

# NORTH PASADENA REDEVELOPMENT PLAN

Prepared for:  
The City of Pasadena, Texas

**DRAFT**

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# CHAPTER 1: INTRODUCTION

## NORTH PASADENA REDEVELOPMENT PLAN



The City of Pasadena, in conjunction with the Pasadena Second Century Corporation (PSCC), contracted the Wilbur Smith Associates Team to develop a Redevelopment Plan for the northern portion of Pasadena. The purpose of this Plan is to determine redevelopment options and identify methods of implementation for these recommended development options. The Plan also provides a framework incorporating previous planning studies, existing initiatives, and planned capital improvements to pave the way for change based on the steps identified in this Plan.

### Study Background

The City of Pasadena, located in Harris County, covers an area that extends from the Houston Ship Channel to Galveston Bay (see **Exhibit 1-1**). The City also abuts a number of other municipalities including: the cities of Houston, South Houston, Deer Park, La Porte, and Taylor Lake Village. As of 2007, nearly 150,000 persons call Pasadena home and the land area of the City included 58.9 square miles. Like so many of the communities along the Gulf Coast and Galveston Bay, a significant component of Pasadena's economic base includes fuel refining and other petrochemical industries.

In comparison to South Pasadena, with its newer infrastructure and buildings, North Pasadena is an older section of the City that has gradually declined over the last two decades. Aging housing stock, declining rental units, vacant buildings, and outdated infrastructure are perceived issues adversely impacting redevelopment. It has been noted by several stakeholders that national retail chains have closed stores in the area – choosing to relocate within the region. The remain-

ing commercial enterprises are typically small “mom and pop” investor-owned stores.

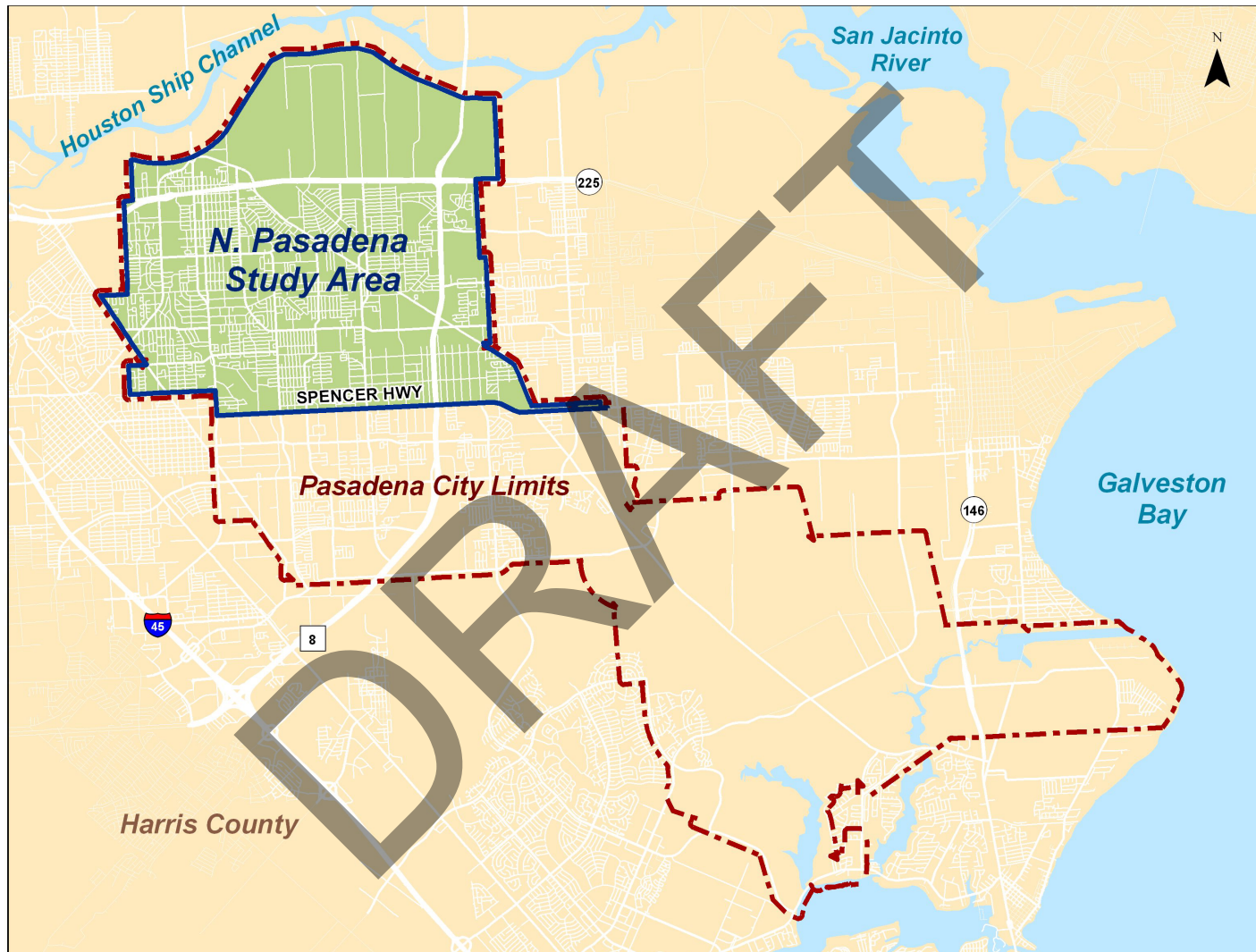
Beginning in the early 1990's several organizations and the City (through numerous administrations) have prepared studies intended to improve and revitalize North Pasadena. The following is a summary of these past initiatives:

- ★ In the early 1990's, the Pasadena Chamber of Commerce created the Revitalization Task Force to develop a redevelopment plan for older parts of the City.
- ★ The North Pasadena Business Association (NPBA) was formed with a specific mission to revitalize North Pasadena. One public investment geared to enhance the community was landscaping of State Highway 225 (SH 225) in conjunction with the Texas Department of Transportation (TxDOT).
- ★ In 1993, the Pasadena Chamber of Commerce requested assistance from the American Institute of Architects (AIA). The AIA Regional/Urban Design Assistance Team (R/UDAT) developed a vision plan called the “Pasadena Plan” which was completed in 1996.
- ★ In 1999, the citizens of Pasadena approved a ½-cent infrastructure sales tax to spur economic development. As part of this initiative, the Pasadena Second Century Corporation was created to collect and allocate the funds.



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Exhibit 1-1: Pasadena City Limits and North Pasadena Study Area





- ★ In 2001, a capital improvement planning process was developed with most of the funding allocated for rebuilding North Pasadena’s infrastructure through Year 2010.
- ★ In 2005, the Chamber of Commerce obtained voter approval on a referendum to legalize limited alcoholic beverage sales at restaurants and grocery stores.
- ★ Beginning in 2007, the Economic Alliance Houston Port Region, which is a regional Economic Development Organization (EDO), initiated enhancement projects known as “Project Stars”. The Project Stars promotes history-based tourism by improving the aesthetics along major corridors utilized by tourists traveling between the region’s significant historical assets and cultural features.
- ★ In addition, the Economic Alliance and Bay Area Houston Economic Partnership, another EDO, has been working with the City of Pasadena to attract new employers, capital investment, and tourists to the community.
- ★ Recently, the City has been more vigorous in improving the aesthetic character of the area by pursuing more aggressive code enforcement, removing roughly 2,500 dilapidated cars; rehabilitating or demolishing approximately 640 deteriorating buildings; adding or improving approximately 450 street lights; and encouraging and supporting the formation or strengthening of neighborhood associations.

Together, these efforts are designed to enhance the appearance and increase investment in the area so that more busi-

nesses, residents, and visitors are attracted to the community.

### Study Area

The study area for the North Pasadena Redevelopment Plan includes the area within the City located north of Spencer Highway, as depicted on **Exhibit 1-1**. The study area contains approximately 23 square miles. North Pasadena is conveniently located close to major employers within the Houston Galveston metropolitan area. In addition to being adjacent to the Houston Ship Channel, the North Pasadena Redevelopment Plan study area is approximately 13 miles southeast of downtown Houston, 35 miles north of Galveston, and 15 miles from Johnston Space Center (NASA). With the study area being in such close proximity to major employment centers such as these, it should be very attractive to middle-income residents, which in turn should attract retailers and developers alike.

After experiencing growth during the 1990’s, the study area is now losing population particularly in the southern and eastern portions of the study area. Over the same time period, population demographics have changed as well. The population is predominately Hispanic, lower and lower-middle income, and foreign-born. The number of persons per household has also risen in the study area and many immigrants have only lived in the United States since 1995. Poverty levels are also rising in northwestern neighborhoods and along the Shaver and Red Bluff corridors. Home ownership has declined in the study area. The commercial market shows modest growth with 10 to 20 new properties per year, and most of these properties have been concentrated along SH 225, Preston, Red Bluff, and the Sam Houston Tollway. Retail strip centers in the study area reflect occupancies consistent with the Greater Port and Bay area; however, the rates being paid are notably lower than in the Greater Port and Bay Area. Study area neighborhood centers show strong levels of occupancy, but there is a

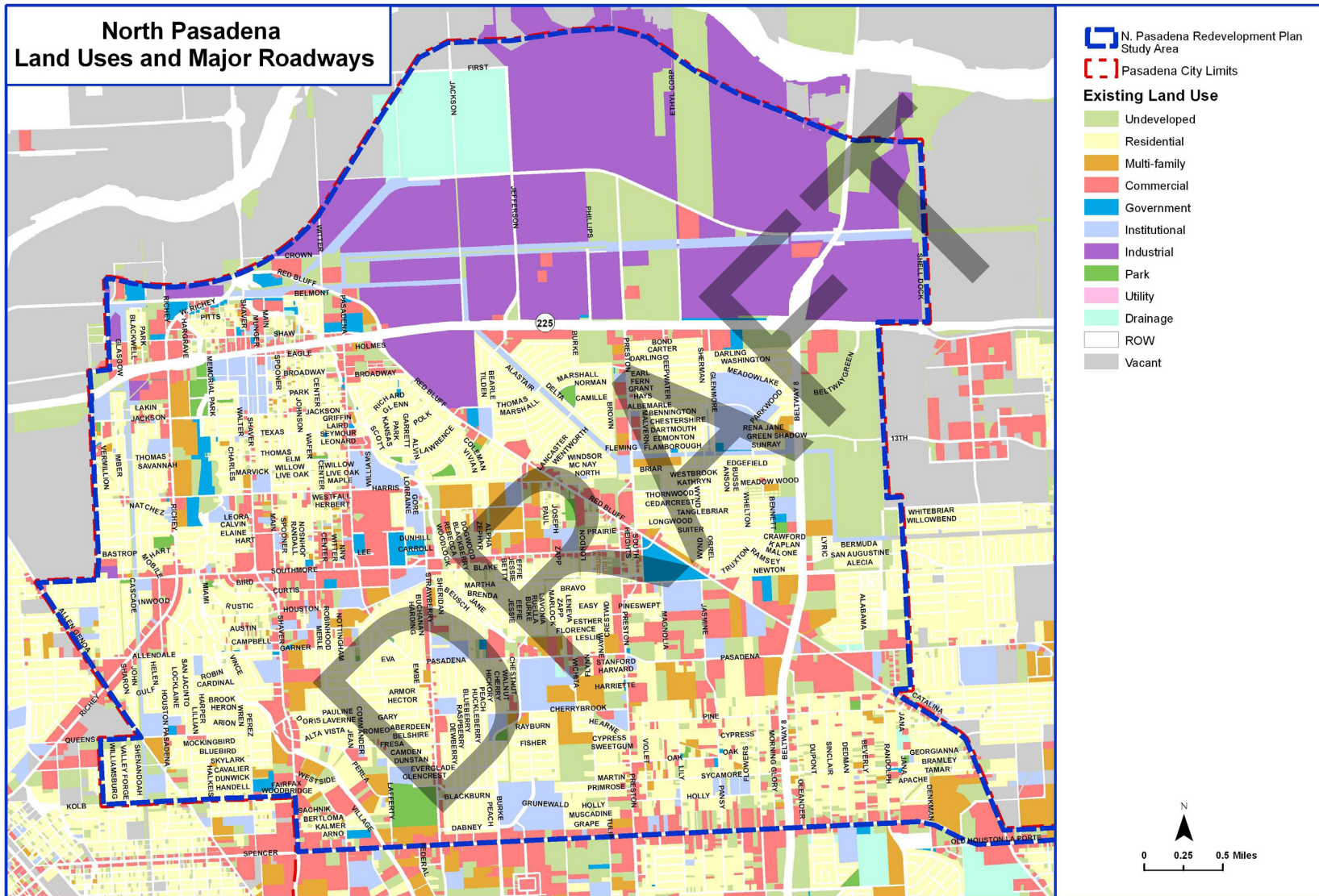


**Exhibit 1-2: First Pasadena Bank Tower**



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## Exhibit 1-3: Pasadena Land Uses and Major Roadways







lack of high quality office space. North Pasadena has tremendous access to the regional commercial airports and is served by several major highways. It is located approximately seven (7) miles east of Hobby Airport and approximately 25 miles southeast of George Bush Intercontinental Airport. SH 225 and the Sam Houston Tollway provide primary access into North Pasadena. SH 225 is located along the south side of the Houston Ship Channel. To the west it provides a direct connection to Interstate 610 and to the east it provides direct connection to SH 146. Interstate 610 is the inner circumferential highway serving the Houston metropolitan area with connections to Interstate 45, Interstate 10 and US 59. SH 146 provides connections to Texas City and Galveston to the south and to Baytown to the north. The Sam Houston Tollway (Beltway 8) is the second (outer) circumferential highway serving the Houston metropolitan area. It also provides direct connections to Interstate 45, Interstate 10 and US 59 for convenient access to additional areas of the metropolitan area. Major north-south local roadways within the study area include Allen Genoa Road, Richey Road, Shaver Street/Main Street, Pasadena Boulevard, Strawberry Road, Burke Road, and Preston Road. Major east-west local roadways include Harris Avenue, Southmore Avenue, Allendale Road/Garner Road/ Pasadena Blvd., Queens Road, and Spencer Highway. Red Bluff Road is a major local roadway that traverses the entire length of Pasadena in a northwest to southeast direction (see **Exhibit 1-3**).

### Study Participants

Understanding and listening to the concerns of community members of North Pasadena was critical during development of this Redevelopment Plan. An Advisory Committee was established for this study which included representatives from the community, including elected officials, planning commissioners, regional agencies, community leaders, business leaders, property owners, real estate brokers/ developers, economic development specialists, and City staff. Public participation and community coordination were critical to the creation of this Redevelopment Plan for North Pasadena.

### Coordination Meetings

Three Advisory Committee meetings were conducted during the study and are summarized as follows:

1. Advisory Committee Workshop 1 (October 29, 2007) – the purpose of this workshop was to introduce the project, present an overview of existing conditions, and to discuss issues and potential opportunities.
2. Advisory Committee Workshop 2 (December 3, 2007) – the purpose of this workshop was to form ideas for redevelopment, agree on community decisions such as market, role of industry, density, etc., and to discuss development patterns.
3. Advisory Committee Workshop 3 (February 18, 2008) – this meeting reviewed the project goals and presented the general redevelopment concepts.

A number of other coordination meetings were scheduled throughout the study at key decision points during the development of the Redevelopment Plan. The meeting attendees, dates, and purposes are summarized briefly below:

1. The WSA Project Manager introduced the project and discussed the initial steps at a Pasadena Second Century Board Meeting on October 1, 2007.
2. The WSA Project Manager met with City Staff on April 2, 2008 with the City of Pasadena to review the project scope, schedule, and existing conditions.
3. A Presentation and Workshop was conducted with City Staff on April 22, 2008 to review and evaluate the findings from Phase 1, redevelopment concepts from Phase 2, and to determine an initial approach for implementation and plan finalization.
4. The WSA Team made a presentation to the Pasadena Second Century Corporation Board Meeting on June 9, 2008 to provide an update on the remainder of Phase 2 items and to discuss



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suggested modifications to the ordinances needed to accomplish the redevelopment concepts.

5. The WSA Team made a presentation to the Second Century Corporation Board meeting on October 20, 2008 to provide a summary of additional stakeholder interviews and introduce updated redevelopment concepts.
6. The WSA Team made a presentation to the Second Century Corporation Board meeting on January 26, 2009 to present the Draft Redevelopment Plan.

Two series of stakeholder meetings were also conducted in conjunction with this study and were an essential feature of the public involvement component. The first series of meetings were conducted as informal meetings with individuals or small groups to collect information and identify community resources. The second series of meetings were also conducted individually or in small groups and included a presentation of redevelopment options and provided an opportunity for reactions and comments on the options presented. The purpose of the stakeholder meetings was to gain overall perspective, identify resources, assist in determining potential demand, identify potential development projects and evaluate factors critical to North Pasadena redevelopment. These meetings proved to be invaluable in the development of the Plan. Further information on the information obtained from Stakeholders is included within **Chapter 6** of this plan.

### Previous Studies and Available Information

As discussed earlier, a number of studies were previously completed in the study area. As such, an initial study effort was to collect and review existing reports. The following discusses the major reports for the plans and growth for the City of Pasadena. Additional information on these existing plans is included within **Appendix A**.

### Pasadena Plan: The Blueprint for a Better Pasadena, 1996

**Purpose:** The Pasadena Plan provides a long-range vision for the City and serves as a highly generalized comprehensive plan. Since Pasadena does not have zoning, it is not required by state law to have a Comprehensive Plan. The Plan was initiated as a result of the 1993 Regional/Urban Design Assistance Team (R/UDAT) report, which recommended that the City identify specific goals and objectives through a long-range plan.

**Relevance to North Pasadena Redevelopment Plan:** The Plan is divided into nine topics and provides a series of prioritized goals for each topic. The goals may provide some guidance for the efforts of the Redevelopment Plan. Significant steps have been accomplished since the approval of the Pasadena Plan in 1996: development of a Parks, Recreation and Open Space Master Plan in 1998; the citizens approved the creation of the Pasadena Second Century Corporation and a 1/2-cent sales tax for infrastructure related to economic development in 1999; the implementation of a Pasadena Capital Improvement Program commencing in 2001; development of a Pasadena Bayou/Greenbelt Trails Master Plan in 2001; increased code enforcement; and increased number and strength of neighborhood associations.

A Town Square Subcommittee was established under the Urban Design Committee to recognize the importance of revitalizing the CBD (also referred to “uptown” throughout the document). **Appendix B** summarizes the findings of the Subcommittee (p. 61-65) with more than 30 goals identified as short-term, intermediate and long-term. Many of these are likely still applicable in development of this North Pasadena Redevelopment Plan.

**Key Topics:** The Pasadena Plan identifies six themes to provide overarching guidance for City leadership. These themes include the following:

- ★ Public Safety
- ★ Infrastructure Needs
- ★ Appearance/Beautification
- ★ Neighborhood integrity/Preservation

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- ★ Communicative, Responsive Government
- ★ Marketing/Image

The plan focuses on nine topics that are seen as important to the quality of life in the community. Goals that are potentially relevant to the Redevelopment Plan have been included.

### ★ **Natural Resources**

- Aggressive landscaping of public spaces including esplanades, bayous, and rights-of-way.
- Develop citywide network of hike and bike trails.
- Acquire land to extend Memorial Park as a greenbelt along Vince Bayou and a historical park at the Vince's bridge site.
- Develop a "bayou walk" along Vince Bayou near Jackson Avenue that includes a small commercial development with retail and restaurants.

### ★ **Tourism and Visitor Growth**

- Develop family-oriented entertainment complex.
- Recruit developers of hotels and restaurants.
- Highlight Pasadena's significance in Texas history.
- Develop marketing strategy to portray a more positive image of the City
- Develop a farmers market

### ★ **Housing**

- Work with neighborhoods and neighborhood associations to encourage property maintenance and beautification.
- Create and implement housing and property maintenance standards.



- Develop a program to protect neighborhoods from business encroachment.
- Establish a Community Development Council to create affordable housing.

- Offer incentives to developers to encourage desirable housing developments.
- Encourage banks to comply with Community Reinvestment Act standards.
- Develop plan for special needs housing.

### ★ **Urban Design**

- Develop "appearance codes" to govern appearance of buildings and property.
- Develop Town Square Mall as Pasadena's Central Business District (CBD) with a mix of residential, office and recreational uses.
- Develop and Implement a corridor design plan for major thoroughfares that addresses landscaping, signage, lighting, and themes for different areas of the City.
- Acquire property and construct signage/monuments at key gateways.
- Revitalize "uptown" Pasadena with a focus on pedestrian mobility and a historic theme.
- Landscape SH 225 to provide aesthetic buffer to industrial sites.
- Create a "central park" along the Shaver-Main corridor from Southmore to SH 225.



★ **Land Use and Property Preservation**

- Create and implement a neighborhood preservation ordinance that prevents business encroachment on residential areas.
- Encourage deed restriction enforcement.
- Create and implement appearance and maintenance standards.
- Enforce codes related to aesthetics and maintenance.

★ **Transportation**

- Establish a coordinated network of sidewalks that connect to the City's hike and bike trail network.
- Create and operate a shuttle system for the CBD.

