who served as mayor from 1992 to 1998. "It's a serious error, in my judgment, to undertake to demonize the development industry."

Examples of the trend toward greater regulation, developers say, are a recent ordinance requiring residential developers to help pay for parks and the creation of a protected historic district in the Old Sixth Ward west of downtown.

Houston's low housing prices are among its chief economic assets, Lanier said, and policies that increase prices could make companies hesitant to locate their businesses here.

Weekley, speaking Monday to a City Council committee reviewing the high-density development ordinance, said the number of families who can afford to buy a median-priced home in Houston is declining, and new regulations could aggravate this problem.

"If you'd like for your children and grandchildren to buy a house in Houston, you need to be careful about unintended consequences," Weekley said.

The city's work on the high-density development ordinance, which would require developers of certain projects to take steps to ease traffic congestion, was prompted by an outcry from neighborhoods near the

site of a planned 23-story building near Rice University known as the Ashby high-rise.

White defends city's efforts

Some of the leaders of Houstonians for Responsible Growth are real estate professionals serving on a "stakeholders group" advising city officials about the high-density ordinance. Lanier, however, said his concern is about more than one project or ordinance.

"In the aggregate, they're much more significant than just Ashby," Lanier said.

White has characterized his administration's development proposals as narrowly focused efforts to protect neighborhoods or preserve historic properties. White has sought to deflect perceptions he supports zoning or other broad-based land-use planning initiatives.

Hoagland, the consultant, said Houstonians for Responsible Growth includes bankers, architects, construction project managers and others concerned about the economic "ripple effects" of excessive regulation.

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