

History of Racism in Austin Zoning Revolving Loan Fund as Part of Solution

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Racist Origins of zoning

-In Austin, Hyde Park was marketed the space as a “Whites only” neighborhood. To this day, Hyde Park has some of the strictest zoning laws in Austin, which keeps housing prices high and prohibits any buildings other than single-family homes. (*Why Propping Up Exclusionary Zoning Practices Upholds Systemic Racism in Central Austin*, Nina Hernandez, 2022).

-In the late 19th and early 20th century, Black people settled in neighborhoods like Clarksville and Wheatville, but Austin city planners neglected to install sewage lines or pave the roads in those neighborhoods as a part of the “1928 Austin City Plan” which aimed to move all black people from west Austin to east Austin. (The Empty Stairs: The Lost History of East Austin, Sharon Hill, 2012) (Austin Restricted: Progressivism, Zoning, Private Racial Covenants, and the Making of a Segregated City, Eliot M. Tretter, 2012) (*Austin Comp Planning: A Brief History Moving forward sometimes requires looking back*, Katherine Gregor, 2010).

Racist origins
of zoning cont.

-In 1957 the Industrial Development Plan allowed for the zoning of all property in east Austin to be “industrial,” including single family residential uses. Cumulative zoning allowed pollution and other hazardous facilities to be built adjacent to residential homes and schools in east Austin.

-West Austin was not implicated in the highly intentional zoning choices that exposed people of color in east Austin to harmful pollution and hazardous activity.

-This is because the city had a racist interest in protecting white people’s property value while relegating non-white people to areas of low property value.

Racist origins
of zoning cont.

-This raises questions about how zoning serves the city today and why the community perpetuates antiquated and racist ideals through zoning in the city. To this day, zoning restrictions that disallow density are one of the main reasons that transit isn't as effective as it could be (*Relationships between density, transit, and household expenditures in small urban areas*, Jeremy Mattson, 2020).

-A vital aspect to Austin's transit plan is Equitable Transit Oriented Development (ETOD).

-At the core of ETOD are ideals like preserving and increasing housing opportunities and expanding access to jobs with an accessible and quality transit system Austin has these goals for the city to expand public transportation use, but is hesitant to change zoning laws to promote sufficient ridership to reach said goals. (Austin ETOD Policy Plan, Accepted 2023).

Hypothesis

H: *ETOD in Austin is being stifled by overbearing zoning laws.*

Restrictive zoning laws in Austin have racist origins, and there's no place for such laws in a city that is aiming to create an equitable environment for its people to live in. Density around transit stops, whether it be more housing or commerce, is key to fulfilling the goals of ETOD. The current single family zoning along transit lines is a barrier in the way of fulfilling Austin's goals of a world class transit system.

Zoning in Austin

-In 2022, 58% of Austin residents deemed affordability the most pressing issue in the city.

-Single family homes in Austin cost more than condos and apartments, therefore the changing of zoning to allow for more condos, apartments, and multiple homes on one lot would increase affordability and allow people to live closer to the city center rather than leaving Austin to find more affordable housing in neighboring communities.

-As of 2016, only 3.6% of people used public transit to get to and from work in Austin, and 73% drove to work alone.

- People are more likely to ride the bus if they live close to it, and with a surplus of mandated single family zoning surrounding transit stops, these restrictive zoning laws are hindering progress in transit plan fruition and increase in ridership.

Zoning in Austin

-Between the years of 2010 and 2021, the percentage of Hispanic people living in Austin decreased, despite the population increasing by more than 300,000 people (*Austin's racial segregation continued over the last decade, new census data shows*, Audrey McGlinchy, 2020)

-This is likely the result of the spike in housing prices and the rise in the demand for housing in Austin that was occurring over this period of time (City of Austin Comprehensive Housing Market Analysis, 2020).

-The creation of more housing and employment opportunities near quality transportation could have massive implications for people who have been historically excluded from the resources that Austin has to offer. More density around transit is an equalizing factor in the growth of Austin. It gives all people more ample opportunity to find housing and jobs in the city, rather than being pushed out of the city.

conclusions

- The people of Austin are aiming to push the city in a more equitable direction by expanding public transportation and implementing ETOD principles that would grant greater access to necessities for everyone. There are solutions that aid in the progress that Austinites crave, and these solutions have been implemented in cities across the country.
- Solutions to the problem of zoning overlap with issues of affordability, which Austin residents deemed the city's most important issue in 2022. Ideally, with the implementation of ETOD principles in Austin, residents would see the creation of new affordable housing options in areas that people want to live in. In theory, this housing could be developed through an RLF and developers could reap benefits from building affordable homes.

Revolving Loans for affordable housing

Some communities have established loan funds for financing housing at an affordable level near transit stations.

Establishing a revolving loan fund provides access to a flexible source of capital that can be used in combination with more conventional sources. Often the RLF is a bridge between the amount the borrower can obtain on the private market and the amount needed to start or sustain a business. For example, a borrower may obtain 60 to 80 percent of project financing from other sources.

examples

- a) Atlanta: Greater Atlanta Transit-Oriented Affordable Housing Preservation Fund. First property was acquired last January (\$24.7M apartment complex).
- b) Seattle: Sound Transit is contributing \$4M per year for five years into a revolving loan fund (RLF) to create more affordable housing near our transit stations. They also recently partnered with Amazon for \$100 M in financing for affordable housing as part of an ETOD plan.
- c) Boston: Boston Foundation, Hyams Foundation, and Partners Healthcare set up an ETOD revolving loan fund with Local Initiatives Support Corporation (LISC Boston). \$18M in total funds have been invested since 2014 with 1500 units either built or acquired. 1100 are available to low-income residents.
- d) Denver: The Denver TOD Fund is a collaboration between housing agencies, local banks, Community Development Funds, and foundations. They note investment in preservation or construction of over 2000 affordable units along transit corridors since their inception, with plans for another 400 units starting at the beginning of 2022.

questions

Considering Texas' restrictions on hard requirements in affordable housing for developments, would it add value for Austin to look at a RLF to add to the toolbox for affordable housing developers?

Would funds from Project Connect's Anti-Displacement funds be a valid source of funding to start this kind of program?

Is there a community partner (Austin Community Foundation?) that could help match funds for this purpose, and develop a way to manage the program?

Conclusion

Feedback, Questions,
Comments, or Concerns?