★ **Business/Economic Development**

- Create and implement an Economic Development (ED) plan that includes a citywide inventory of vacant/available properties.
- Use financial incentives such as enterprise zones and publicly supported incubators for start-up businesses.
- Redevelop the area north of SH 225 as a light industrial park for support services related to the petrochemical industries (coordinate this with uptown revitalization efforts).

★ **Education**

- Establish and maintain regular communications between City Hall and local educational institutions.
- Establish a public access channel.
- Create public learning centers.

**Basic Services**

- Address flooding trouble spots.
- Implement a planned, inclusive recreation program.
- Implement a water conservation program.
- Provide appropriate maintenance for streets, drainage, water, and sewer.
- Develop and implement a municipal complex and facilities plan.

**Pasadena Parks Recreation and Open Space Master Plan, 1998**

**Purpose:** The Parks Plan assesses the City's current park system and identifies future needs over a 10-year period.

**Relevance to North Pasadena Redevelopment Plan:** Participants in the Park plan highlighted the need for an interconnected trail system with beautification and landscaping along the trails. Vince Bayou and Little Vince Bayou in North Pasadena are key elements of this trail system. Several improvements have been suggested for parks in North Pasadena.

**Key Topics:** The Parks assessment recommended the addition of the following Park facilities in North Pasadena:

- ★ 4-acre neighborhood park on Pasadena Boulevard west of Burke adjacent to the existing mini park.

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- ★ 60-acre community park for softball and soccer fields on Pasadena Boulevard west of Beltway 8 and south of Red Bluff.
- ★ 35-acre park at Spencer and Little Vince Bayou (RAMEX site) for passive recreation and a connection to hike and bike trails along the bayou.
- ★ Redevelop Memorial Park to become a community focal point. The park has potential for athletic fields, a botanical garden, or as an access point to the hike and bike trail along Vince Bayou. The pool at Memorial Park is underutilized and should be renovated for improved use (i.e. enclosed facility operated by the PISD), or closed.
- ★ Renovate Strawberry Park due to park congestion and over-use. The Plan suggests that athletic fields be relocated so that the space can be programmed for family-oriented recreation.

Other key issues include:

- ★ Citizens expressed an interest in an overall beautification program for the City that focused on hike and bike trails as the “spine” of the community’s park system and a link between neighborhoods and recreation areas. Attractive landscaping should be used along these trails and other public easements. The hike and bike trail system was the highest priority for those surveyed for the Parks Plan.
- ★ There is a desire for an indoor recreation facility, possibly at the Gilley’s site or the Capitan Theatre.
- ★ There is also a desire for a large tournament site since many of the cities athletic fields are currently scattered throughout the City. This would also help promote tourism and economic development in the area.

### Pasadena Bayou/Greenbelt Trails Master Plan, 2001

**Purpose:** Trails Plan was created as a recommendation of the Parks Recreation and Open Space Master Plan and aims to design an interconnected multi-use trail network within the City of Pasadena. The Plan identifies specific trail alignments with design recommendations for the trails as well as guidelines for trail crossings, signage, and the provision of cycling amenities such as bike racks.

**Relevance to North Pasadena Redevelopment Plan:** The Plan identifies trail segments throughout Pasadena that should be developed to create the desired interconnected trail network. Some of these are in the North Pasadena study area and if built will be important assets to revitalization efforts.

**Key Topics:** As a design manual, the Master Plan identifies specific treatments for proposed trail segments. These should be referenced directly if they are to be incorporated into the Redevelopment Plan. Specific trail projects in the study area include:

- ★ Upper Loop/Shaw Avenue
- ★ Vince Bayou Trail
- ★ Little Vince Bayou Trail
- ★ Glenmore Trail
- ★ Nantucket Trail.



## Redevelopment Plan Organization

The chapters in this Redevelopment Plan have been organized to provide the reader with a detailed review of the study area and factors considered in developing recommendations for redevelopment in North Pasadena. Subject headings include:

- ★ ***Physical Conditions***

- ★ ***Market Study***
- ★ ***Issues and Opportunities***
- ★ ***Redevelopment Concepts***
- ★ ***Stakeholders***
- ★ ***Recommendations***

The North Pasadena Redevelopment Plan seeks to address study area-wide issues with solutions for improved economic sustainability, infrastructure, mobility, safety, and attractiveness. The Plan cannot address all potential issues, but must focus recommendations on key initial redevelopment efforts that will act as catalysts for further projects.

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# CHAPTER 2: PHYSICAL CONDITIONS

## NORTH PASADENA REDEVELOPMENT PLAN



### Physical Form and Land Use Mix

Pasadena is located in the coastal plain of southeast Texas. The terrain is extremely flat with a variety of vegetation. North Pasadena primarily drains to the north toward the Houston Ship Channel. The major bayous are Vince Bayou and Little Vince Bayou. Most of the land area within North Pasadena has already been developed.

The first area of the City to develop is in the northwest quadrant of North Pasadena and includes the original downtown and surrounding neighborhoods. As the oldest area of the City, residential neighborhoods of North Pasadena are characterized by a compact form of development that includes small single-family homes on narrow lots, low-rise apartment buildings, and manufactured homes. North Pasadena's commercial uses are primarily located in strip centers along major arterial roads and have a low-density, auto-oriented, suburban character. North Pasadena also has a large area of heavy industrial activity at the northern City limits near the Houston Ship Channel which is designated as an industrial district.

The original downtown immediately north of SH 225 provides a small amount of commercial development that can be characterized as urban. Buildings in this area are typically one to two stories in height, and are positioned close together to form small, compact blocks. Buildings front directly onto the sidewalk with a minimal setback, and if provided, surface parking is typically located in the back of the building. These elements of urban form are generally supportive of a walkable, pedestrian friendly environment; however, the poor condition of the streetscape and buildings in Old Downtown and its

physical separation from other areas of the City currently detract from this potential.

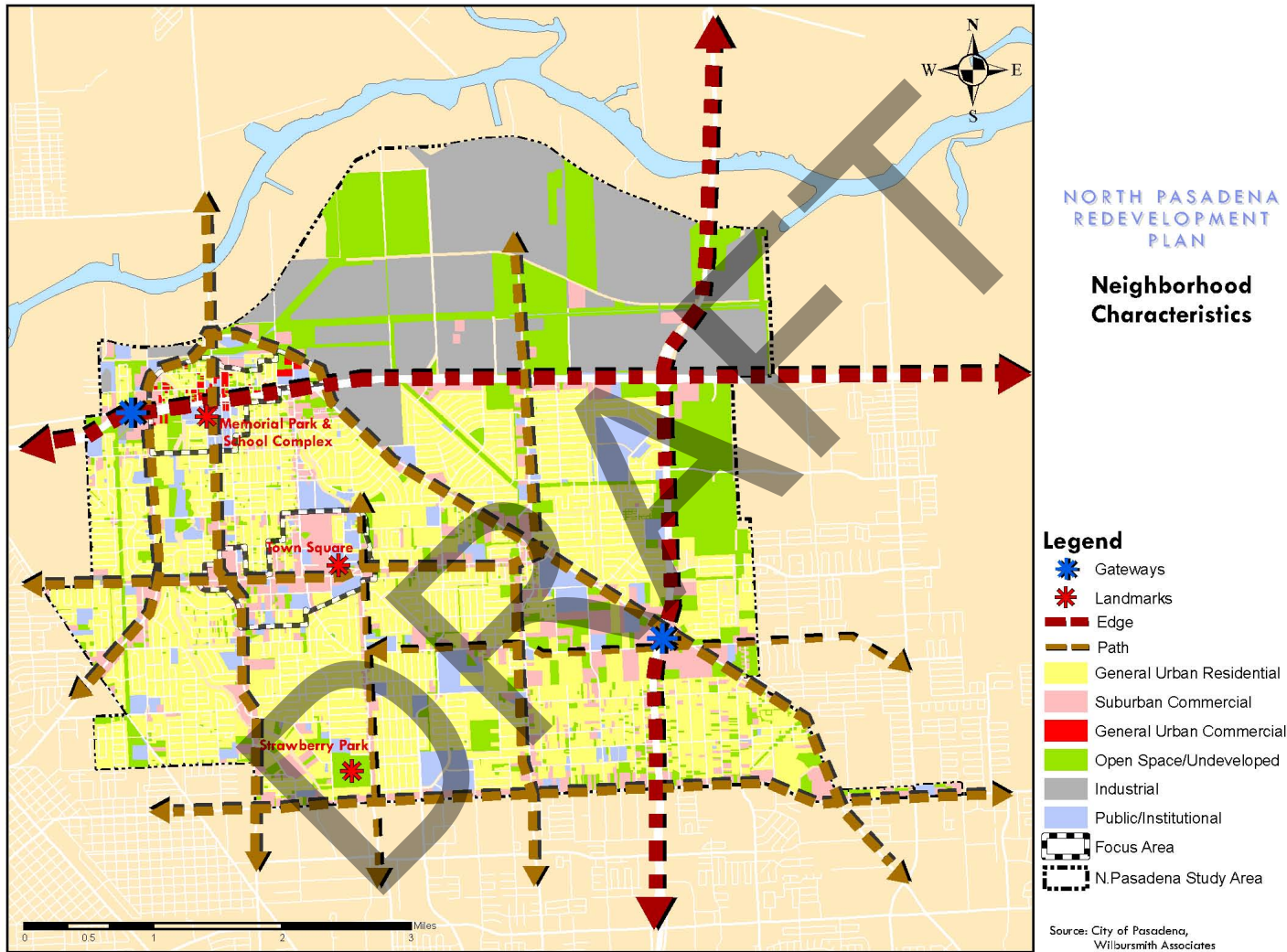
North Pasadena also includes a variety of public and institutional uses, a majority of which are public school campuses. This includes two high schools, one alternative education school, six intermediate schools, and 17 elementary schools. Most schools in the area are adjacent to residential uses and provide safe pedestrian access from surrounding neighborhoods. Several of the schools have attractive new facilities, which show a high degree of public investment in the area. Other public uses in North Pasadena are concentrated in two locations: the Pasadena Town Square area (including City Hall, Police Headquarters, Public Library, Public Works Building, and US Post Office); and the area on the north side of SH 225 at Pasadena Boulevard (including the Capitan Theater, health and welfare clinics, and Public Works yard and shop areas).

Existing parklands within the study area include primarily City of Pasadena owned and maintained parks. The regional parks include Memorial Park and Strawberry Park. Additional facilities exist at Ben Briar Park, Bowling Green Park, Bramley Park, Cascade Park, Community Park, Crane Park, Deepwater Optimists Park, East Southmore Park, Gardens #1 Park, Gardens #2 Park, Golden Acres Park, Light Company Park, Parkview Park, Pasadena Boulevard Park, Pasadena Highlands Park, Pine Park, Queens Park, Red Bluff Park, Revlon Park, Rusk Park, Satsuma Park, Sherwood Park, Sunset Park, Tatar Park, and Vermillion Park.



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Exhibit 2-1: Neighborhood Characteristics







### Circulation Patterns

The area is served by two large freeways, SH 225 and Beltway 8 as discussed in **Chapter 1**. These roadways act as both corridors that connect the community to the broader Houston-Galveston region, as well as “edges” that create a physical threshold when crossing from one side to the next. As a result, entrances into the community from these roadways provide a first impression of the community and are considered important “gateways”.

Internal circulation is provided by several major arterials (noted as paths on **Exhibit 2-1**) including Red Bluff Road, Southmore Avenue, Pasadena Boulevard, Spencer Highway, Richey Street, Shaver Street, and Preston Road. These arterials connect residential neighborhoods to businesses and services that are primarily located along these thoroughfares in addition to providing connections to regional destinations via SH 225 and Beltway 8. The primary mode of travel along arterials in North Pasadena is the automobile, although sidewalks are located along arterials and many local streets for pedestrian access and safety.

The City’s Trails Master Plan (2001) has identified specific alignments for future hike and bike trails (see **Exhibit 2-2**). If implemented as planned, the proposed trail system will provide a network of bike and pedestrian trails that connect neighborhoods and community destinations such as parks, schools and commercial centers. Vince Bayou, which runs north-south through the western area of North Pasadena, is a key area for proposed trail development.

### Assets and Constraints

North Pasadena has many assets that will aid in the revitalization of the area. These assets include:

- ★ The Pasadena Town Square area at Southmore and Pasadena Boulevard has several features that make it an

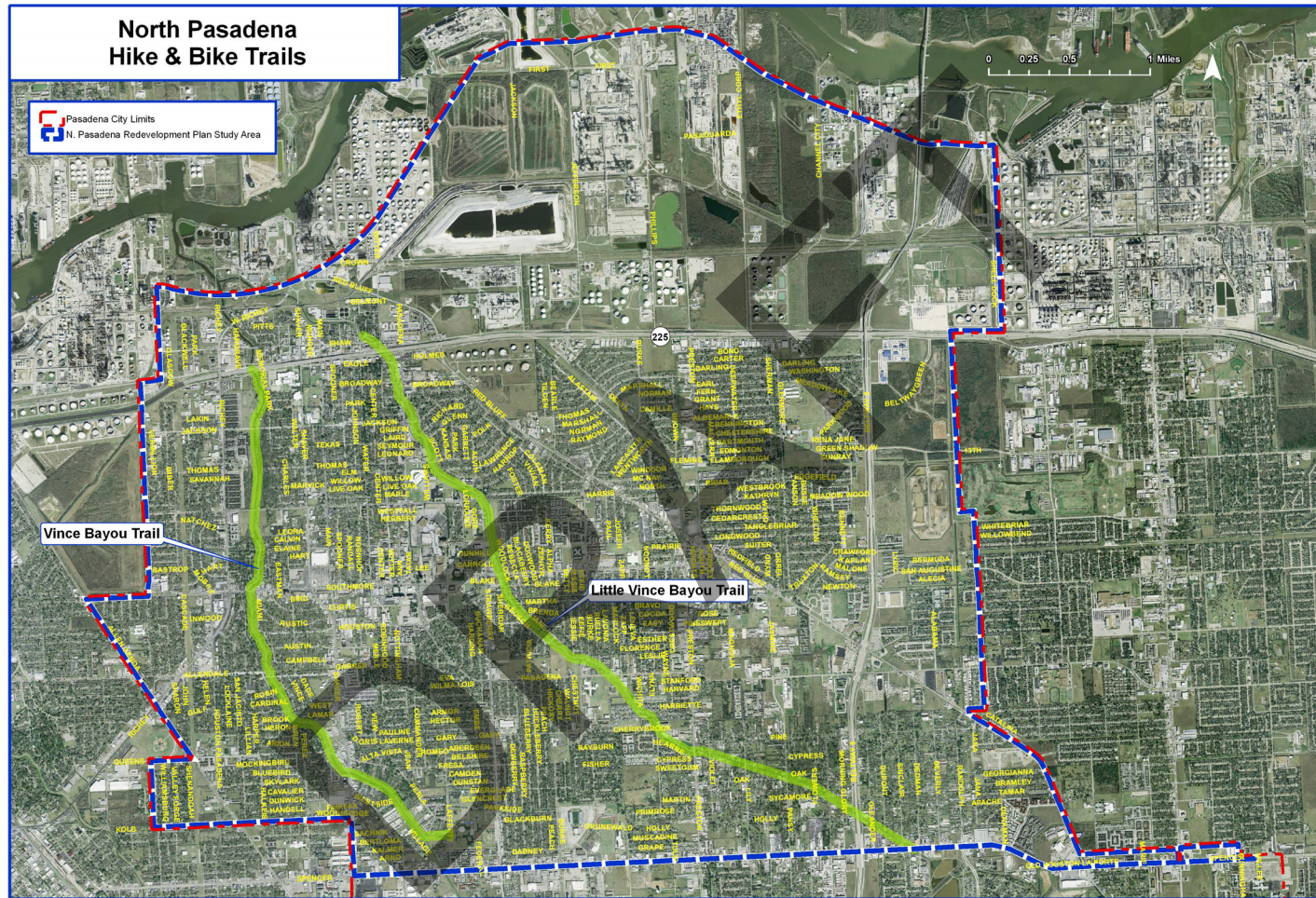
ideal site for a town center. The concentration of existing civic uses such as City Hall, the Police Headquarters, Public Works building, Public Library, and US Post Office provide a draw to the area. The Town Square Mall, Bank One building and vacant hospital site offer additional redevelopment opportunities to attract a variety of uses.

- ★ The Strawberry Health Center provides an example of an attractive renovation of an older strip center and a nicely landscaped parking lot. This can be used as a model for redeveloping other strip centers in the area.
- ★ Despite challenges, the original downtown site offers an urban form that is unique to the area, and could provide a community node on the north side of SH 225.
- ★ The location of a strong industrial job base in the area provides employment opportunities for blue-collar workers.
- ★ SH 225 and Beltway 8 pass through North Pasadena providing ready access to the broader Houston-Galveston region.
- ★ Though the area has struggled to retain national retailers and chains, there is a strong base of local entrepreneurs. Independently owned restaurants, shops and services tend to have more flexibility for site requirements. This can be an asset when redeveloping small, infill sites or trying to encourage mixed use development. The Wal-Mart on Southmore and the Mi Tienda Grocery Store (outside the study area in South Houston) appear to be very successful indicating that appropriate national/regional retailers can be successful in the area.
- ★ Residential neighborhoods are generally walkable; most local roads are narrow, encouraging slower traffic speeds and have sidewalks for pedestrians.



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## Exhibit 2-2: Future Hike and Bike Trails





- ★ There are signs of residential infill development and reinvestment in many neighborhoods.
- ★ The area has attracted a new subdivision in the area off of Red Bluff Road and Georgianna which has been developed by the City of Pasadena. The new development enhances housing choice in North Pasadena, which is predominantly made up of older single-family homes. This particular subdivision is struggling to attract buyers.
- ★ Vince Bayou is an attractive amenity in the northern part of the study area where it passes through Memorial Park and surrounding neighborhoods. It is surrounded by natural vegetation and enhanced by newly planted trees in the park.
- ★ Recent improvements to Memorial Park have enhanced this community amenity.
- ★ The City has a detailed Trails Master Plan that would significantly enhance opportunities for recreational walking and biking in the area if implemented. The proposed trail network would also strengthen North Pasadena’s transportation system by providing ample opportunities for non-vehicular travel.
- ★ Several new schools have been built in the area that serve as attractive neighborhood anchors and highlight public investment in the area.

There are also constraints to redevelopment that need to be considered including:

- ★ The original downtown area is physically disconnected from other areas in the community by SH 225. Though some businesses remain, many buildings are vacant and in a state of disrepair.
- ★ The area north of SH 225 and east of the original downtown is primarily heavy industry and designated as an “industrial

district”. Though this creates a solid job base, it detracts from the aesthetic appeal of the area.

- ★ North Pasadena is primarily built-out and does not have large, vacant sites to attract development. All future development will have to occur as infill or redevelopment of existing sites unless the City or some other entity acquires multiple tracts over time and aggregates them for future redevelopment.
- ★ The Town Square Mall has had difficulty retaining large retailers, which has limited its ability to compete with other regional malls. Its distance and lack of visibility from a limited-access highway is detrimental to its future success as a mall.
- ★ Though the Pasadena Town Square area provides many physical opportunities for redevelopment, the area is surrounded by neighborhoods with a very low median income. This may be a barrier to attracting retail and high-end residential to the area.
- ★ Residential areas primarily consist of small, older homes on narrow lots. While this provides housing that is affordable to most residents, it limits the area’s marketability to high-income homebuyers and others seeking alternative forms of housing.
- ★ Gateways into North Pasadena from the major roadways of SH 225 and Beltway 8 do not currently create an attractive first impression of the community.
- ★ Little Vince Bayou is concrete-lined in many areas of the city, which detracts from the visual appeal of the bayou.



### North Pasadena Planned Transportation Projects

There are a number of planned/programmed transportation improvements within North Pasadena. The source for these projects is the Houston-Galveston Area Council (H-GAC) 2035 Regional Transportation Plan (RTP) which was released October 2007. The projects within the study area are listed in **Exhibit 2-3** with their improvement description and respective time frame. It should be noted that the projects in the TIP time frame (Years 2008-2011) have a funding source and a financial commitment or local funding from a project sponsor.

The RTP document is updated every three years and the status of the projects is continually updated. The timeframe for Year 2035 projects is as follows:

- TIP Projects: Years 2008-2011
- Short Range Projects: Years 2012-2017
- Long Range Projects: Years 2018-2035

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Exhibit 2-3: North Pasadena Planned Transportation Projects

Map Reference Number	Roadway	Section	Improvement Description	Timeframe	Estimated Let Date
<i>North-South Facilities</i>					
	Burke	Pasadena Blvd. to Fresa	Construct 4-lane undivided	Short	9/2011 (should be TIP)
	Burke	Red Bluff to Southmore	Reconstruct 4-lane undivided, C&G w/storm sewer	TIP	12/2009
	Burke	Southmore to Pasadena Blvd.	Reconstruct roadway inc. drainage, sewer & sidewalks	TIP	1/2008
	BW 8	@ SH 225	Construct northbound to eastbound flyover	Short	1/2012
	BW 8	Red Bluff to Spencer	Reconstruct two 3-lane frontage roads	Short	8/2011
	Main	Belmont/Shaver to Houston	Smart Street	Long	1/2023
	Pasadena Blvd.	Southmore to Strawberry	Widen to 4-lane	Short	10/2013
	Pasadena Blvd.	Strawberry to Red Bluff	Reconstruct 4-lane	Short	1/2015
	Preston	BW 8 to Genoa Red Bluff	Construct 4-lane divided	TIP	8/2009
	Scarborough	Lawndale to Southmore	Construct 4-lane undivided	Short	1/2015



## NORTH PASADENA REDEVELOPMENT PLAN

Map Reference Number	Roadway	Section	Improvement Description	Timeframe	Estimated Let Date
	Scarborough	Southmore to Allendale	Construct 4-lane undivided	Short	1/2015
	Shaver	SH 225 to SH 3	Smart Street	Long	1/2023
	Shaver	SH 225 to Southmore	Reconstruct 3-lane concrete w/ C&G, sidewalks	TIP	9/2007
	Strawberry	Pasadena to Harris	Construct 4-lane undivided	Short	9/2011
<i>East-West Facilities</i>					
	Allendale	Oaks to Judy	Construct 4-lane divided	TIP	9/2010
	Garner	Judy to Pasadena Blvd.	Reconstruct 3,800' of 4-lane facility – includes ITS, sidewalks	TIP	1/2010
	Harris	Scarborough to Pasadena Blvd.	Widen to 4-lane undivided	Long	1/2019
	Red Bluff	Bearle to South	Widen to 6-lane divided	Short	9/2011
	Red Bluff	BW 8 to Pasadena Blvd.	Smart Street	Long	1/2023
	Red Bluff	BW 8 to Spencer	Widen to 6-lane divided	Short	10/2014
	Red Bluff	Jasmine to BW 8	Smart Street	Long	1/2023
	Red Bluff	SH 225 to Bearle	Widen to 6-lane divided	Short	9/2011
	Red Bluff	SH 225 to South	Smart Street	Long	1/2023
	Red Bluff	Shaver to SH 225	Smart Street	Long	1/2023
	Red Bluff	South to BW 8	Widen to 6-lane divided	Short	1/2012

## NORTH PASADENA REDEVELOPMENT PLAN



Map Reference Number	Roadway	Section	Improvement Description	Timeframe	Estimated Let Date
	Red Bluff	South to Jasmine	Smart Street	Long	1/2023
	SH 225	Broadway to Redbluff	Widen to 8 lanes	Long	1/2023
	Southmore	500' E of Johnson to Strawberry	Widen to 5-lane, drainage, sidewalks	TIP	12/2008
	Southmore	Richey to 500' E of Johnson	Widen to 5-lane, drainage, sidewalks	TIP	12/2009
	Spencer	BW 8 to Red Bluff	Smart Street	Long	1/2023
	Spencer	@ mainline double-track (in study area?)	Construct G/S	TIP	10/2009

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# CHAPTER 3: MARKET STUDY

## NORTH PASADENA REDEVELOPMENT PLAN



### Demographic, Economic, and Real Estate Trends

An analysis of existing conditions in North Pasadena demographic, economic, and real estate trends is essential to understanding the forces that affect market decisions in the North Pasadena study area. Several research approaches were used by members of the WSA Team. These included primary market research, use of secondary source data services, and an initial round of interviews with stakeholders and local experts. The findings of this research, and the conclusions drawn from it, are presented in this chapter. More detailed information is available in the Appendix. The research focused on conditions within the North Pasadena Study area as defined by the City of Pasadena and the Second Century Development Corporation.

This chapter presents these findings in sections structured as follows: Economic and Demographic Trends - summarizing information on population, households, employment, and retail sales; and Real Estate Market Trends - containing the results of research on market conditions for industrial, multifamily, office, retail, and single-family properties in the North Pasadena Study area.

### Key Findings – Economic and Demographic Trends

- ★ After experiencing some growth in total population during the 1990s, North Pasadena appears to be roughly stabilized at around 100,000 residents at the present time.
- ★ Areas on the southern and eastern fringe of the Study area appear to be slowly losing population. The Red Bluff

corridor and some northwest portions of the Study area are experiencing moderate population gains. There is some correlation in this distribution of growth with population age characteristics: the growing areas generally have a higher share of children in the total population while the shrinking areas have a greater share of older residents.

- ★ Educational attainment levels of North Pasadena residents are relatively low compared to Harris County as a whole.
- ★ North Pasadena has been in relatively rapid transition from a generally Anglo population to predominately Hispanic population.
- ★ A significant share of North Pasadena residents are foreign born, and many of these immigrants have come to the U.S. since 1995.
- ★ Household sizes are increasing, on average. This may be correlated with the Study area's transition to a Hispanic population, in which larger households are not uncharacteristic.
- ★ Over half of the study area's housing units are single-family homes with detached garages. The housing stock tends to





## NORTH PASADENA REDEVELOPMENT PLAN

be relatively old, with over half built prior to 1970. Older housing is concentrated in the western, central, and northern portions of the study area, while eastern and southeastern neighborhoods tend to have newer structures.

- ★ The study area is dominated by lower income and lower-middle income households. Based upon available information, household incomes appear to be stagnant or declining in terms of inflation-adjusted dollars.
- ★ The southwestern portion of the study area appears to be the most stable in terms of household income, and it also has a relatively low poverty level. The neighborhoods near to and in the southwest quadrant of the SH 225 / Sam Houston Tollway interchange tend to also have higher household incomes. This area also tends to have more recently constructed single-family housing. The area bounded by Pine Avenue, Preston, Spencer, and the Sam Houston Tollway is also experiencing rising household income.
- ★ In contrast, the areas with the lowest median household income generally correspond to the areas with the lowest shares of single-family housing and the highest share of renter households. Poverty levels are relatively high in northwestern neighborhoods and those along the Shaver and Red Bluff corridors. The Red Bluff corridor, particularly south of Harris, is experiencing declines in household income.
- ★ The employment base of Pasadena is dominated by two main categories: the public sector (government and education) and petrochemical manufacturing. While public sector employment is likely to increase, projections indicate that regional employment in petrochemical manufacturing may be stagnant or declining.

- ★ Total retail sales in North Pasadena are declining, according to State of Texas data. General Merchandise and Home Furnishings stores have suffered the greatest declines. Sales at Food Stores and Miscellaneous Retail Stores, however, have increased.
- ★ The study area and Pasadena as a whole appear to be suffering retail “leakage” to surrounding areas, based on sales per capita and per household. This condition exists when residents of an area perform the majority of their retail consumption outside of the study area.

### Key Findings - Real Estate Market Trends

- ★ Industrial land uses are seeing success in the area; they show excellent overall occupancy figures. Overall rent figures for industrial bode well for the area as well. Warehousing facilities seem to fare particularly well in the area, while manufacturing facilities in the area are fetching rents below typical levels observed in the market.
- ★ Based upon available data, there seem to be opportunities to further capitalize on the current and past market success of industrial property in the North Pasadena study Area. This is a land use that has historically held market support and it seems that trend will continue.
- ★ The North Pasadena multifamily market is primarily composed of a few large unit count complexes and many smaller unit count facilities. Renovation, rather than new construction, has been the market trend. Leasing personnel reflect good occupancy levels, especially post-remodeling. One complex reported a waiting list for units which were remodeled. Rents overall are just slightly below levels of the Greater Port and Bay Area, but have steadily increased and mirrored trends of the area.
- ★ There are no Class A Multifamily units in the study area. The North Pasadena Market is mostly comprised of Class C properties with some Class B units, which appear well



occupied but do not bring in higher level rents. This seems to indicate a market demand and potential opportunity for development of new Class B or better units and/or remodeling and upgrading existing units. This is evidenced by the acceptance of remodeled units with higher rents and the high occupancy rates of the Class C units in the area.

- ★ The study area has an overall lack of high-quality office space. All but one office building in the area within the 10,000 Sq. Ft. threshold is categorized as Class C or D. Office occupancy closely compares to that of the Greater Port and Bay Area with rates in the near the 90% range. Class C rents have shown steady increase and stay at levels that are comparable to the larger area. Class D office rents are very low in the area. A significant share of this can be attributed to a very low reported rate of one property, and small sample size. There has been essentially no net change in the amount of occupied office space over the past seven years. The Greater Port and Bay Area realized significant growth during the same time, illustrating a somewhat stagnant office market in North Pasadena.
- ★ Retail Strip Centers in the study area show similar occupancy levels as the Greater Port and Bay area, while neighborhood centers show historically stronger levels of occupancy within the study area. Low rent levels could explain the strong occupancy figures in the neighborhood centers. The lack of centers categorized as community shopping centers negates the possibility for comparison.
- ★ The regional mall located within the area historically reported lower rents than that of the Greater Port and Bay Area; however, in recent years rents have risen to a more comparable level.
- ★ Retail centers anchored by a store other than a grocery store have shown to be the strong product in the North Pasadena market as well as in the Greater Port and Bay Area.
- ★ Retail absorption has declined over the past few years, and is negative in the available information for 2007. This trend

is not unique, as it is reflected in the Greater Port and Bay Area as well.

- ★ Median sales prices of single-family homes, once adjusted by CPI-U, are uniform over the latest four year period, which was an increase from prior sales prices in the area.
- ★ Newer single-family units in the study area have trended more toward townhomes and patio homes than the typical single-family larger lot unit or the manufactured housing that is prevalent in the area. New units are scattered throughout the area but are primarily located in a handful of small townhome and patio home developments.
- ★ Realtors in the area have reflected the market to be fairly stagnant in terms of value appreciation and growth in popularity. One realtor mentioned that many people whom are interested in buying houses in the area are having many problems with credit approval. It seems as though the type of people who are interested have a very limited credit history and most financial institutions will not fund them. Realtors seem to have the overall opinion that the market is stagnant and that's just the way it is. Recent events in the financial sector will compound this situation.
- ★ Manufactured housing is scattered throughout the region. However, new construction permits since 1995 show a particular concentration of new units in the area south of Pine Street and east of Preston.
- ★ The Commercial Market shows steady growth of 10 to 20 new properties per year on average. However, this figure seems small for an area as large as North Pasadena. The new facilities are concentrated along SH 225, Preston, Red Bluff, and the Sam Houston Tollway.
- ★ Concern was brought forth by one stakeholder during the initial interviews that he feared the possible transaction for Town Square Mall would not go through and that the project would not receive enough support from the city.



## NORTH PASADENA REDEVELOPMENT PLAN

- ★ In the overall North Pasadena study area there seems to be a collective lack of national credit tenants in the marketplace. The majority of tenants seem to be small “mom and pop” sorts, who are content to lease out older, less well-maintained space.
- ★ Anticipated future development in the study area appears to be limited to industrial uses for the most part. There are some single-family developments in the works however they are all relatively small. Other future development includes an 11,550 sq. ft. retail center on Southmore Ave near the former Bank One tower and Town Square Mall. A truck stop/BBQ restaurant, which will spawn over 200 jobs for the area, is also planned to be located at SH 225 and Red Bluff Road.

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# CHAPTER 4: ISSUES AND OPPORTUNITIES

## NORTH PASADENA REDEVELOPMENT PLAN



### Issues

- ★ Gateways into North Pasadena from the major roadways of SH 225 and Beltway 8 do not create an attractive first impression of the community.
- ★ Little Vince Bayou is concrete-lined in many areas of the city, which detracts from the visual appeal of the bayou.
- ★ Residents have noted that areas of North Pasadena have flooding problems that need to be addressed by improving drainage in the area (Broadway at Little Vince Bayou was noted in particular). New FEMA flood plain maps were adopted in 2007 and area available from the Harris County Flood Control District and FEMA.
- ★ North Pasadena does not have the amenities that most young professionals seek when choosing a place to live or invest.
- ★ Though some areas are pedestrian friendly (sidewalks, good street connectivity), many people do not walk.
- ★ Aging infrastructure and deferred maintenance have left many streets and sidewalks in poor condition, which is a key concern of area residents.
- ★ Crime is a concern in the area, though recent statistics indicate that the perception is worse than the actual situation.
- ★ Educational attainment in the area is relatively low compared with the rest of Harris County, which may limit the job opportunities for area residents.
- ★ Median income in the area is stagnant and appears to be declining slightly. Available source data does not account for the “cash economy” in the area.
- ★ The areas of North Pasadena that have the highest poverty levels also have the highest percentage of children.
- ★ The original downtown area is physically disconnected from other areas in the community by SH 225. Though some businesses remain, many buildings are vacant and in a state of disrepair.
- ★ The area north of SH 225 and east of the original downtown is primarily heavy industry and designated as an “industrial district”. Though this creates a solid job base, it detracts from the aesthetic appeal of the area.
- ★ There has been a rapid demographic shift from a primarily Anglo population to a primarily Latino population, which has changed both the residential and commercial character of the area. North Pasadena’s



## NORTH PASADENA REDEVELOPMENT PLAN

greatest challenge comes from the nature of its residential population.

While significant change has occurred in the conversion from a primarily Anglo area to a Hispanic one, such change has been accompanied by stagnation of household income and total population count. The area lacks short-term economic drivers to force improvement in these statistics, such as a large expansion of high-paying nearby jobs or creeping gentrification from adjacent areas (as is occurring in several areas of Houston).

- ★ The Town Square Mall has had difficulty retaining large national retailers, which has limited its ability to compete with other regional malls. Nearby freeway-accessible retail districts, such as Gulfgate, Fairmont Parkway / Beltway, Alameda Mall, and Baybrook / Webster are siphoning sales away from older areas. Newer formats such as the Wal-Mart Supercenter and HEB's Mi Tienda property (just outside the study area) have been able to thrive, however.
- ★ Many residents spend their retail dollars outside of the community because the area does not have appealing retail options.
- ★ Though the Pasadena Town Square area provides many physical opportunities for redevelopment, the area is surrounded by neighborhoods with a very low median income. This may be a barrier to attracting retail and high-end residential to the area.
- ★ Residential areas primarily consist of small, older homes on narrow lots. While this meets the need of a niche market, it limits the area's marketability to high-income homebuyers and others seeking low-maintenance housing.
- ★ North Pasadena's single-family housing stock has become aged, a fact which is apparent from both Census statistics and windshield surveys. The early post-war, relatively small homes which predominate in many neighborhoods have limited market appeal for those with sufficiently high incomes to have wide choice in housing. Many homes appear to be deteriorated, which also limits market appeal for other nearby homes. Thus, despite a reasonable commute to many areas in Houston, the Port, and the Bay Area, North Pasadena's detached housing is not likely to attract higher-income buyers. The current sub-prime lending retrenchment has hit at the heart of potential market for North Pasadena single-family homes, further reducing demand.
- ★ There is a low homeownership rate in the area and a potential problem with absentee landlords.
- ★ Residents are concerned about the physical appearance of many homes and businesses and would like to see the City be more aggressive at enforcing property maintenance codes.
- ★ Multifamily residential and small-scale commercial properties, in contrast, have been able to adapt somewhat to the changing demographic conditions. Freshly renovated apartment properties appear to generate strong market demand. Retail properties have filled with non-chain, mom-and-pop retailers, many of whom cater specifically to Hispanics. However, the rent levels paid by such users are not sufficient to drive substantial new development. This leads to the conversion of existing uses, even detached homes, as space for small-scale independent businesses.



- ★ Current residential density in the area is marginal to support normal types of fixed-route, fixed-schedule transit, though residents have expressed a desire for transit to accommodate elderly and low-income residents.
- ★ Most large-scale office users are choosing to locate elsewhere in the greater area outside North Pasadena. Large office development would not be a strong candidate as a driver of redevelopment / revitalization.
- ★ Given the improvements in the Port of Houston’s container shipping capacity, demand for industrial uses, mainly warehousing and distribution, is likely to increase in North Pasadena.
- ★ North Pasadena is primarily built-out and does not have large, vacant sites to attract development. All future development will have to occur as infill or redevelopment of existing sites.
- ★ Development codes are complex, which is a deterrent for development.

**Opportunities**

After reviewing the economic, demographic, and real estate market trends affecting North Pasadena, plus conducting extensive interviews with local stakeholders and market experts, the following conclusions may be drawn about the economic and development landscape of the area.

- ★ SH 225 and Beltway 8 pass through North Pasadena providing ready access to the broader Houston-Galveston region.
- ★ Vince Bayou is an attractive amenity in the northern part of the study area where it passes through

Memorial Park and surrounding neighborhoods. It is surrounded by natural vegetation and enhanced by newly planted trees in the Park. Recent improvements to Memorial Park have enhanced this community amenity.

- ★ The City has a detailed Trails Master Plan that would significantly enhance opportunities for recreational walking and biking in the area if implemented. The proposed trail network would also strengthen North Pasadena’s transportation system by providing ample opportunities for non-vehicular travel.
- ★ Several new schools have been built in the area that serve as attractive neighborhood anchors and highlight public investment in the area.
- ★ Residential neighborhoods are generally walkable, most local roads are narrow (encouraging slower traffic speeds), and have sidewalks for pedestrians.
- ★ There are signs of residential infill development and reinvestment in many neighborhoods.
- ★ Some new housing forms have been introduced to the area including townhomes and patio homes, which are helping to diversify the housing stock.
- ★ The area has attracted a new subdivision in the area off of Red Bluff Road and Georgianna. The new development enhances housing choice in North Pasadena, which is predominantly made up of older single-family homes.
- ★ What new development of single-family housing that has occurred recently indicates that denser products such as townhomes and patio homes are an emerging market trend in the study area. Smaller lots help make



## NORTH PASADENA REDEVELOPMENT PLAN

homes more affordable to the moderate-income North Pasadena buyer.

- ★ Though the area has struggled to attract national retailers and chains, there is a strong base of local entrepreneurs. Independently owned restaurants shops and services tend to have more flexibility for site requirements. This can be an asset when redeveloping small, infill sites or trying to encourage mixed use development.
- ★ Moderately priced rental apartments that have been recently renovated have very low vacancy rates, indicating a strong demand for this form of housing.
- ★ The performance of the existing multifamily market indicates that new apartment properties, if rents are not priced out of reach of working-class North Pasadena residents, could do well.
- ★ The Pasadena Town Square area at Southmore and Pasadena Boulevard has several features that make it an ideal site for a town center. The concentration of existing civic uses such as City Hall, the police headquarters and the public library provide a draw to the area. The Town Square Mall, Bank One building and vacant hospital site offer additional redevelopment opportunities to attract a variety of uses (see additional information in next section).
- ★ Despite challenges, the original downtown site offers an urban form that is unique to this part of the community, and could provide a community node on the north side of SH 225 (see additional information in next section).
- ★ North Pasadena lacks significant drivers for office and medical office demand.

- ★ The location of a strong industrial job base in the area provides employment opportunities for blue-collar workers.
- ★ Continued growth of the Port of Houston will increase demand for industrial and warehouse/distribution space in the SH 225 corridor.
- ★ The SH 225 corridor is a good candidate for capturing increasing demand for warehouse / distribution developments. The Beltway corridor would be a secondary location for such future development.

### Focus Area – Commercial Core / Town Square Mall Area

- ★ The Southmore corridor / Pasadena Town Square area are still a viable retail corridor, but its focus might have to shift to neighborhood / community-level businesses rather than a regional attraction. Still, as a central location in an area of 100,000 residents, this area has a decent moderate income market base. The Social Compact study prepared for the City of Houston's inner-city districts showed many positive indicators in such areas are understated by the Census and other traditional sources of data: population may be higher, home ownership more prevalent, income higher, etc.
- ★ The area around Southmore and Shaver is stabilized by the Wal-Mart Supercenter. Trends indicate that, although deteriorated and underutilized properties are still in evidence now, spinoff activity generated by Wal-Mart will continue to revitalize the immediate vicinity over the longer term.
- ★ Whatever happens with the ownership of Town Square Mall, it will need a re-orientation of its market appeal to a more local focus. Better integration with the



community as a local destination will enable it to capitalize on this new positioning. Such integration can be accomplished through several measures:

- Incorporation of local public services and civic facilities
- Adding public (or quasi-public) open space (parks or plazas)
- Nurturing the current trend toward “mom and pop” tenants by identifying and attracting high-quality locally owned businesses to mix in with non-local credit-worthy chains that help make a project financially viable.
- Reducing isolation from the surrounding area by introducing improved access (extend the street grid into the site), enhanced landscaping, and modifying its urban design to be more outwardly-focused. Constructing new space on sites adjacent to Pasadena Boulevard and Southmore will help reduce the impact of the separation created by the large parking lots.
- In the short to medium term, there are no economic drivers to spur traditional office or medical office demand. These uses should not be the core of a revitalization strategy in this focus area. Office uses will, at best, be incidental, such as second-story commercial space over retail.
- There is a lack of newer, appealing, yet affordable multifamily properties in or near this focus area, and new affordable multifamily development represents one of the key opportunities here. The additional residents would also provide incremental support for revamped or additional retail and public uses. Conversion of the office tower into a

multifamily property is an intriguing thought, but large public subsidies might be required to keep rents at levels tolerable in the market. The vacant hospital would be a good site for multifamily housing as well, though reuse of the building itself might be difficult due to large floor-plate size.

- Given the concentration of municipal offices in this focus area, which are activity generators, a stabilizing presence, and a way to increase the emotional or social connection of surrounding residents to the area, increasing the variety of public and civic facilities within the focus area would contribute to its becoming a core destination for North Pasadena. One possibility would be to relocate public facilities from their current Shaw location to this focus area (see recommendations for the other focus area below).

Whether these measures can be accomplished without wholesale redevelopment of the property is an open question. However, given the very large amount of land under single ownership, the Mall property represents the greatest opportunity to have a transformative project that will have spinoff benefits to the entire focus area. It is not known if the ownership of the mall has an interest in leading this transformation.

#### Focus Area – Shaw Corridor / Pasadena High School

- ★ While large-scale community-oriented retail seems unlikely in this focus area due to its location on the edge of Pasadena’s population, the freeway exposure and exits do encourage convenience retail and services for freeway drivers and nearby industrial





## NORTH PASADENA REDEVELOPMENT PLAN

users. The City of Pasadena's properties along Shaw provide some of the best opportunities for such retail, and the City should consider relocating its facilities to the Commercial Core so that the strip centers can be reused. Some modification of traffic patterns may be necessary to facilitate this change, as the intersection of Shaw and Pasadena is currently somewhat confusing. Other properties closer to Vince Bayou along the freeway may become more attractive for retail because of the increase in exposure due to the new courthouse annex.

- ★ The north side of the focus area is cut off from the rest of the city by the elevated highway and is adjacent to active industrial uses, with small scale industrial users scattered within this part of the focus area. This makes significant market-rate residential development unlikely, and even affordable housing may be unwise in this location.
- ★ While most of the south side of the focus area is taken up in public and institutional uses, these uses create amenities which should strengthen nearby residential uses.

The superior access of this area and its location along SH 225 make it attractive for more industrial and warehouse uses, for which demand is likely to be healthy in the

coming years. The challenge, given the land ownership patterns, is to create sites large enough to feasibly develop. The large parcels currently used as hotel and multifamily properties along Red Bluff may be good candidates for redevelopment into warehouse facilities. Development of light industrial uses on the north side of SH 225 should not have a detrimental affect on the attractiveness of residential areas in North Pasadena on the south side of SH 225.

# CHAPTER 5: REDEVELOPMENT CONCEPTS

## NORTH PASADENA REDEVELOPMENT PLAN



### A Vision for Redevelopment

Imagine, neighborhoods in North Pasadena where new homeowners are putting the finishing touches on home improvements, where families can spend more time together and less time commuting to work, where neighbors are walking across the village green to a bustling grocery store and coffee shop. Think about North Pasadena being a “community of choice” again where neighbors work together to make things better for everyone. This transformation is absolutely possible! With the support of community-minded leaders and investors, North Pasadena WILL create a visionary community.

### Redevelopment of a “First Ring” Suburb

The City of Pasadena has enjoyed strong population growth, economic prosperity, and expansive new development in neighborhoods south of Spencer Highway. The same future is possible for the older areas of the City - north of Spencer Highway, including the original downtown and its surrounding neighborhoods. North Pasadena is a “first ring” suburb facing many of the same challenges that other first ring suburbs around the U.S. are facing today. “First ring” suburbs are communities just outside of major core cities where a majority of the housing was built shortly after World War II and often these areas have very little undeveloped land left.

Between 1950 and 1970, these first suburbs grew twice as fast as the rest of the nation. By 1970, growth in these first ring suburban neighborhoods had begun to slip below the national growth rate. Today these communities are experiencing challenges similar to those that core cities faced twenty years ago. Businesses are moving out, retail sales have declined, homeownership is

decreasing, housing values are stagnant or declining, and the infrastructure is aging. In the 2000 census, population growth in “first ring” suburban neighborhoods lagged the nation while population in newer suburbs grew twice as fast as other areas.

“First ring” suburbs have changed in other ways as well as these communities have become more racially and ethnically diverse and the concentration of elderly increased. These communities often grapple with the challenges of declining commercial corridors, inadequate housing stock, relocation of employment centers, and shrinking public revenues in “first ring” neighborhoods while other sections of the City are growing as a rapid pace.

### A More Sustainable Future

North Pasadena neighborhoods still retain many of their earlier strengths and assets. Creating this Redevelopment Plan is one of the most important steps that the City of Pasadena can take to build safer, economically stronger, and more vibrant neighborhoods in North Pasadena. This Redevelopment Plan is like a roadmap that lays out the strategic actions and initiatives to guide the community to achieve the Vision for North Pasadena to become a great neighborhood again.

The City of Pasadena and the Pasadena Second Century Board have chosen to focus on North Pasadena and through this Redevelopment Plan local leaders and community stakeholders have worked together to identify opportunities to foster widely shared prosperity and a more sustainable future. It is important for everyone to realize, the completion and approval of the redevelopment plan is only the first step in this journey.



### North Pasadena Assets and Challenges

Talk to people who grew up in North Pasadena and they are quick to tell you their great memories of this community, the good schools and neighborhoods that provided generations of families with a great place to live and raise a family. Many of those strengths and assets are still there.

#### Assets

North Pasadena has established neighborhoods with sidewalks, large trees, parks, and while many of the homes may be smaller than housing built today these homes possess a neighborhood context and character. Housing here is affordable and many of these homes can be renovated and expanded to provide more of the features that today's homebuyers want. North Pasadena offers a more pedestrian-friendly environment, children can walk to many of the schools, and residents can walk to parks and other facilities.

The Houston Metro Area remains one of the most competitive areas of the country for business location due to its transportation accessibility, affordability, available workforce, and available real estate for business and industrial uses. The Port of Houston is a key economic driver in the region representing an important catalyst for attracting new jobs and stimulating population growth. This bodes well for redevelopment opportunities in North Pasadena as the community is well positioned within the Houston Metro Area to provide affordable housing options, excellent schools, safer neighborhoods, and easy access to numerous employment centers.

North Pasadena is very convenient to downtown Houston, the port, and other suburban areas. Residents of North Pasadena have ready access to universities and community colleges, outstanding health care facilities, and professional services. The community is close to cultural venues, entertainment and sports facilities, and other

amenities. There is an established transportation network in place as well as utility infrastructure, schools, parks, and other services.

#### Challenges

There is no denying that North Pasadena faces some challenges. The community continues to deal with market and demographic changes that affect retail and commercial business choices. In addition, the quality of the housing stock is an issue in some areas and there is an increasing need for quality employment and training opportunities. Education will enhance the employment opportunities and, ultimately, improve the buying power of residents. Declining retail strip centers, poorly performing commercial corridors, and an underutilized regional mall create additional problems for the area as vacancy rates increase, average rents decline, and property owners invest less and less in upgrading and maintaining these properties. The Pasadena Town Square Mall continues to experience significant challenges as anchor tenants have closed stores and other key retailers face potential bankruptcy – particularly in the current market. Of particular note, there is no full-service grocery store in North Pasadena forcing residents to either purchase groceries at smaller stores (often with higher priced goods) or to drive to a full-service grocery south of Spencer Highway.

The residential areas of North Pasadena are primarily small single-family homes built on relatively narrow lots, manufactured housing, and low-rise apartment buildings. Some of these “garden apartments” are in very poor condition. The high concentration of multi-family housing in select areas of North Pasadena and the condition of those properties is adversely affecting the surrounding properties. Most of the single-family housing units in North Pasadena are older, smaller homes. Many are tract built houses with two or three modest bedrooms, one bath, and a small kitchen. These homes are not comparable to the typical new homes constructed today that offer more square footage, more bathrooms, larger bedrooms, larger yards, other amenities, and high price tags. The North Pasadena residents that want to “move up” usually end up moving out of these established neighborhoods because they don't realize there may be other options.



Like many other early suburbs built in the 1950's and 1960's most of the commercial development was built along primary arterials roads in low-density strip commercial centers heavily dependent upon the automobile. The infrastructure in North Pasadena is aging requiring more frequent maintenance and repairs and in some instances replacement is needed.

### Vision and Goals for Redevelopment

The strength and success of the redevelopment of North Pasadena ultimately lies in developing a straightforward plan of action that inspires people to act and creates a blueprint that guides the redevelopment of the community leading to long term, sustainable improvement. This inspiration comes from a clear understanding of the community's core values, the foundation for creating a powerful vision for the future. The Vision must capture those values, and recognize what must be accomplished to transform North Pasadena.

This vision is a compelling statement of the community's intent for the future. In order to understand what the people of North Pasadena want to accomplish the WSA Team met with numerous community stakeholders, local elected officials, business leaders, and received comments from community meetings and through a web site. This community input is the foundation for embarking on a bold new direction for North Pasadena.

#### The Vision Statement:

***North Pasadena will be a "Community of Choice" for individuals and families, desired for its neighborhoods, community lifestyle, attractive and affordable housing, and strong local business community; where neighbors know and support each other and work together to create a sustainable economy, preserve the natural environment, and build a better quality of life for all.***

The vision, goals, and plan of action in this Redevelopment Plan identify specific actions and initiatives that are important to revitalize North Pasadena. Four key goals form the basis of this North Pasadena Redevelopment agenda:

- ★ North Pasadena will distinguish itself with attractive gateways to the community and enhanced public infrastructure.
- ★ North Pasadena will recreate its town center, establish gathering places, and create a sustainable tax base by attracting and retaining community-based businesses.
- ★ North Pasadena will redevelop with a "green" perspective, not only to create more green space, but to embrace environmentally-friendly solutions, where feasible.
- ★ North Pasadena will promote home ownership, create attractive neighborhoods, and establish a culture of pride in their community for citizens of all ages and abilities.
- ★ North Pasadena will expand transportation alternatives to the automobile for improved mobility available to all residents.

The impacts of the current economic crisis will continue to evolve over the next few months. What these conditions may mean to the redevelopment of North Pasadena may not be clear from some time to come. While the Houston market continues to outperform most of the rest of the country, the region has not been immune to a slow down in job growth and a retrenchment in construction. However, given the population growth projected for the region and reasonably positive employment growth, there are reasons to be optimistic about opportunities in North Pasadena.



### Key Development Action Strategies

There are many good plans that sit on a shelf and gather dust because the specific projects and initiatives that are needed to implement the plan are never defined. The development action strategies and program initiatives that follow identify specific projects and initiatives that can produce results. To move these specific projects and initiatives forward it is imperative to define:

- ★ Clear performance benchmarks that define what constitutes success so everyone knows when goals have been achieved and what must be accomplished.
- ★ Who will be responsible for implementation of each project?
- ★ What resources will be needed to implement these efforts?
- ★ How long will the schedule last for each activity and will it be reviewed at least quarterly?
- ★ What is the strategy for involving key project partners that need to participate in these activities?
- ★ How will the City establish a marketing plan for communicating with the community and regional audiences?

### Create a Community Gateway into North Pasadena

For redevelopment to be successful, it is critical that Pasadena present a very positive first impression. Creating a “gateway” with a “sense of arrival” for travelers leaving these major highways as they enter Pasadena can establish the initial impression of Pasadena for these individuals. SH 225 and the Sam Houston Tollway (Beltway 8) are the major highways that bring people to Pasadena from other parts of the Houston metropolitan area. Pasadena Boulevard and

Red Bluff Road are the major thoroughfares in the City that connect to both SH 225 and to the Sam Houston Tollway. The alignment of Pasadena Boulevard takes people entering Pasadena from these major highways directly to the Pasadena Town Square area.

Re-constructing Pasadena Boulevard into a signature boulevard to enhance the impression for travelers and residents as they enter the community can be an integral element of the successful revitalization of North Pasadena. **Exhibit 5-1** presents a picture of what Pasadena Boulevard can look like as a “Gateway”.

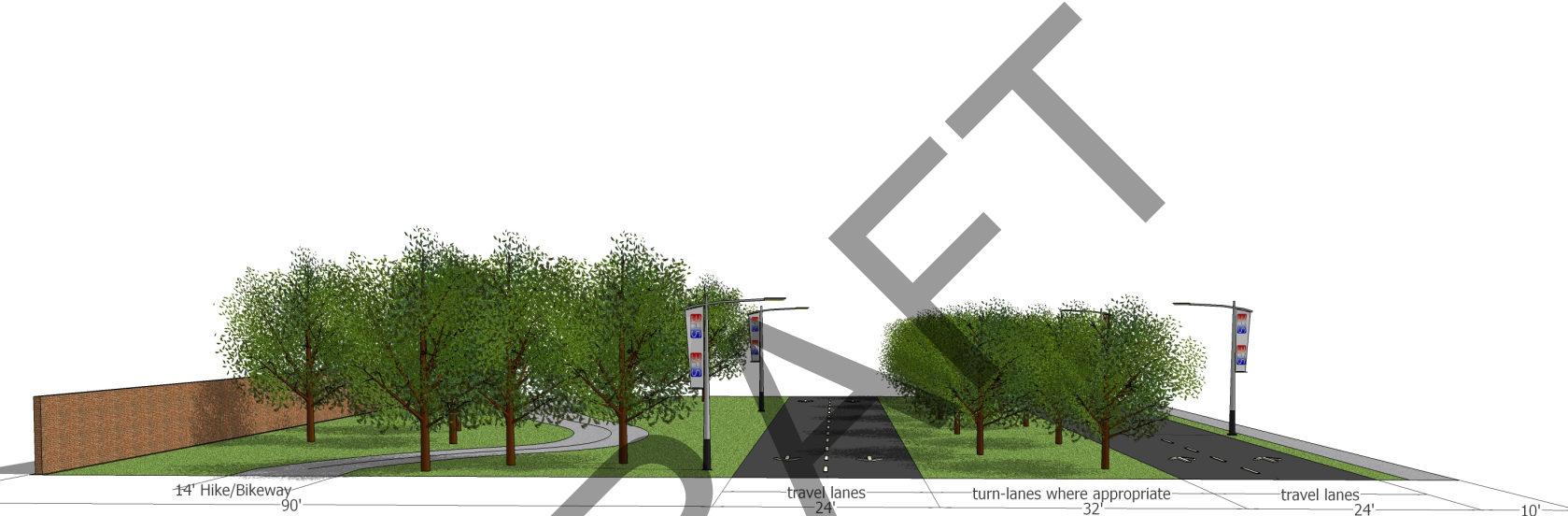
Additional redevelopment strategies that are further defined later in this report include creating a Town Center and Government Complex at the Pasadena Town Square area. Another strategy is to develop public-private investment strategies to leverage the development of a retail/entertainment complex at Shaw and Pasadena Boulevard adjacent to the Capitan Theater. An enhanced Pasadena Boulevard will be the direct transportation link between these two destinations.

Since the cost to reconstruct the entire length of Pasadena Boulevard from SH 225 to the Sam Houston Tollway (approximately 5.0 miles) would be a significant expense and since improvements are or have been recently made south of Southmore, we recommend that the initial phase of this reconstruction be from the retail/entertainment center (Red Bluff) to the Town Center and Government Complex in the Pasadena Town Square area (Southmore). The corridor improvements for this length (1.75 miles) would include widening Pasadena Boulevard by acquiring properties along the west side of the roadway to allow for a meandering sidewalk/bikeway, improved streetscape with appropriate landscaping, with retail remaining along the eastern edge.

**Exhibit 5-1** shows a diagrammatic layout of these potential multimodal improvements. It is anticipated that along with Pasadena Boulevard re-construction a façade improvement program will be implemented in partnership with the retail properties along the eastern right of way. The estimated construction cost for re-constructing the roadway for this length is approximately \$5 million. This order of magnitude estimate does not include right-of-way acquisition or utility relocation costs. **Exhibits 5-2** through **5-5** provide an aerial view of what this might look like for its entire length.



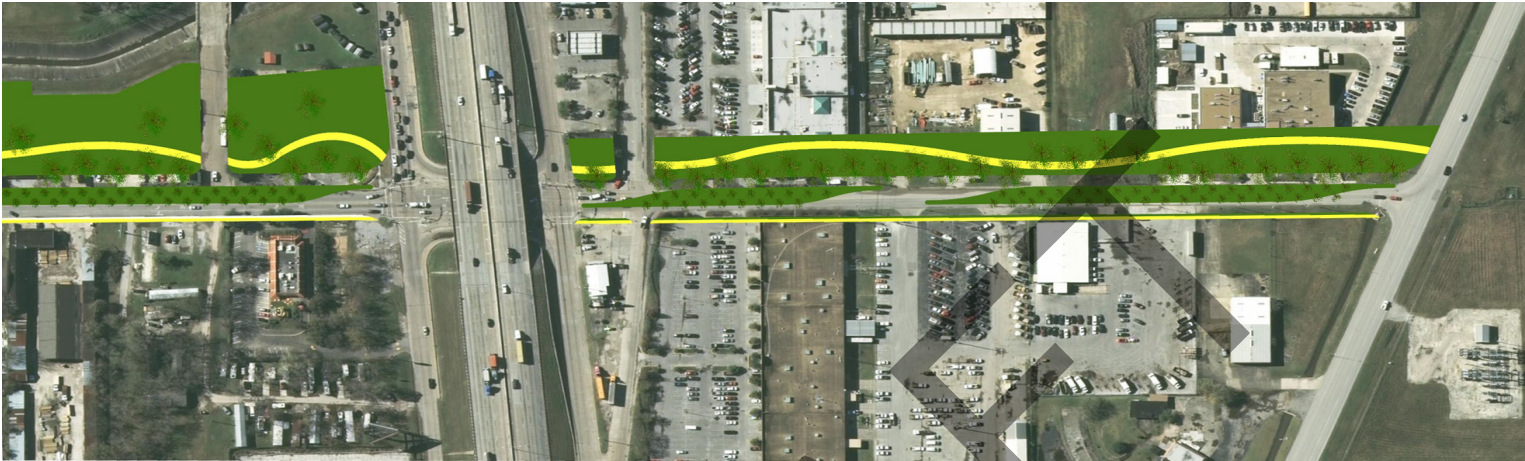
Exhibit 5- 1: Proposed Pasadena Boulevard Gateway Improvements





# NORTH PASADENA REDEVELOPMENT PLAN

**Exhibit 5- 2: Aerial View of Proposed Pasadena Boulevard Improvements**



**Exhibit 5- 3: Aerial View of Proposed Pasadena Boulevard Improvements**





Exhibit 5- 4: Aerial View of Proposed Pasadena Boulevard Improvements



Exhibit 5- 5: Aerial View of Proposed Pasadena Boulevard Improvements







### Develop an “On-Demand” or Fixed Route Transit Circulator

North Pasadena has a relatively high number of residents which have income below the poverty level as well as approximately 7.5% of its population without private automobiles. During 2006, the Community Services Department of Harris County identified a fixed route service within the North Pasadena area. This transit route was preliminarily developed to circulate through the North Pasadena in the area bounded by Shaw (north of SH 225), Richey, Southmore and Pasadena Boulevard.

Subsequent route analysis performed for Harris County has proposed a modified route which connects with the nearby METRO Park and Ride facility (at Monroe and IH 45) and circulates along Southmore with a loop traversing Richey and Main/Shaver north to Jackson and an extension at the east end up Burke to Red Bluff. In addition, the County is scheduled to implement Park and Ride service to/from the Monroe Park and Ride facility serving the Pasadena Town Square mall during the morning and afternoon peak commuting periods. This service is schedule to commence in the Spring of 2009.

Developing effective transit service must incorporate the citizens' needs, provide service to the major attractions throughout the service area, and accommodate for the potential growth of the service. The proposed Park and Ride service will provide a valuable connection for residents of North Pasadena to access all employment opportunities served by the Houston METRO system.

The effectiveness of the Park and Ride may be compromised by limitations for individuals within North Pasadena to get from their home to/from the Park and Ride facility which will be at the Pasadena Town Square Mall. The proposed fixed route service should support the Park and Ride service and serve other needs within Pasadena. However, with limited operating hours and a fixed route that is not close to many residences, this element of the transit system may be a significant investment while not fully serving the needs of the citizens of the North Pasadena. A demand-responsive

type service should be analyzed which can be more comprehensive and more likely meet the citizens' needs for service within the area.

#### Initial Assessment

Before any service is implemented within the area, a detailed analysis of the needs and wants of the citizens of the area needs to be completed. This would include surveys of residents regarding their transit needs and travel patterns, the attractions and destinations for citizens and if there is a need for service beyond the North Pasadena area.

It is recommended that there be at least one focus-type group or a survey to determine the usage levels for the citizens. This will help determine the service hours and days and the critical destinations within the area. It is also important to identify if there is a need for service to any specific attractors in addition to the Metro Park and Ride facility which are outside the study area but would generate significant ridership.

#### Transit Service

A more universal implementation of transit service within this area can be developed in two phases. Starting with demand-responsive and then implement fixed route service when demand increases to the point where demand-responsive service levels are diminished.

Initial transit service can be developed within the entire area as a demand-responsive service. This type of transit was identified as “dial-a-ride” service in the “Harris County Comprehensive Transit Strategy” report for the area. This service can be mobilized fairly quickly and provide greater coverage.

Demand-responsive service, in this context, would operate as a share-a-ride service. There would be a specific zone, designated by the City, in which the van would operate. Generally the maximum area one van can serve is roughly 6-7 square miles. Unlike a larger fixed-route bus, a van has the flexibility of accessing collector streets and brings passengers closer to their desired destinations. If the



service gains popularity, the zone can be modified, an additional van can be added or two separate zones can be created.

The service is fairly straight-forward. The passenger would contact the operator directly to schedule a pick-up. The operator would let the passenger know if the time requested is available or if an earlier or later time is available. There are two ways in which Harris County and/or the City of Pasadena can provide this service:

- ★ Utilizing sponsor agency-owned vans. The service can be operated with a agency-owned van and an employee with a cell phone. Riders can contact the operator directly to make arrangements for service.
- ★ Contracting service. This service can be contracted via interlocal agreement or request for proposal. An RFP can be developed and issued to hire a provider for the service. Harris County may already have contracts with various providers for this type of service.

Demand-responsive service would not require any specific bus stops or shelters. There would, most likely be agreements made with the property owners if the van enters onto private property, such as retail or medical establishments. There would also need to be specific instructions to the operators regarding the boarding and alighting locations for all facilities. A demand-responsive service would also be able to meet the Americans With Disabilities Act (ADA) requirements and serve those who need specialized service as well as the general population.

Assumptions for Demand-Responsive Service

- ★ Operating Hours and Days. It is recommended that operating hours, based upon feedback by potential riders, be at least 6 am to 6 pm, Monday through Friday. Selective service could be provided on either Saturdays and/or Sundays, depending upon the demand.

- ★ Locations Served. Riders would be picked up at their residences. It is recommended that a central location be established for apartment complexes, so that the van would not have to enter the property. Due to the intensive nature of a demand-responsive service, it is recommended that the following locations to be serviced be initially established:

- METRO Park-and-Ride facility at Pasadena Town Square mall: Peak hours only
- Large Shopping Centers or “big box retail” locations: such as Wal-Mart and the Pasadena Town Square mall. Limiting those retail/commercial stops are important for the productivity of the service.
- Medical facilities: such as hospitals, medical clinics and dialysis centers
- Government facilities: including social service agencies.
- Employment attractors: major employment areas outside of the initial service area should be considered before implementing service. It may be feasible to serve certain businesses if there is demand.
- Educational attractors: such as San Jacinto Community College if there is demand.
- Future facilities: such as the creation of a retail/entertainment development at Shaw and Pasadena Boulevard, and at the proposed Town Center and Government Complex.

These locations can certainly be modified but to ensure initial ridership, limiting locations that are serviced is important.

- ★ Reservations. Reservations would be accepted for only five consecutive days. Passengers would need to be educated to the fact that this is a shared-ride service and that the time(s) they request may not always be



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available and they may need to be flexible in their travel needs. If a passenger needs to cancel a trip, they would need to contact the operator immediately or else the trip would be recorded as a “no show”. It is recommended that a passenger with three “no shows” be denied reservations for a specified period of time (e.g. a week, a month).

- ★ **Operator Requirements.** Operators would need to track passengers’ movements by name, date, time of pick-up/departure and destination. The operator would also be responsible for scheduling all rides and providing the data at the end of each shift. This ridership data is important to track productivity and any issues or “no shows”.
- ★ **Fares.** It is recommended that the City determine the fare structure in conjunction with the County based upon the amount of subsidy the City and/or County is willing to provide. Generally this type of service is a premium service, meaning the fares would be higher than general fares on a transit provider. It is also recommended that the fare structure include reduced fares for seniors, paratransit and students. Since the City of Pasadena is not a Houston METRO-member city, forms of identification which can be used by seniors and students could include any Houston METRO-issued identification card for seniors, students and the disabled, Medicare cards and school-issued student identification cards. Any vehicle which is used for this service needs to have a farebox installed to prevent any issue with cash transactions on the vehicle. It is generally good business practice for the operators not to have access to any cash.

- ★ **Tickets.** The sponsor agency could create its own media to use as tickets and monthly passes. Tickets could be sold for individual (round-trip) rides, weekly passes or monthly passes. These could be sold at city properties as well as other outlets, such as retail establishments. This would make it easier for passengers to utilize the service and reduce boarding times due to using a fare box.
- ★ **Rules and Guidelines.** Suggested rules and guidelines would be:
  - Service would be within the zone area (presumably North Pasadena).
  - Children under 12 must be accompanied by an adult
  - Service animals allowed.
  - Operators will wait 5 minutes before they depart the designated pick-up spot.
  - Operators are not allowed to carry packages for riders.

Additional rules and guidelines can be added as needed.

### Costs

The cost of demand-responsive is generally estimated on an hourly basis. Information such as passenger per mile, passenger per hour, and miles per hour are not generally tracked for this mode but this data is important to decide if the service is profitable.

Type of Service	Hourly Cost	Cost Per Day	Days Operated	Total
Demand Responsive	\$40	\$480	252	\$120,960



The above costs assume 12 hours daily, Monday through Friday service for one vehicle. This can be modified depending upon need. This cost does not take into account farebox recovery or reimbursement through Federal transit programs but is just an estimate of cost to operate. Some of the costs could be recovered by selling vehicle wraps for advertising or sponsorship from businesses. The County's previous study estimated costs of \$208,000 per year for the Pasadena circulator increasing to \$260,000 in 2011.

smaller vehicle creates a sense of security and familiarity for passengers and they are more apt to utilize transit rather than a large transit bus.

### Fixed Route Transit Services

Generally a fixed route service is one that serves a specific area, although there is a type of fixed route service which deviates from a route to an area within a certain distance of the route (frequently referred to as Flexible Route Service). Fixed route service can operate on a thirty, sixty or ninety minute headway and requires bus stops and assorted amenities. The demand-responsive service could certainly evolve into one or more fixed routes throughout North Pasadena. However, given the expense of operating a fixed route, about \$50 hour and public perception that if the buses are not full, then it seems to be a waste of resources, it is easier to implement the demand-responsive service. A fixed route service would be the next phase or step in transit services within North Pasadena but only if further analysis shows it to be cost effective. This can easily be determined by demand of the initial demand-responsive transit service.

### Conclusion

A demand-responsive van service can easily and quickly be implemented to serve those citizens of the area that have no transit access currently. It is flexible and cost effective by combining trips to like locations and serves a population which may require paratransit service.

Since North Pasadena has no transit service, it would be more economical to introduce the demand-responsive service. This type of service also brings a benefit that is not quantifiable: the intimacy of a





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The City of Pasadena, in conjunction with Harris County (and an operator if contracted service is used), must advertise and market this service to North Pasadena residents and conduct public meetings to introduce the vehicles and concept to those who would use it. Many times, the general public is reluctant to use transit but when they have been familiarized with the vehicles and how the system operates, that reluctance fades and it will become a valuable asset to the community.

### Creating a Pasadena Town Square and Community Gathering Place



Downtown Pasadena is remembered fondly by many City residents. “It was the place to be”, said one resident, “we almost never went into Houston because we had everything we needed right here”. Today, the retail center of Pasadena has shifted to the south where newer “big-box” retail developments have located. North Pasadena is left with the once proud Bank One building which is in danger

because of its deteriorating condition, numerous vacant buildings, and poorly maintained apartments which all are visible signs of disinvestment in the community.



Like many other first ring suburban communities, the development of newer commercial corridors replaced the original downtowns leaving behind vacant storefronts and marginalized office space. The Pasadena Town Square area is a strategic target for redevelopment. However, the bleak outlook for retail real estate in the next few years’ likely means that any redevelopment will not include a significant amount of retail development for the foreseeable future. However, the success of the housing initiatives included in this plan can have a direct affect on the success of existing retail and commercial development in this area.

A redeveloped and revitalized “town center” in North Pasadena can create a host of community benefits. The Pasadena Town Square area should be an attractive and safe destination where citizens can do business with the local government; enjoy festivals and events; and eat, shop, and socialize. The Pasadena Town Square area should be a pedestrian-friendly area connected to adjoining neighborhoods by sidewalks and walking paths; parking within the



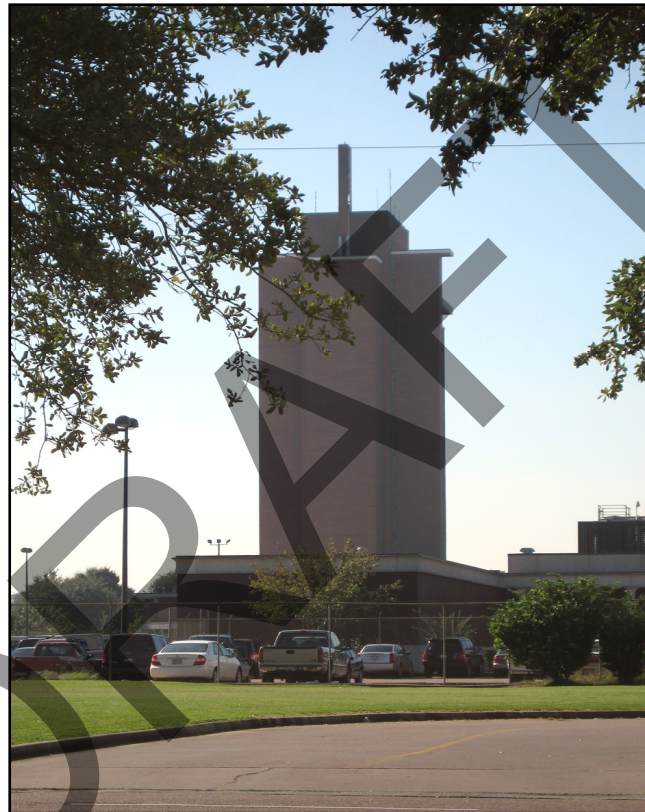
district should be adequate to support the government complex, existing offices, and businesses but should not be visually dominant from the local streets; and attractive streetscapes and landscaping will create a more park-like environment that is attractive and safe.

The centerpiece of the Pasadena Town Square area will be the Pasadena Government Complex and a new “Village Green” with a public plaza linking the Bank One building, the SBC (AT&T) building, and a new grocery store to the Government Complex and other mixed used developments within the district. The improved Pasadena Boulevard, “Community Gateway”, will serve as the primary vehicular access for the region into this district. Local streets, sidewalks and walking paths will connect adjoining neighborhoods to the village green.

**Develop the Pasadena Government Complex**

Pasadena City Hall can no longer accommodate all of the city staff and a number of departments are housed in offices in various locations around North Pasadena. With the completion of the new Public Safety Building and the need to reposition the buildings adjacent to the Capitan Theater to develop a retail/entertainment complex, it is an opportune time to consolidated city offices in space within the Pasadena Town Square area. Assessing the space and facility requirements is beyond the scope of this plan; however, the City’s need for office space and the availability of several structures in the Pasadena Town Square area create a unique opportunity for the City to create a prominent campus that can help to anchor the redevelopment of the Pasadena Town Square area.

Renovation of existing structures within the Pasadena Town Square area could support some of the office space demands for Pasadena Government Complex. The City should perform a detailed building evaluation of these buildings to determine if these structures could be rehabilitated to meet the city’s needs. The City should retain the services of a space planner or architect to assist them in assessing space needs and the conditions of the available buildings.



**Exhibit 5- 6: First Pasadena Bank Tower**

The quality of design and construction established at the new Public Safety Building provides a benchmark for consolidating city offices and providing an outstanding Pasadena Government Center that will make it easier for citizens to do business with their government and will serve as an anchor for the Pasadena Town Square area.

**Help Facilitate the Private Renovation and Redevelopment of the Bank One and AT&T Buildings**

The Bank One building and the AT&T building represent strategic building anchors in the Pasadena Town Square area. Property owners/developers have indicated a desire to renovate these buildings for senior housing and to attract a major office user for the space. There are a variety of incentives that could be used to help facilitate the renovation and reuse of both of these buildings. The City of Pasadena through creation of a qualified redevelopment authority could work with the property owner to help facility the renovation of this building. Incentives could include



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property tax abatements and what is referred to as a “Chapter 380 Economic Grant Program”. A Chapter 380 program allows a municipality to make economic development grants to a private enterprise that can be used to assist with the development or redevelopment of property. Unlike a Tax Increment Reinvestment Zone (TIRZ), the public funds are not restricted to use on public infrastructure.

Typically, the source of the Chapter 380 economic development funds is from a rebate of future property tax and/or sales revenues generated from the development or redevelopment of the property. In the case of the Bank One or AT&T buildings, an agreement could be devised that “freezes” the taxable value of these buildings at their current level. All increases in taxable value (both real property and business personal property) attributable to the redevelopment would be collected by the City, but paid back to the developer for a certain period of time. In this case, as with most public-private projects, it is important to understand the property owner/developer’s financing “gap” in order to develop a prudent public sector investment to make the project financially viable. An analysis of the anticipated project values and the revenues that would result from the increase in property taxes would then be performed to determine if the tax rebates would be sufficient to move the project forward.

Many cities use “clawback” provisions and development agreements to protect their public investment. “Clawbacks” establish payments to the municipality in the event the private developers do not meet the performance thresholds and commitments made to induce the public sector to invest in the project. “Clawbacks” are often included in development agreements that define levels of investment, timelines for performance, and other terms or conditions. The City should carefully evaluate these benefits and liabilities of these agreements for each TIRZ, Chapter 380, and public-private partnership. Additional information about these financing tools can be found in the Financing Tool Box section of this Plan.

### Create a “Village Green”

This new public green space will create many benefits for North Pasadena and will be tangible evidence of the transformation of this community. The new “Village Green” should link the Pasadena Government Complex with the Bank One building and the AT&T building and other destinations in the Pasadena Town Square. This Public Park and plaza should incorporate pedestrian amenities, pathways, specialized lighting, public art, a playground, benches, and a water feature such as a “dancing waters” fountain. The area should be clearly and safely connected to adjoining neighborhoods with wide sidewalks and meandering pathways or bike trails.

The Village Green will provide a public gathering place that can accommodate public festivals, open air farmers markets, arts and crafts events, outdoor concerts, and other community activities. The beautiful trees similar to those in front of City Hall could be planted throughout the green to provide shade and open air gathering spaces. The Village Green will add new amenities to North Pasadena and help to make the Pasadena Town Square area the real centerpiece of the community. Initial planning for this project should involve local residents and school children working collaboratively with the City’s Park and Recreation staff and planners and landscape architects.

### Attract a Full-Service Grocer to the Pasadena Town Square

In the past 30 years, many food markets have chosen to leave core cities and first ring suburbs in favor of newer suburban locations that are closer to new housing developments and higher income residents. The lack of a full service grocery in North Pasadena means that residents of North Pasadena likely pay more for groceries in local convenience and specialty stores or spend more time and gas driving to markets south of Spencer Highway. The reluctance of these food markets to invest in core cities and inner ring suburbs is often based upon a perception that these communities are “disadvantaged” and therefore would not be a good



location for their stores. Their concerns include the cost and time associated with land assembly and the buying power of neighborhood residents. Stores predictably follow customers with money to new developments. Recent research however finds unmet market potential in inner ring suburbs like North Pasadena and there are a growing number of success stories that demonstrate that groceries can locate in inner ring suburbs and be very profitable.

Research conducted in 2006 by Location Strategies LLC found that within three (3) miles of the proposed Pasadena Town Square there were 126,800 people and that population was projected to reach 133,200 by 2011. Thirty-one percent (31%) of the households in the three-mile radius of the district had household incomes in excess of \$50,000 in 2006 and 17% had household incomes over \$75,000. Within a five-mile radius of the proposed Pasadena Town Square there were 267,700 people in 2006 and that population is expected to exceed 283,000 by 2011. In this study, thirty-six percent (36%) of the households in this area have household incomes over \$50,000 and twenty-four percent had incomes over \$75,000.

This research indicates that North Pasadena offers a strong market opportunity for a super market or specialty food store such as an organic grocery chain but it will take very strategic efforts to convince supermarket owners that North Pasadena is an excellent location for them to consider. Cities that have successfully attracted a full-service grocery to a core city or inner ring suburban neighborhoods have:

- ★ Involved local political leadership at the highest level to participate in the recruiting effort
- ★ Compiled and presented current market demand data to the stores
- ★ Secured community support for the effort, documenting the desire for a supermarket in the community
- ★ Assembled a development and financing incentives package and identified multiple locations that would be appropriate

- ★ Competitively and aggressively recruited supermarket chains

In order to attract a full-service grocery store to North Pasadena, the package should include:

1. Current market demographics and data including current and projected population, household incomes, and other relevant market information.
2. Identify at least two (2) appropriate sites in the Pasadena Town Square that could support a new supermarket location with appropriate visibility and adequate parking. These sites could include existing buildings as well as substandard parcels that might be cleared or renovated
3. Development of strategic financial and development incentives that could be offered to recruit a grocery store including off-site improvements to roadways, availability of a “fixed-route circulator” and/or transit stop, expedited permitting, are just a few of the potential incentives that could be offered.

The use of a Chapter 380 Economic Development Grant program could be used to attract a full-service grocery similar to the potential use of the program to incentivize redevelopment of the Bank One and AT&T buildings. Projections of future property tax and sales tax revenues from the full-service grocery would be used to “size-up” the level of incentive available through property tax and sales tax rebate. As explained below, Chapter 380 powers can be granted to a tax increment reinvestment zone (TIRZ) covering the greater geographic area and the Chapter 380 grants can be targeted to certain properties to assist with development.

### Designate a Phase I TIRZ District

In order to induce redevelopment of the Pasadena Town Square area, a Tax Increment Reinvestment Zone can be designated for the





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area. This process will require significant input from city officials, staff, and property owners to develop a “North Pasadena Town Square Area Project Plan” and a reinvestment zone financing plan must be formulated in order to create a TIRZ. The project plan identifies not only the geographic area of the TIRZ, but also the public infrastructure projects that will be financed through the TIRZ. Projections of the increases in taxable value must be generated to determine if future tax revenues will produce a sufficient revenue “increment” to finance the TIRZ projects identified in the plan. In order to develop these revenue projections it is critical to have information from property owners and developers about future plans for the properties included in the TIRZ.

In most cases, the initial funder of the TIRZ projects are private developers who can then be reimbursed by TIRZ revenues once the development/redevelopment produces increases taxable values in the area. This arrangement is typically captured in a development agreement between the TIRZ board and the developer. A municipality or 4B corporation can fund TIRZ projects in advance to “kick start” redevelopment within the TIRZ under a similar development agreement; however, the City or 4B will only be reimbursed if its effort produce development that increases taxable values.

Recent legislative changes now allow a municipality to grant a TIRZ district the powers to make Chapter 380 Economic Development Grants. This is important in that the TIRZ would be allowed to incentivize private improvements such as those to the AT&T building or other important private properties within the TIRZ, rather than being restricted to public improvements only. In the case of the Pasadena Town Square area District, a TIRZ could be designated over the larger geographic area to fund public infrastructure improvements, but only granted the power of Chapter 380 Grants to assist with specific projects such as the attraction of a full-services grocery, the Bank One building, or renovation of the AT&T building which would be a catalyst for other redevelopment within the TIRZ.

### Create a Retail/Entertainment Complex at the Capitan Theater

In its heyday, the Capitan Theater, part of the Isley Chain, was a distinctive and memorable destination for Pasadena residents. Over the years as the area around the theater changed and more theaters became giant multi-screen operations, the Capitan Theater, like so many other historic theaters, was no longer viable as a movie theater. The City of Pasadena acquired the property and has invested in the building’s exterior, neon signage, and some of the interior murals to help protect the building. Unfortunately the theater remains closed to the public and additional renovations are needed in order to utilize this property.

In many of the community meetings people spoke of the importance of saving the Capitan Theater. This building represents an opportunity to preserve an historic part of Pasadena’s past and restore the facility to new life as a center for entertainment and community use again. Renovating the property is only the initial challenge, managing the building and the ongoing operations are usually the downfall of many similar historic theater redevelopment efforts. It can be expensive to maintain and manage a historic building and attracting the right mix of entertainment, meetings, and other activities to the facility requires staff, state-of-the-art-equipment, and marketing dollars.

The property around the Capitan Theater may provide an opportunity to help finance the ongoing operations of the theater and create additional destination properties that will attract people to this part of North Pasadena. The City of Pasadena owns approximately 15 acres adjacent to the theater including the building itself. Currently there are several City facilities located on this property in what was originally built as a strip commercial center. If these offices are consolidated into the Pasadena Town Center and Government Complex or (perhaps in the case of the Health Department) co-located with other medical related facilities, this represents a significant development/redevelopment opportunity in North Pasadena. The redevelopment potential of the city-owned land can be enhanced by the acquisition of the strips of properties between



the SH 225 Frontage Road and Shaw on each block immediately east and west of Pasadena Boulevard.

**Exhibit 5- 7: Retail/Entertainment Complex**



By acquiring these properties (with an appraised value of slightly less than \$1 million), the City may then abandon the existing right-of-way for Shaw between SH 225 and Witter. Appropriate easements can be retained for existing utilities. These steps can create development parcels of 6.6 acres on the west side of Pasadena Boulevard and 11.9 acres on the east side of Pasadena Boulevard with frontage directly on SH 225. Along with proposed enhancements to the Pasadena Boulevard corridor between Red Bluff and Southmore, the City can dramatically increase the redevelopment potential of these sites. Exhibit X-X indicates the location of the Capitan Theater and the potential redevelopment sites.

The City or Redevelopment Authority could establish the Capital Theater TIRZ District and create a public-private partnership to develop the area around the theater and generate revenues to help support the renovation and operation of the Theater.

To attract a private partner to this project the City must evaluate their willingness to relocate the existing city facilities from this location to the new Town Center and Government Complex and the City should be prepared to:

- ★ Retain the services of an experienced historic preservation architect to fully assess the Capitan Theater to determine the structural suitability of the property and the cost to renovate the building for a multi-use civic event center that would meet all codes and design standards. This analysis will provide the City with all of the costs associated with the renovation of this building including electrical, HVAC, even modifications that may be required to make the theater usable for a wider range of functions.
- ★ Retain the services of a firm to prepare a market feasibility study for the Capitan Theater to assess the potential market uses of the restored theater and define potential programming for the facility such as community theater, special events programming like concerts and



## NORTH PASADENA REDEVELOPMENT PLAN

speakers, community use and private bookings such as weddings, local organization meetings, and community meetings. The purpose of this market feasibility study is to determine what the theater can be used for, what kind of revenues might be generated from these events, and the GAP in operating expenses that must be met from other resources.

- ★ Survey and assess the other city owned property, prepare a level 1 environmental assessment and determine the cost to demolish the current buildings and clear the site.

With this information in hand the City can make an informed decision about the functions for the building as well as the renovation and life-cycle costs of operating the Capitan Theater.

The City could create a public-private partnership to develop the property around the theater and utilize the proceeds from this private sector development to support the renovation and operation of the theater. This property could be very attractive to a private developer with visibility from SH 225, access along Pasadena Blvd. and Red Bluff Rd. The City may want to consider additional opportunities that could result from collaborating with adjoining private property owners in this venture.

Using a public-private partnership for this venture provides several advantages from a public perspective:

- ★ Reduces ownership and development risk
- ★ Reduces capital investment
- ★ Generates net tax revenues
- ★ Provides an opportunity to utilize private partner expertise and creativity to benefit the community

- ★ Generally accelerates implementation schedule
- ★ Allows the City to capitalize on excess or underutilized assets

From a private sector perspective, these partnerships enable private investors to pursue projects that would often be considered too risky without public stimulus and these partnerships usually inject public capital into the project for infrastructure improvements and other public facilities.

The City might also consider using CDBG Section 108 loan funds (national objective - preventing or eliminating slums or blight) to help pay for a portion of infrastructure improvements or other public facilities that might be needed to induce private investment in the area. This city-owned property can become a prime development site and activity generator that will not only help to create revenues that could be used to support theater operations, the development of this property can help to bring people back to the theater district.

### Plan Initiatives

The North Pasadena Redevelopment Plan initiatives focus on two key goals:

- ★ Transforming neighborhoods by improving housing stock and homeownership
- ★ Helping community-based businesses that serve the community and who are invested in the area

Plan Initiatives are different from development strategies. These initiatives will require a longer-term commitment to achieve success through the implementation of ongoing programs incorporated into the city's annual redevelopment activities. These initiatives will require a continuing investment of financial resources, leadership,



and staffing to achieve success but the long term benefits of these plan initiatives will generate significant long term rewards for the City, its businesses, and citizens.

Recommendation # 1

**Transforming Neighborhoods by Improving Housing and Homeownership**

Neighborhoods are the foundation of all communities. More than just a collection of houses or retail areas, neighborhoods create a sense of place for residents. Quality neighborhoods of choice provide residents with connections to the community and encourage reinvestment and involvement, people who are invested in the community care about its viability and are willing to work to improve the community. If neighborhoods are the foundation of a community then the housing stock serves as the most important building block for creating a “City of Choice”.

Improving the community’s housing stock and creating opportunities for homeownership is critical to the redevelopment of North Pasadena. It is also vital to maintaining a competitive economic climate; affordable housing for employees is a concern for many businesses and continues to play a significant role in business location decisions. Highlighting the importance of workforce housing, at the 2008 International Economic Development Council annual conference, Ronald Terwillger, Chairman and CEO of Trammel Crow Residential was a keynote speaker focusing on the importance of workforce housing to sustainable economic development.

***Develop a comprehensive housing and homeownership program for North Pasadena by implementing specific action strategies outlined below and continuing to focus ongoing efforts on improving the community’s housing stock, creating opportunities for new private residential development, increasing the percentage of homeownership, and promoting quality workforce housing that will enhance the city’s economic development.***

The goal of this initiative is to improve the quality of housing and strengthen the marketability, competitiveness, and diversity of housing in North Pasadena. Enhancing the housing stock will help to attract new homeowners to the community, provide an expanded tax base with revenues to support public services and infrastructure investments, and help to leverage development of new housing options for elderly residents and families. Increased homeownership will enhance the viability of existing businesses serving North Pasadena and improve the attractiveness of the area for other businesses. This initiative is a critical component to achieving the vision of making North Pasadena a “Community of Choice”.

Because of current economic conditions and the recent mortgage crisis, it may take longer to create the collaborative partnership between the City of Pasadena, federal and state agencies and private sector partners than would have originally been anticipated. The Housing and Economic Recovery Act of 2008 offers some targeted funding to respond to some of these programs and additional funding through the U.S. Department of Housing and



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Urban Development and the Community Development Block Grant program may provide substantial resources that the City of Pasadena could target toward housing

and neighborhood redevelopment in the future. Additional information about funding resources for these initiatives can be found in the “Financing Tool Box” section of this report.

It is absolutely crucial to optimize available public and private resources by leveraging these resources to attract additional capital to these housing initiatives. It will be important to work closely with the private sector in order to achieve these housing and homeownership goals for North Pasadena. Joint efforts between for-profit developers, builders, lenders, and realtors and the City or other non-profit agencies will expand the benefits of these programs so that more homes can be renovated, more homeowners can be attracted to North Pasadena, and more significant positive benefits can result helping the broader community.

### Housing and Homeownership Action Strategies

1. Develop and fund programs to improve the housing stock in North Pasadena
2. Develop and implement a Targeted Homeownership Program
3. Create a “North Pasadena Home Plan Book”
4. Using the “North Pasadena Home Plan Book” create a North Pasadena “Neighborhood of Choice” marketing program
5. Development and implement an in-fill development and redevelopment program for North Pasadena
6. Develop and implement a North Pasadena Neighborhood Improvement Program

7. Assess housing and building codes and modify as needed to strengthen enforcement of minimum standards and to facilitate quality re-development.

Implementation of these housing and homeownership action strategies will require ongoing staff efforts. The Redevelopment Plan Steering Committee should work with the City of Pasadena to identify the agency or organization that will be responsible for managing the implementation of this housing initiative. The City’s Community Development Block Grant staff might be the logical implementation entity for these efforts however additional staff resources might be required to implement a comprehensive housing and homeownership program for North Pasadena. Measurable performance benchmarks should be established with bi-annual reviews by the Redevelopment Plan Steering Committee.

### Recommendation # 1:

**Develop and fund programs to improve the housing stock in North Pasadena**

Housing matters. It is an important part of people’s lives and often is the cornerstone for quality of life and economic well being. Housing in North Pasadena is a study in change and how the needs and expectations of homeowners evolve over time. A safe and affordable living environment is a catalyst for neighborhood connection and the health of children and families. To improve the housing stock in North Pasadena the following programs should be implemented:



★ Create a Home Improvement Loan Program

Because many of the homes in North Pasadena are functionally out of date and some homes need more than routine maintenance to stabilize their condition, a Home Improvement Loan Program can be invaluable to achieving the vision for North Pasadena. Many existing residents love their home and their neighborhood and new homebuyers like the mature trees and neighborhood “walkability” but it is difficult for the existing housing stock to compete with new construction in outlying suburbs.

Working with the Department of Housing and Urban Development (HUD), the Texas Department of Housing and Community Affairs, Southeast Texas Housing Finance Corporation, and local lenders, Pasadena can package a home improvement loan program that provides fixed-rate home loans designated to fund the remodeling and modernization of qualified homes in North Pasadena. The most attractive loan terms would offer fixed interest rates with terms that could accommodate moderate income homeowners.

The specific terms and conditions of this program would be subject to the regulatory requirements of the funding agencies and local lenders. Details about the process including qualified contractors, work progression, inspections, and eligible improvements would be designed once the funding resources are defined. This program could be linked to the “North Pasadena Home Plan” initiative to help homeowners prioritize the improvements for their home.

★ Facilitate development of a quality senior housing development and work with the private sector to facilitate the construction or renovation

Research shows a need for and an interest in independent housing for seniors in North Pasadena. Many seniors still living in the community would prefer to remain if there were appropriate senior housing options. Information indicates there is a demand for both ownership and rental units, aimed at moderate and middle-income seniors. The renovation and adaptive reuse of the Bank One

building for senior independent living will require some public support.

The City should consider several options to help leverage the investments required for this project including improvements to a “public plaza area” on the ground floor or use of EPA Brownfield Assessment and Cleanup Grants to help clarify any asbestoses removal required for this building and to characterize and plan for its removal. TIRZ or Chapter 380 Economic Development funds could also be used to facilitate the redevelopment of this property. The owner of this property has indicated an interest in redevelopment into a senior living center if public participation can be provided that makes the project financially viable for this use. The currently vacant hospital in the Pasadena Town Square area is another candidate building for redevelopment into a senior living center. However, no interested developer has been identified for redevelopment of this building.

★ Institute a systematic rental property codes enforcement and inspection program

The North Pasadena rental property codes enforcement and inspection program would insure biannual inspection of all multi-family rental properties in the redevelopment area. These inspections will verify that all rental units are maintained in a safe condition meeting minimum code standards. Property owners would be required to make the necessary repairs within a specified period of time if code violations are identified. This program could be linked to the rental licensing program and the fees generated from that program could be used to hire additional inspectors for both programs. Failure to make any necessary repairs in the time required would result in the revocation of occupancy permits for the units that do not comply with the codes.

★ Create a Rental Licensing Program

Current codes in Pasadena require owners of certain rental property to secure annual occupancy licenses in order to lease rental units.



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The code establishes a basic framework for regulating rental units but does not establish housing standards.

Residential rental properties often present very challenging problems for first ring suburban communities. There are several very large multi-family rental developments in North Pasadena with absentee owners that continue to create significant challenges for surrounding neighborhoods and sometimes for the people who live in these units. Often rental properties are not maintained as well as owner-occupied property and overcrowding in these developments generates significant demands on public services.

Rental licensing is a way for Pasadena to gain additional leverage in their efforts to enforce housing and building codes and ensure that these multi-family projects are well maintained. A rental licensing effort works in conjunction with codes enforcement but may have unique criteria. The city issues licenses for residential rental properties and requires owners and/or landlords to maintain their properties in keeping with the codes and license requirements or face losing their license to operate these developments.

Licensing programs usually require inspection of all multi-family development twice a year. A specific rental maintenance code must be developed that stipulates additional maintenance requirements beyond those defined in the existing housing and building codes for the city. Pasadena may also want to consider providing for an appeals process to meet any legal challenges.

Another licensing option is to require owners and/or landlords to secure a business license rather than a rental license. The owners and/or landlords would be subject to compliance with the city's housing and building codes as well as a maintenance code developed by the city for this business purpose. Owners and/or landlords that violated the codes would risk forfeiture of their business license and would not be able to continue operating their business in the City of Pasadena. Fees generated from either of these licensing programs could cover the cost of additional inspectors.

Licensing programs can be developed to apply to owners and/or landlords with multiple housing units as opposed to property owners with one or two houses or garage apartments. A licensing program gives the city leverage over the building owners and landlords requiring them to maintain their properties if they want to continue their business in the city and it helps to clarify who is responsible for these properties.

Research shows that increasing residential property values will hasten positive neighborhood change. New families move in, private investment are attracted to neighborhoods where the population and home values are increasing, and there is a new sense of possibility as it becomes evident that achieving the vision is possible.

### Recommendation # 2:

***Develop and implement a Targeted Homeownership Program for North Pasadena***

Homeownership is part of the American dream. As early as the 1950's almost 60% of American families owned their own homes. In those days, a family could buy a 3-bedroom rancher for \$12,000 with \$130 down and monthly payments of \$69.03. In those days families wanted a home and a yard with a sandbox and swings for the kids and a grill and badminton courts for Mom and Dad. Even with the recent mortgage crisis, there is still a strong belief that homeownership is the key to creating stable communities and families.

North Pasadena could attract new homebuyers to the community and increase homeownership by developing a few strategic tools.



These programs work best in collaboration with local realtors, banks, and mortgage companies. The private sector can help to market the program and work with homebuyers to generate the required documents to participate in these programs. All program information should be provided to the community in both English and Spanish language versions.

★ Create a First-time Homebuyer Assistance Program for North Pasadena

The Southeast Texas Housing Finance Corporation administers a first-time homebuyer program for the City of Pasadena for homes in the Sunrise Meadows Subdivision. In order to help stimulate homeownership throughout North Pasadena, a homeownership program should be implemented or this program should be expanded to include the area of Pasadena included in the Redevelopment Plan.

Providing a grant or deferred loan to help a qualified buyer purchase a home within a targeted neighborhood in North Pasadena can help to attract new residents to the community. The grant or deferred loan would be used to cover part of the down payment and some of the closing costs associated with the purchase of a home. Specific program guidelines must be developed to determine purchaser qualifications, the maximum grant or deferred loan amount, terms and conditions, required documentation, and other requirements. Use of deferred loans rather than grants often require purchasers to live in the home as a primary resident for a specific period of time, perhaps five (5) years or more and might require reimbursement for a portion of the deferred loan if the house is sold prior to that time except under certain circumstances such as job relocation.

Generally, eligible moderate income buyers must be pre-qualified for a loan by a participating local lender prior to applying for this assistance. The home to be purchased would be located within North Pasadena or within qualified census tracts in North Pasadena. Home buyers would work with lenders to determine the price range of homes that they can afford. Purchasers can be required to participate in homeownership education classes that might be provided by local lenders or housing finance agencies.

Federal and state funding resources will require specific income eligibility, restrict the price of housing that can be acquired, and mandate other restrictions. Similar programs in other Texas communities offer grants or deferred loans ranging from \$4,000 to \$14,000 in value.

★ Sponsor a Homeownership Training Program

Many successful homeownership programs have found that there is significant value in requiring potential homebuyers, particularly first-time homebuyers, to participate in homeownership training classes. The Southeast Texas Housing Finance Corporation already provides “Homebuyer Classes” that are currently taught at their southeast Houston office. As the North Pasadena housing programs are expanded, it may be advisable to find a location within the community where these classes could be offered and solicit sponsorship support from local realtors, bankers, and the utilities.

Recommendation # 3:

***Develop and implement a “North Pasadena Home Plan Book”***

Much of the housing stock in North Pasadena was built in the 1950’s and 1960’s. In order to attract and retain families and businesses in North Pasadena, the City must find ways to improve and market this housing stock so that it meets the demands of homebuyers today. The housing in North Pasadena can provide very attractive and affordable homes for moderate income, young families, young professionals, and empty-nesters. These homes have yards with mature trees that increase the curb appeal of the neighborhood.





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There are parks and many new schools already in place to support this effort.

Many of the homes in North Pasadena were built at a time when homes had one bathroom, kitchens and bedrooms were generally small, storage was limited, and if the home had a garage it was a single-car version. Existing homeowners and potential buyers may not recognize the opportunities that exist to improve and expand these homes to meet the lifestyles and expectations of today's buyers. The North Pasadena Home Plan Book would provide an important tool to existing and potential homeowners so they can visualize how homes in North Pasadena could be transformed.

It is important to ask local homeowners and realtors about their perspectives, what they like and dislike about the older housing in North Pasadena and what changes they would like to see in these homes to make them more in tune with today's housing needs when creating the Plan Book. The City may choose to retain an architect to assist with this survey or ask the Realtor Association or city staff to conduct this assessment.

Developing a Plan Book will require the services of an architect. By taking three or four of the more common floor plans and exteriors of the older housing in North Pasadena, the architect can show how these homes could be expanded and interior floor plans changed to create larger bedrooms, additional bathrooms, larger kitchens, and create two-car garages along with other improvements that are considered important. Examples of exterior renovations to update the home's curb appeal should be provided along with interior plans.

The North Pasadena Home Plan Book will help homeowners or prospective homebuyers visualize how these homes could be modernized making them more attractive and enhancing the property's value. The Plan Book would provide suggestions for improving the home's curb appeal with the addition of porches, new windows with shutters, painting schemes, and landscaping. The Plan Book should present several levels of improvements (basic renovation, moderate expansion and improvements, and optimal

expansion and renovation) that homeowners might undertake depending on their budget and family needs.

While the Plan Book is not designed to provide detailed construction plans for home improvements, these conceptual plans could be converted into a set of standard renovation plans that could be sold at a reasonable cost to homeowners. The Plan Book should also provide information on selecting a qualified contractor, required building permits, information on how to finance home improvements, and estimated costs for various levels of improvements.

The final North Pasadena Home Plan Book should include schematic drawings of the "before and after" exteriors and floor plans, easy to understand information that will help homeowners and potential homebuyers make decisions about housing improvements, and could even provide web site address and schedules for "do it yourself" home improvement classes offered in the area.



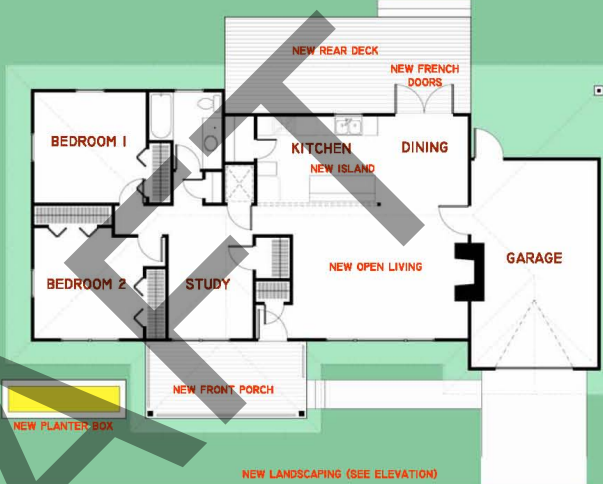
Exhibit 5- 8: Typical Example of Home Plan

*Pasadena Prototypical Housing Remodeling Example*

ORIGINAL FLOOR PLAN



REVISED FLOOR PLAN



ORIGINAL FRONT ELEVATION



REVISED FRONT ELEVATION



Recommendation # 4:

**Create a North Pasadena “Neighborhood of Choice” marketing program**

North Pasadena has a story to tell. As the redevelopment activities are initiated it is important to promote the revitalization efforts and market the assets and strengths of this area. A marketing program will help to sustain the momentum of the redevelopment actions and communicate the opportunities that are available in North Pasadena to a broader audience.

Marketing a community is not unlike marketing a product. This action strategy begins with the creation of a marketing plan focused on specific elements that are needed. Building a plan also provides an excellent opportunity to further engage members of the community in the North Pasadena redevelopment effort. Consider appointing a Marketing Committee for Redevelopment that might include business leaders, utility managers, representatives from San Jacinto College District, and others from the area with specific marketing expertise. The committee could provide valuable insights and historical perspective for development of a plan as well as guiding the implementation of the plan.

The marketing plan should include:

- ★ Identifying the primary objectives and issues for the North Pasadena Marketing Program
- ★ A Marketing Strategy:
  - Identifying target markets segments including potential homebuyers, realtors, contractors,

developers, lenders, etc. to whom you wish to promote North Pasadena

- Define a “positioning strategy” for market segments, for example for potential homebuyers, “If you lived in North Pasadena, you’d be home by now!”
- Define what the product, what are the assets and strengths in North Pasadena
- Identify promotional opportunities including speaking engagements, articles for area newspapers, community media, look for “no cost” promotional opportunities as well as paid marketing pieces

★ An Action Plan

- Identify specific marketing actions – what is going to be done, when it is going to be done, how much it will cost, how it will be paid for, and who is going to do each element of it

The North Pasadena Home Plan Book offers a unique marketing opportunity that local realtors, local banks, and utility companies might sponsor. The Marketing Plan could promote the unique attributes of North Pasadena including affordable housing, plan book benefits, strategic location including convenience and accessibility to numerous job centers, and the new redevelopment activities enhancing neighborhood connectivity, parks, and community schools.

The marketing plan can help to begin to “re-brand” North Pasadena and help to establish a new expectation about what the community offers. Marketing potential does not guarantee success but it is a step in the right direction to continue communicating with the residents of North Pasadena, people who live in the larger community of Pasadena, and potential residents and investors.



Recommendation #5:

**Develop and implement a “smart growth in-fill development and redevelopment program”**

One of a city’s greatest assets is land available for development. The reuse of vacant properties and abandoned buildings represents an important opportunity for economic development, population growth, and improved tax revenues. The ability to recycle and redevelop vacant or abandoned parcels and demolish and redevelop substandard properties is important to the revitalization of North Pasadena. The tools defined in this section can help the City expedite the development or redevelopment of these properties and eliminate blighting conditions in neighborhoods.

To be clear the redevelopment of vacant or blighted properties can be challenging but without a strategy to redevelop these properties neighborhood conditions will continue to be negatively affected by these properties creating additional decline. The cost and time required to assemble these properties and the legal issues associated with putting these sites back into productive use generally makes it impossible for the private real estate sector to undertake an urban in-fill effort on their own. However, the City of Pasadena can implement an effective in-fill development/redevelopment initiative but they will need to overcome some legal and administrative barriers to reclaim these properties. After these properties are acquired or the legal obstacles cleared to allow development or redevelopment to occur the City should work with the private developers and the real estate community to expedite redevelopment and return these properties to productive use.

- ★ Create a Property Inventory for North Pasadena that identifies vacant land, abandoned properties, and substandard properties

There are several techniques that can be used to develop a Property Inventory including community feedback, tax delinquency data, police reports, but the most comprehensive strategy is a neighborhood survey. A simple survey can be created and implemented using community volunteers, student interns, and existing city staff who are already in these neighborhoods on a regular basis. The survey data should be easily transferrable to a GIS database. This property inventory will allow the City to geographically identify where vacant land and buildings are located in North Pasadena, determine the constraints and conditions associated with these properties, determine who the property owners are, what current market values are, if there are any back taxes on the properties, and how these properties may be influencing the larger community.

Once the property inventory is developed, routine updates from city staff in the field will keep the data up to date.

- ★ Develop a Land Bank Program to expedite the redevelopment of vacant and blighted properties

A land bank acquires tax delinquent, abandoned properties, substandard buildings, or vacant parcels to facilitate the resale and redevelopment of these properties and reduce or eliminate the impact that these properties have on communities. Land banks are created by local governments or non-profit organizations and can sell properties at or below market value to promote neighborhood redevelopment.

In 2003 the Texas Urban Land Bank Demonstration Act allowed local governments to develop a land bank program. The governing body of a city that adopts an Urban Land Bank Demonstration Program must adopt a land bank plan annually. The City may purchase tax foreclosed properties under this program that owe more than five years in back taxes or where the total taxes and liens are greater than the value of the property. The objective of this program is to enable the City to acquire vacant, unproductive, blighted properties that can be developed and “bank” these properties for affordable housing development. The acquisition of these lots will allow new



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single-family homes to be built helping to stabilize North Pasadena neighborhoods.

Properties held in the land bank can be sold to “qualified participating developers” or “qualified community housing development organizations (CHDO). CHDO’s can be eligible for “right of first refusal” that gives these organizations “preferred status” for acquiring properties held in the land bank.

In 2003, an interlocal agreement between the City of Houston, Harris County, Houston property taxing entities, and the Houston Independent School District created the Land Assemblage Redevelopment Authority (LARA). The purpose of the agency is to redevelop tax delinquent properties and eliminate blight. This organization can acquire, assemble, manage, market, develop, and dispose of properties acquired by the city through foreclosure for delinquent taxes. There may be an opportunity for the City of Pasadena to expedite the creation of their land bank program by modifying some of the existing agreements developed under the LARA.

The City of Pasadena should develop a detailed vacant property redevelopment strategy. The City must identify procedures for demolishing abandoned structures that violate city codes, policies, for eliminating safety and health hazards in vacant residential structures, and special efforts to monitor illegal dumping on vacant lots or abandoned properties. A plan for reusing vacant or underutilized properties should be developed that may include short term strategies to secure buildings that may pose a safety issue and identify appropriate interim uses for properties that may not be developable in the near term.

This effort will require close coordination between the police department, the city attorney, building inspectors, and others to help maintain the property inventory, to determine the property owners’ ability and willingness to clean up the properties and rehabilitate any structures, and work with owners as appropriate to determine the best “next steps”. When owners can not be found or are unwilling to make the necessary improvements, these parcels can be acquired by the city for the land bank program.

- ★ Create Opportunities for redevelopment of land bank properties

Once the City has acquired vacant, abandoned, or blighted properties it is important to return these properties to productive use. It is imperative to communicate with local developers, the real estate community, non-profit development agencies, businesses, the neighborhoods, and potential homebuyers throughout this process. Developers, the real estate community and non-profit development organizations understand the market dynamics in North Pasadena and can help the City identify the properties that can best be redeveloped in the short term as well as opportunities to assemble larger tracts for development over a longer time frame. It is very important for this process and the development of these properties to be “transparent”. Whether properties are sold to qualified developers through a sealed bid process or a request for proposal for land sale and redevelopment, the process should be easily understood, open, and evaluations should be based on providing the optimal benefits to the community.

Building new homes on vacant or abandoned properties within existing neighborhoods has been successful in many cities around the country helping to create new synergy in older neighborhoods, eliminating deteriorated properties that often bring surrounding property values down and energizing neighborhood residents to become more involved and invested in the redevelopment and revitalization of their community. These in-fill development or redevelopment efforts can increase tax revenues, dramatically improve neighborhood reinvestment, and improve the affordable housing stock.

The Houston region remains far more stable than most of the U.S. with long term positive job growth posting over 55,000 new jobs in the twelve months ending September 2008. Continuing population growth in the area along with job growth creates a unique demand for housing in North Pasadena. The North Pasadena Land Bank program can provide a vehicle for developing quality, affordable housing in this market and help to transform some North Pasadena neighborhoods.



Funding for the North Pasadena Land Bank could come from various resources including the Home and Economic Recovery act of 2008, programs in the Texas Department of Housing and Community Affairs, and the federal Department of Housing and Urban Development. Additional financing resource can be found in the “Financing Tool Box” section of this report.

Recommendation # 6:

***Develop and Implement a North Pasadena Neighborhood Improvement Program***

The Neighborhood Improvement Program should be designed to improve physical conditions and general livability of targeted areas of North Pasadena by providing intensive coordination of City services in the areas selected to participate in the program. Addressing all of the needs in North Pasadena neighborhoods at the same time is not possible, there are not enough resources. It will be necessary to target specific neighborhoods on an annual basis and prioritize the most important services that are needed within these neighborhoods.

Targeted neighborhoods in North Pasadena can be designated based upon key criteria such as: condition of housing, code enforcement activity, crime rates, fire incidents, and condition of infrastructure. Neighborhoods with the highest “score” could be designated and ratified by the appropriate committees and agencies. Services to be included in the Neighborhood Improvement Program could include:

1. Codes Enforcement
2. Abandoned Vehicle Towing
3. Curbs and sidewalks
4. Street Maintenance

5. Street/traffic Signs
6. Street Lights
7. Catch Basin Maintenance
8. Storm Water Issues
9. Park Property
10. Vacant Lots and Illegal Dumping
11. Dangerous Buildings
12. Public Safety

A strategic Neighborhood Improvement Plan would be developed for each selected neighborhood. This plan would include an assessment of needs and a determination of the resources that would be needed to address these issues. An initial coordination meeting should be held with City Staff and quarterly status meetings can provide an opportunity to track progress. Neighborhoods in the vicinity of Pasadena Town Square and the Pasadena Gateway Corridor might be appropriate for initial considerations to build synergy with these other improvements.

Recommendation # 7:

***Assess housing and building codes***

Housing and building codes were created to protect residents from unsafe buildings and poor construction practices. Most building codes were designed primarily for new construction and as a result sometimes it is difficult to determine just how housing rehabilitation fits into the current building code categories. The standards established in most building codes can make housing renovation more costly for homeowners and discourage improvements that could benefit the entire neighborhood.



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The International Code Conference (ICC) has developed the International Existing Building Code. This code was created to encourage the “use and reuse of existing buildings that adequately protect public health, safety, and welfare” (International Existing Building Code preface). This code was specifically designed to encourage the renovation and use of older buildings while also enforcing safety requirements.

There are other model building codes developed to foster high quality housing rehabilitation. HUD has developed a model code for housing rehabilitation, the “Nationally Applicable Recommended Rehabilitation Provision (NARRP), and “Smart Building Codes” that define more appropriate standards for older residential buildings.

The City of Pasadena should carefully evaluate their existing building and housing codes to determine if these regulations might be a deterrent to rehabilitation in North Pasadena. The city may want to consider adopting the ICC International Existing Building Code or other model code to foster, enable, and encourage quality housing rehabilitation.

### Retaining and Attracting Businesses that Serve the Community

We are living in challenging times. Regional employment growth in the Houston region was 2.6% in the third quarter of 2008 compared with a stable employment growth around 4.2% for 2006 and 2007. Although this region remains one of the top performing areas in the country, the region is not immune to a range of impacts from the national and international economic slow down. Population growth is projected to increase by 9.6% during the 2007 – 2012 time period and that growth will fuel the demand for residential space and services that should help the region emerge from the shadow of the economic turmoil faster than many other areas of the country.

North Pasadena and its economic future must take advantage of opportunities created by growth in the region capturing new residents and business opportunities that can flourish in its unique position

within the metro area and by leveraging existing strengths into new economic power. As homeownership increases from the housing initiatives in this plan, new commercial businesses will be attracted to the community and existing neighborhood businesses can be more successful.

The focus of this North Pasadena economic initiative is to retain and attract businesses that serve this community and the larger employment centers in and around Pasadena. While it is important to improve the family incomes in North Pasadena through better jobs, most of those employment opportunities will come from existing job centers. Understanding and improving the dynamics of the marketplace in North Pasadena will help existing businesses prosper and attract new businesses to the community.

#### ★ Conduct a North Pasadena Business Survey

An existing business survey is the foundation of any business retention and attraction program. The San Jacinto College Small Business Development Center may be available to assist in the design of the survey to insure that it addresses the most appropriate issues facing the businesses in North Pasadena. Involving the North Pasadena Business Association in the development of the survey and in deploying it will provide very useful information and engage this organization early in the redevelopment process.

Existing business surveys usually ask for general background information including contact information, primary products or services, number of employees, and adequacy of business facilities. Some of these questions may need to be eliminated from the initial survey to avoid intimidating some business owners that are not familiar with these surveys and it will be extremely important to send information about the survey and its purpose in advance of sending out the survey.

These surveys often ask for information about the area's workforce and training needs. This information is helpful in tailoring workforce training services to meet the needs of existing businesses. The survey should also address community factors including the overall business climate, barriers to growth, community strengths and



weaknesses as a business location, and give businesses a chance to “grade” a range of community services like health care, energy costs, schools, and availability of qualified employees.

The survey can be distributed by mail but someone must be responsible for follow-up to generate an adequate response rate to insure useable information from the survey. The North Pasadena Business Association or the Pasadena Chamber of Commerce could help to collect the surveys and provide follow-up. Due to the demographics of the study area, Spanish and English language surveys and bilingual personnel administering the survey are recommended.

- ★ Form the Mayor’s North Pasadena Business Action Team

A Mayor’s North Pasadena Business Action Team can serve as the Steering Committee for the business retention and attraction program for North Pasadena. The Business Action Team can help to engage existing businesses in the redevelopment process and provide an opportunity to involve specific business leaders in improving North Pasadena.

The Business Action Team should represent small businesses in North Pasadena as well as larger businesses in the city that could help to facilitate targeted redevelopment activities.

- ★ “Mayor’s Night” with North Pasadena Businesses

This event should be held twice a year providing a networking opportunity for North Pasadena businesses with the Mayor and his staff. The utility company, College District, or other region organizations could sponsor the event. This appreciation event recognizes the important role that existing businesses play in the redevelopment of North Pasadena and gives these businesses a chance to “get to know” their city officials.

- ★ Annual Business “On-Call” Program for North Pasadena

Conducting a regular business visitation program enhances retention, expansion, and attraction efforts supporting existing businesses. The visitation program schedules personal meetings with a defined number of North Pasadena businesses each year. Information from these visits will be maintained in a confidential database using a simple interview form that will also help to guide the meeting with the business. A primary goal of these visits is to express the community’s appreciation for the business and assess if there are any issues or problems that the business has.

On-site visits with business owners or managers requires approximately 45 minutes for each visit. Determining who will be responsible for these visits and how many will be conducted annually might be coordinated with the Mayor’s North Pasadena Business Action Team. Staffing could be provided by the economic development corporation, redevelopment authority, city staff, community volunteers, or other resource. Current information about small business programs, employee training opportunities, current market demographics, city services, and other relevant information should be provided to the staff so they can share it with the businesses.

- ★ Quarterly “Brown Bag Luncheons” for business owners and managers

Scheduling lunches with local business owners and managers helps to build relationships, creates an opportunity for sharing important business information, and confirms the importance of these businesses to North Pasadena. Luncheon speakers can provide pertinent information on new business programs, issues affecting small businesses, or other important topics of interest to North Pasadena businesses.





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Meetings could be held in the City's council chambers or similar facility. The cost of "brown bag" lunches could be covered by a program sponsor or the each attendee.

The chamber of commerce might be an effective organization to organize these events in conjunction with cit personnel.

### ★ Existing Business Email Blasts

A database of North Pasadena businesses and their email address can provide "real time" information to business owners about critical issues and new opportunities. Alerts about security concerns, criminal activity, training programs, or other important information can be sent to businesses quickly allowing business owners to respond promptly to take advantage of new opportunities or to protect their business and employees. This makes a strong statement to local businesses, "you are important to our community".

### ★ Host an annual North Pasadena Business Appreciation luncheon

An annual North Pasadena Business Appreciation luncheon provides an important opportunity to recognize business successes in the community and acknowledge those business leaders that have made significant contributions to the success of the North Pasadena redevelopment effort. This is an important business networking opportunity as well. This event will require advance planning to secure sponsors, find meeting space, and get a speaker.

### ★ Evaluate benefits of targeted business incentives and develop a business development program

Meaningful business incentives should be developed based upon information generated from the North Pasadena Business Survey. Making sure that local businesses are aware of the business incentives already available is important. There are a number of small business programs offered through the Small Business

Administration (SBA), the State of Texas, Harris County, SCORE, and the City of Pasadena. The Small Business Development Center can often help local businesses to apply for these programs and may already have printed information (in both English and Spanish) that could be distributed to local businesses.

The San Jacinto College Small Business Development Center (SBDC) provides free business counseling and workshops to help small business owners grow their businesses. This is an outstanding business resource that can help North Pasadena businesses with marketing plans, creating a business plan, understanding a financial statement, and they can also assist companies in applying for federal and state business incentives. There are two SBDC representatives in Pasadena, one at the San Jacinto College Central Office and one at the Pasadena Chamber of Commerce.

There are federal and state resources that could be used to develop incentives to address the specific needs of North Pasadena businesses. Without question the current credit crisis will create significant problems for small firms in North Pasadena. Any small business loan programs should be initiated in conjunction with local lending agencies in order to leverage private funds to the greatest extent possible.

## Financing Tool Box

Redeveloping North Pasadena will require strategic investments from both the public and private sectors in housing programs, increased codes enforcement, projects in the Pasadena Town Square area, and incentives designed to leverage the right private investments in the community. It will require a willingness to explore innovative financing options and new strategies to generate the necessary revenues to support the redevelopment.

A number of funding and financing strategies are outlined below to provide Pasadena with a "tool box" of resources. In many cases, it will be necessary to package several of these programs together to create the capital needed to support these projects and programs.



The regulations and policies governing many of these programs are subject to change and care should be taken to review the current requirements of both the funding agencies as well as specific programs.

As the economic stimulus package is finalized during early 2009, there will be additional resources that could be directed to the redevelopment of North Pasadena. The level of funding for various programs and how these funds are administered is still being finalized. However; additional funding or new programs may be available through Department of Housing and Urban Development, Economic Development Administration, Small Business Administration, Homeland Security, and certainly Federal Highway Administration through TxDOT.

## Federal Funding Resources

### Department of Housing and Urban Development

#### Housing and Economic Recovery Act of 2008

The passage of this legislation provides funds to enable communities to buy, rehabilitate, and dispose of foreclosed properties and create an affordable housing trust fund to cover defaults under the new FHA program. The legislation included \$4 billion in emergency CDBG funds to help local governments and states to deal with foreclosed properties. These funds are allocated based upon a formula developed by HUD

Under this program Texas will receive over \$100 million in Neighborhood Stabilization Program (NSP) funds in addition to those communities receiving a direct allocation of funds from HUD. The Texas Department of Housing and Community Affairs is responsible for administering these funds. Local government can use these funds to acquire land and property, demolish or rehabilitate abandoned properties, and provide down payment and closing cost assistance to low and moderate income homebuyers. These funds can also be used to “land bank” properties in order to stabilize

neighborhoods and encourage the redevelopment of these properties. Under the criteria established by the Texas Department of Housing and Community Affairs it appears that Pasadena will be eligible to participate in the Select Pool set aside program.

Harris County received a direct allocation of NSP funds from HUD in the amount of \$14,898,027 and an additional \$2,875,584 will be allocated from the state funds for Harris County. In mid-November the Texas Department of Housing and Community Affairs Board took action to receive these funds and approve a distribution allocation that included \$51 million for TDHCA direct awards, \$31 million for the select pool, and \$10 million for TSAHC land bank. TSAHC anticipates approval of their final plan and authorization of funding by February 2009 and they must move quickly to allocate these funds when the approvals are received.

#### Community Development Block Grant and HOME Investment Partnership Funds

The City of Pasadena is an entitlement community for CDBG and receives an annual allocation from HUD. In fiscal year 2008 Pasadena received \$1.9 million in CDBG funds, \$734,754 in HOME Investment Partnership funds, and \$85,050 in Emergency Shelter Grant funds. The city currently allocates these funds primarily for housing, public services, public improvements, and administration and planning activities.

The CDBG program requires that at least 70% of the funds be used for activities that benefit low and moderate income persons. Most of the neighborhoods within the North Pasadena study area would qualify for housing rehabilitation assistance and other programs eligible under CDBG.

CDBG Funds can be used to:

1. Acquire real property
2. Costs for relocation and demolition



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3. Rehabilitation of residential and non-residential properties
4. Construction of public facilities and improvement excluding government buildings
5. Energy conservation and renewable energy resources
6. Economic development and job creation/retention activities

The CDBG program is designed to support a range of community development activities targeted toward the revitalization of neighborhoods, improving public facilities and services in these neighborhoods, and supporting economic development efforts. These activities must target program benefits to low and moderate income people but activities that eliminate or present “slums and blight” are also eligible.

The HOME Investment Partnership program was developed to create affordable housing for lower income families. These funds may be used to provide grants, loans, loan guarantees, credit enhancements, etc. to support homeownership, housing rehabilitation, site acquisition related to housing development, demolition of housing in support of HOME-assisted housing development, and other eligible expenses. The regulations governing both the CDBG and HOME programs can be cumbersome but both provide the flexibility to develop projects and initiatives that meet local needs and conditions.

Both the CDBG and HOME programs are excellent financial resources for the North Pasadena redevelopment projects and initiatives. These funds are obligated for the current fiscal year for activities defined in the city’s Consolidated Plan; however, these resources can play a pivotal role in the redevelopment of North Pasadena. The City’s CDBG staff should be actively engaged in the redevelopment process and the allocation of CDBG and HOME funds should be evaluated and reallocated in support of the redevelopment plan. CDBG and HOME funds can be used in conjunction with private resources and every effort should be made to leverage these funds to the greatest extent practical.

### Section 108 Loan Guarantee Program

The Section 108 program provides communities with a resource to finance larger housing rehabilitation, public facility, economic development, and physical improvement projects. The City can use a small portion of their CDBG funds to leverage a federally guaranteed loan to pursue major revitalization projects. These loans are not risk-free; the city must pledge current and future CDBG allocations to cover the loan repayments if the projects funded through the Section 108 loan fail to generate adequate capital to retire the debt.

**Exhibit 5- 9: North Pasadena Median, Average, and Per Capita Income in Constant 2006 Dollars**

Income Measure	Census		Estimated	Change	
	1990	2000	2006	1990 - 2000	2000 - 2006
Median Household	N/A	\$39,659	\$36,635	N/A	(\$3,024)
Average Household	\$47,247	\$47,465	\$44,420	\$218	(\$3,045)
Per Capita	\$16,527	\$15,274	\$13,945	(\$1,253)	(\$1,329)



Section 108 financing can be used for:

1. Acquisition of real property
2. Housing rehabilitation
3. Construction, reconstruction, or installation of sidewalks, streets, and other site improvements
4. Payment of interest on guaranteed loans and issuance costs

Section 108 loans are often used in conjunction with private investments providing the initial capital to fund infrastructure or other early stage projects needed to provide attract private developers and lenders.

### Brownfields Economic Development initiative (BEDI)

The Brownfields Economic Development Initiative is a competitive grant program through HUD that can be used for economic and community development activities. The program must be used in conjunction with a Section 108 loan and is designed to spur the redevelopment of brownfield sites. A brownfield site according to the Environmental Protection Agency is a property that is contaminated or is perceived to be contaminated by pollutants or contaminants (including asbestos within buildings).

Projects financed using BEDI funds must provide economic opportunities for low and moderate income people by creating or retaining businesses, jobs, or improving the local tax base. BEDI funds can be used to minimize the potential loss of CDBG that may be committed in support of a Section 108 loan. As an entitled CDBG community, Pasadena is eligible to apply for these funds when they are issued as part of HUD's Notice of Funding Availability (NOFA).

### "Good Neighborhood Next Door"

This program provides a vehicle for teachers, law enforcement officers, and fire and emergency workers to become homeowners. HUD can provide an incentive in the form of a 50% discount off the

list price on HUD homes purchased in revitalization areas. Purchasers must commit to live in the home for at least 36 months as their primary residence. A review of the website listing available HUD homes shows several homes available in North Pasadena.

While this program would not provide direct financial support for North Pasadena redevelopment projects, it is a program that the city could utilize to promote and enhance homeownership in the area. The city or redevelopment entity can include information about the program in the redevelopment marketing materials and could distribute a brochure about available homeownership programs to eligible purchasers.

### Environmental Protection Agency (EPA)

#### Brownfield Assessment, Cleanup, and Revolving Loan Fund Grants

Brownfield sites can include former gas stations, industrial sites, or a junk car lot when the presence or perceived presence of pollutants or contaminants is affecting the redevelopment and reuse of the property. EPA Assessment grants can provide up to \$200,000 for the assessment of a site that is contaminated or perceived to be contaminated and under certain conditions grants up to \$350,000 are available based upon the level of hazardous substances. Assessment funds may be used for pre-cleanup activities such as site inventories, characterization of pollutants, cleanup planning, and environment assessment.

Brownfield Cleanup Grants provide funding to carry out cleanup activities on a brownfield site. Recipients may apply for up to \$1 million for a total of five sites and must provide a 20% match that may be in the form of in-kind services, labor, materials, or cash. These grants require that the site is owned by the applicant.

The EPA Brownfields Cleanup Revolving Loan Fund can be used to capitalize a revolving loan fund that can be used to provide low interest loans to facilitate cleanup of qualified brownfield properties



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that have actual contamination on the site. Up to \$1 million can be provided and a 20% matching contribution is required.

### Department of Commerce, Economic Development Administration

#### Public Works and Economic Development Program

This competitive EDA program provides funds to help support the construction or rehabilitation of essential public infrastructure and other facilities that support the creation or retention of private sector jobs and investment, attract private sector capital, and enhance the competitiveness of the region. Under normal circumstances EDA Public Works grants require a 50-50 match however, based upon the relative need of the area where the project is located up to 80% of the project costs can be covered. EDA Public Works grants may be used to construct infrastructure improvements that could help to attract a grocery store to North Pasadena or to renovate or construct a skills-training facility or business incubator. Projects must be located within an area that meets one or more of the economic distress criteria defined in the program regulations. Any project to be funded under this program must fulfill a serious need and either improve the opportunity to attract or retain industrial or commercial facilities in the area; assist in the creation of sustainable long term jobs; or primarily benefit long term unemployed and low-income residents.

In fiscal year 2007 grants funded through EDA Public Works averaged \$1.2 million, the largest grant awarded was \$3,215,427. Projects funded in the last quarter of 2008 include:

- ★ \$1.5 million to Rayville, Louisiana to acquire land and construct an access road for Rayville Industrial Park that will help to bring job to the region impacted by flooding from Hurricane Gustav.

- ★ \$1.4 million to construct a rail spur and other related appurtenances to improve the Job Ready Site of EastPointe Business Park
- ★ \$600,000 Tennille, Georgia to improve the water system in the city's industrial corridor
- ★ \$300,000 to East Central Iowa Council of Governments to support development of an economic recovery strategy focusing on damage assessment and recovery from floods

Projects funded under this federal program must comply with an EDA-approved Comprehensive Economic Development Strategy (CEDS) or similar strategic economic development plan. EDA provides funds to develop CEDS plans under their Economic Adjustment Assistance Program.

#### Economic Adjustment Assistance Program

This program supports economic recovery and revitalization resulting from adverse economic changes that can happen suddenly or over a longer period of time. These grants help a distressed community to improve their economic competitiveness by stimulating private investment in targeted areas. Priorities for grants include proposals that promote comprehensive, entrepreneurial, and innovation-based economic development and help to raise the standard of living within the community, support technology led economic development, and enhance community entrepreneurship in redevelopment strategies for areas of chronic economic distress.

Economic Adjustment Assistance grants could be used to develop a detailed Comprehensive Economic Development Strategy (CEDS) that addresses the unique economic problems facing North Pasadena. Investments can also support activities that are identified in the CEDS including site acquisition, construction, rehabilitation, market research, and other activities. Grants funded in fiscal year 2008 ranged from \$13,382 to \$6,080,000 with an average grant of \$568,390.



outlined in this redevelopment plan are eligible projects for 4B program funding.

**State of Texas**

Texas First Time Homebuyer Program

This program provides below market rate loans through qualified lenders for first-time homebuyers or those who have not owned a home in the past 3 years. Two programs are available. One program provides the lowest interest rate but does not provide funds for down payment or closing costs. The second program provides grants up to five percent of the total mortgage that can be used for down payment and closing costs. There are income eligibility requirements for this program.

The Southeast Texas Housing Finance Agency has administered this program for the City of Pasadena providing up to \$7,500 for purchase of an existing home; \$14,000 for a new home, or \$19,000 for a home in the Sunrise Meadows Subdivision.

Texas Loan Star Program

Offers a second subordinated loan program to provide funds to eligible Texans to provide down payment and closing cost assistance up to eight percent of the purchase price of the property.

Texas Housing Trust Fund

Competitive program provides funds for the acquisition, rehabilitation, and new construction of affordable housing to increase the supply of affordable housing.

Texas 4B Program

Certainly the City of Pasadena and the Second Century Board are very familiar with the 4B program. Most of the projects and initiatives

**Additional Financing Resources**

**Tax Increment Reinvestment Zones (TIRZ)**

TIRZ districts can be used to finance new public improvements within the designated district to stimulate new private investment leading to increased property values within the zone. The private development leveraged by the public improvements and financed by the TIRZ would not have occurred “but for” the creation of the zone. The increases in tax revenues that result from this new development and higher property values are allocated to a special TIRZ fund to finance the public improvements.

Powers and Duties of a TIRZ

- ★ The zone exists to finance public improvements and enhance infrastructure within a defined area
- ★ Tax increment financing can only be initiated by a city
- ★ Property in a city’s ETJ cannot be included in a TIRZ
- ★ Counties, school districts, and special districts are eligible to participate by agreement in the TIRZ

Eligibility Criteria for TIRZ

A city must conclude that one of the following exists within the Zone:

- ★ The area is predominantly one with physical and economic constraints to development
- ★ An area’s tax base is relatively low
- ★ There is significant potential to stimulate new development

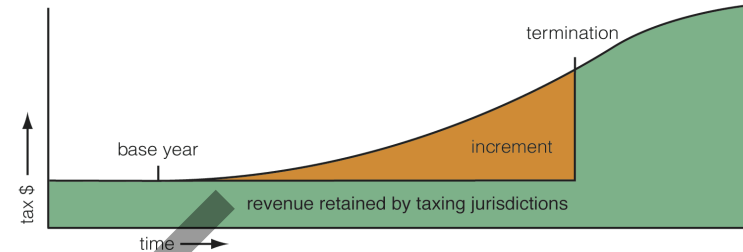


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- ★ There are defective or inadequate sidewalks, utilities, or streets
- ★ Faulty lot layout relating to lot size, adequacy, accessibility, or usefulness is impacting development

### TIRZ Process

- ★ The City of Pasadena establishes the zone and determines the Base Value of the real property within the proposed zone
- ★ A TIRZ project plan and finance plan is developed to establish the use of incremental revenues
- ★ Private or public investors construct the defined public infrastructure within zone leveraging private development
- ★ Real property values increase within the zone
- ★ The increase in real property value (increment) is used to finance the new infrastructure in North Pasadena. The TIRZ may issue bonds through the City or through another entity



**Exhibit 5- 10: Revenue Retained**

### Permitted Uses of TIRZ Revenue Increment

Acceptable uses of revenues include capital project costs such as:

- ★ Paving and street improvements
- ★ Drainage and storm water improvements
- ★ Sewer and water improvements
- ★ Public use facilities
- ★ Parks & recreation facilities
- ★ Street lights and streetscape improvements
- ★ Parking facilities
- ★ Professional services including but not limited to:
  - Architectural
  - Planning
  - Engineering
  - Legal
  - Imputed administrative costs
  - Environmental impact studies



- Operation and administration of the zone
- Financing

TIRZ Administration

- ★ The TIRZ is administered by 5 - 15 member board of directors
- ★ The Board is appointed by the City of Pasadena
- ★ Each taxing unit within the zone may appoint one member
- ★ Members are appointed for two-year terms
- ★ Vacancies filled by city (or taxing unit) appointment

Duration of the TIRZ

The Zone will be dissolved based upon:

- ★ Termination date designated in the ordinance
- ★ TIRZ termination ordinance adopted subsequent to the creation of the zone
- ★ When all project costs, notes, other obligations, bonds, and interest on those bonds have been paid in full

Municipal Management Districts

These districts are created at the request of property owners within the district to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, arts, entertainment, economic development, safety, and the public welfare within a defined area. Revenues collected from the district can be used for:

- ★ Public Safety projects including lighting, traffic control, graffiti abatement and prevention, and partnerships with police
- ★ Business development projects including marketing and advertising, market research, growth strategies, preservation of historic properties
- ★ Transportation projects including transportation and mobility plans, pedestrian and bike paths, signage, transit shelters, and parking improvements
- ★ Visual improvements and cultural promotions including public art, landscaping and street furniture, public parks and trails, supplemental maintenance, festivals

Eligibility Criteria:

- ★ Created through State Legislature pursuant to a stakeholder petition
- ★ Designated District must be devoted primarily to commercial development or business activity

Powers and Duties of Municipal Management District:

- ★ Governed by the municipality in which it is created
- ★ May levy taxes, assessments, impact fees in accordance with its Service Plan and only by petition of affected property owners

Revenues from Municipal Management District

- ★ Revenues for the district may be generated from taxes, assessments, and impact fees. Property owners within





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the district must be requested by petition of the affected property owners. A district may issue bonds as allowed by the local governing body.

### Administration of the Municipal Management District

- ★ A board of directors is appointed in creating legislation
- ★ New appointments/reappointments administered by board and approved by local governing authority
- ★ Directors serve four-year, staggered terms

### Duration

Municipal management districts exist until dissolved by:

- ★ Petition of property owners
- ★ Vote of the board
- ★ Resolution of the local governing authority

### **Public Improvement Districts (PID)**

Public Improvement Districts are special assessment areas created at the request of the property owners in the district. The owners pay a supplemental assessment with their taxes which are then used by the PID for services above and beyond existing City services. The assessment allows each PID to develop its own work program which may include marketing, additional security, landscaping and lighting, street cleaning, and cultural or recreational improvements.

### Eligibility Criteria

- ★ Created at the request of district property owners

- ★ The city may levy and collect the special assessments on property to accomplish projects and services provided in the district's Service Plan
- ★ Compliance with Chapter 372 Local Government Code

### Eligible Activities funded by the PID

- ★ Water, wastewater, health, sanitation, drainage systems
- ★ Streets, sidewalks, mass transit, and parking systems
- ★ Library, park, cultural, recreational facilities
- ★ Landscaping and other aesthetic amenities
- ★ Art installations, pedestrian malls
- ★ Supplemental safety services
- ★ Supplemental business-related services

### Administration of the Public Improvement District

- ★ Board of directors appointed by city
- ★ Director terms set by city

### **Chapter 380 Grant/Loan Program**

Chapter 380 program was adopted by the Texas Legislature in 1987 to allow for the use of public funds to provide incentives for private entities and create new economic development opportunities for the community. This program provides a mechanism for cities to grant development incentives to businesses. The city must pass a municipal resolution or ordinance establishing a Chapter 380 program in order to provide development incentives and execute an



agreement with the business to receive an incentive. Incentives most often take the form of utility infrastructure improvements, sales tax rebates, or rebates on development fees.

Two Methods of Establishing a Chapter 380 Program

- ★ Municipality may adopt program or policy of providing loans or grants for economic development
- ★ Municipality may adopt a separate resolution or ordinance for each program or grant it authorizes

Essential Terms & Conditions

- ★ Limited only by parties to the agreement - so long as public purpose (economic development) is satisfied
- ★ Compliance with applicable city charter provisions
- ★ Political suitability

Key Issues for Successful 380 Programs

- ★ Sunset provision to limit municipal obligation
- ★ Precise definition of project or program
- ★ Performance standards by which public purpose is achieved
  - minimum number of jobs
  - construction of minimum value of improvements
  - minimum value of annual payroll
- ★ Conditions precedent to payment by the municipality
- ★ Recapture provision
- ★ Works well alone or in combination with other economic development tools

DRAFT

# CHAPTER 6: STAKEHOLDERS

## NORTH PASADENA REDEVELOPMENT PLAN



### Overview

North Pasadena is a changing, diverse community within the City of Pasadena that is made up of a diverse group of stakeholders. Each stakeholder has their own individual needs, expectations, and concerns but also takes interest in the well-being of their neighbors and their community. Stakeholders are a critical local resource to understand the pulse of the community.

Stakeholders include individuals, groups, or entities that have a stake in the well-being of the community. These are the people that local residents cross paths with during their daily errands, travel to work, or weekend activities. Local stakeholders include community leaders, neighborhood groups, and citizens from across town or right next door. Other stakeholders are familiar names in the community, such as elected and appointed officials and community activists. Any individual, religious institution, agency, government staff, and organization with a vested interest in the community's well-being is considered a stakeholder.

In North Pasadena, stakeholders include the San Jacinto Community College District, Chamber of Commerce, Pasadena Independent School District (PISD), City Staff, and local community groups. Also considered as stakeholders are other individuals or entities with an indirect investment in the community. These stakeholders may include county officials, transportation and transit agencies, private interests with local investments, as well as members representing regional organizations.

The knowledge and expertise stakeholders' have gained through their community involvement provides a valuable perspective of that must not be overlooked. As such, stakeholder interviews were conducted to obtain, acknowledge, and record stakeholder perceptions regarding redevelopment issues, opportunities, and concerns. Stakeholder interviews are an important component used in the planning process to foster public involvement and solicit citizen input. The interviews play an important role in the further development of this Redevelopment Plan. It is one of the first steps and as a first step it generates community interest about the Plan.

These stakeholder interviews help planners define the character of the community, cultivate a general understanding of the study area conditions, and factors that drive local growth and development. Interviewing local stakeholders helps planners capture community values and reveals changes in attitudes. Understanding stakeholder perspectives is critical to creating a plan for North Pasadena as it expands, matures, or undergoes redevelopment.

Stakeholder interviews also create an opportunity to openly discuss issues of importance to the community residents, developers, and leaders that do not have another outlet for discussion. The interview process identifies issues that need to be addressed and seeks common threads and potential solutions. The interviews provide an initial direction for the Redevelopment Plan that helps guide the decision making process in the further development of the Plan.



neighborhood advocate, representatives of Pasadena Town Square, and representatives with San Jacinto College District.

### Stakeholder Interviews

Two sets of stakeholder interviews were conducted in developing the North Pasadena Redevelopment Plan. In 2007, during the early stages of the redevelopment plan, planners conducted several interviews with local and regional stakeholders. These initial stakeholder interviews were a necessary step during the early stages in the planning process. The stakeholder interviews that were conducted provided planners a 'first blush' regarding the community character of North Pasadena and what influenced growth and development in the area.

These initial interviews included city officials, local business leaders, existing and prospective property owners, and brokers and developers in the Pasadena area that had a vested interest in the future growth and development of North Pasadena. The purpose of these meetings was to gain an overall perspective, identify resources, assist in determining potential demand, identify potential development projects and evaluate factors critical to North Pasadena's redevelopment.

A second series of stakeholder interviews were conducted by planners during the summer/fall of 2008. The first interviews included individual discussions with three members of the Second Century board and a major land owner along Pasadena Boulevard during the third week of July 2008.

In early September 2008, planners met separately with a local developer, a representative from the Pasadena Police Department, various members of the City Staff, members representing the Pasadena Hispanic business community, and owners of some notable buildings in the community to discuss local issues and gain a better understanding of the community. Two months later in early November 2008, planners held separate interviews with a local

### Where We Want to Go

Based upon these series of stakeholder discussions, four major areas of issues, opportunities, and concerns were identified. These four areas included aesthetics, community cohesion, housing, and infrastructure. Each of the concepts summarized below were derived and distilled from the stakeholder interviews which are presented in depth in **Appendix D**.

#### Aesthetics

The community has indicated that the area is not attractive to outsiders as they travel along the major corridors that provide access to North Pasadena. Vacant buildings, lots, and homes paired with inadequate sidewalks, landscaping, and unattractive roadways create a visually hostile environment and don't convey the pride of residents and true character of the community. Specifically, stakeholders offered the following thoughts on aesthetics:

- ★ The artwork and greenbelt enhancements along SH 225 create an attractive corridor that promotes the San Jacinto Texas Historic District.
- ★ The North Pasadena community needs a new theme or image that unites the community and avoids stereotypes.
- ★ Major investments in gateways at key intersections would establish a theme and welcome residents and visitors.
- ★ A City Plaza is needed with a mixed-use theme, large family-friendly park, water features, public art, and a memorial.
- ★ North Pasadena should create historic districts and preserve, enhance, and reuse significant structures.



- ★ Vacant buildings, homes, and lots need to be reduced and avoided by adjusting code enforcement, City demolitions, and offering redevelopment incentives to private investors.
- ★ Commercial properties may need enhanced signage and visibility from the street to encourage redevelopment.
- ★ Parking areas in the Town Square Mall area should be reduced to create more land for infill development.
- ★ The City should make private property owners keep their property attractive, especially rentals and vacant properties.

Together, these concepts are all aimed at improving the visual appeal from the street of the community.

### Community Cohesion

North Pasadena stakeholders expressed pride in their community and excitement about the potential for change. The population is increasingly of Hispanic origin and stakeholders consider this shift as an opportunity to transform the community and attract new business investments. Stakeholders identified needed community facilities and discussed the effectiveness of community policing. Specifically, stakeholders offered the following thoughts on community cohesion:

- ★ The government center should be the focal point of the community and create a focal point to welcome visitors.
- ★ Communication will be a key ingredient for success and any outreach efforts should communicate across cultures.
- ★ Multilingual communication tools should be utilized and the City should consider offering more Spanish-language information on public access television.
- ★ Opportunities for creating cohesion include attracting recent college graduates back to the community to live.
- ★ The new town center should include a special events venue, indoor recreation facility, and adult education opportunities.

- ★ A grocery store is needed in North Pasadena to retain and attract new homeowners and residents.
- ★ High quality apartments, condominiums, and senior living should be offered in as adaptive reuse opportunities.
- ★ Significant historic structures and local retail facades should be improved, preserved, and redeveloped in the town center.
- ★ Community police substations have been an effective crime deterrent that could be further extended to problem areas.
- ★ Existing churches have helped with cohesion but the community considers the Catholic Church to be too small.
- ★ Light industrial job opportunities and vocational training should be offered in North Pasadena.
- ★ Streets should be multimodal with sidewalks and transit stops for a local circulator.
- ★ Neighborhood stability and renter-occupied housing were identified as significant impediments to community cohesion.

The stakeholders are eager to pursue redevelopment, consider North Pasadena to be a wonderful community with many assets, and are concerned that the Redevelopment Plan will not be implemented quickly enough.

### Housing

The community has identified a lack of choices and competitiveness in the North Pasadena housing market. The existing housing units are too small to fit current household compositions and lifestyles. The houses offer too few bedrooms, bathrooms, square footage, and the garages are too small. Neighborhood streets cannot handle overflow residential parking and there are not enough sidewalks to encourage walking. Specifically, stakeholders offered the following thoughts on housing:



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parcels.

- ★ Home ownership needs to be encouraged and aesthetic standards are needed for rental homes and vacant lots.
- ★ Multifamily apartment complexes are experiencing significant turnover and deterioration that is adversely impacting the community and local schools. Major reinvestment and community policing in these complexes are needed to address underlying issues.
- ★ High-quality condominiums and apartments should be offered for recent college graduates and seniors alike.
- ★ There may be financial impediments to redevelopment of neighborhoods since the cost of a parcel (\$20,000) is too close to market prices for homes (\$80,000).
- ★ The City should accumulate multiple parcels and create a new neighborhood to strategically spur more development.
- ★ Architectural standards and deed restrictions are needed to protect neighborhoods.

The above considerations include the principal concerns identified by stakeholders but this issue cannot be underscored enough.

### Infrastructure

Reinvestment by public agencies in the community has been identified as an immediate need that would spur additional investment from the private sector. Many of the mobility and infrastructure investments identified by the stakeholders tie back in to aesthetics, community cohesion, and housing. Not all local streets offer a system of connected sidewalks to encourage walking, and “walkability” was a recurring theme in the interviews. Specifically, stakeholders offered the following thoughts on infrastructure:

- ★ Stakeholders think that the City should avoid tearing down buildings unless there are concrete plans to immediately redevelop

- ★ Stakeholders identified several key types of major infrastructure investments – roads, transit, sidewalks, landscaping, parks, and drainage.
- ★ As projects are developed, the community is seeking better streetscaping and landscaping along major roadways.
- ★ Stakeholders also stated that all underground utility improvements anticipated in a corridor should be addressed at the same time that the streetscape is improved.
- ★ Some area residents feel trapped because there are inadequate mobility options such as a transit circulator and connected sidewalks.
- ★ There are stormwater-related drainage problems in specific areas that were identified by stakeholders. As drainage issues are addressed, the community would like to see parks, fountains, and master drainage plans developed.
- ★ Streetscaping projects should include pedestrian amenities and transit stops for a local looped circulator as well as connections to regional park and ride facilities.

Stakeholders see the investment in infrastructure and transportation as essential components of the North Pasadena Redevelopment Plan. The single largest concern was a desire to act quickly or “strike while the iron is hot.” Many of the best ideas identified in this Plan were derived from comments offered by the community and recorded in **Appendix D**.

### Conclusions

During the interviews, several stakeholders noted that North Pasadena has a perception problem. These perceptions seemed to revolve around the community’s social, economic, and physical attributes. The views expressed for the area ranged from positive to negative, and vary from specific locations to the greater community.

Stakeholders pointed to some local features that reflect poorly on the community, notably that North Pasadena has a large number of vacant buildings and that people still lacked a sense of security,



which could be eased with increased lighting and security cameras. One stakeholder mentioned “the feeling you get” for the area’s day image versus its night image, while another stakeholder stated that crime was getting higher. Another stakeholder said the area is tagged as being a destination for immigrants. Other stakeholders pointed out how investment and growth have continued to move south in the city. The Beltway and Fairmont section of Pasadena was mentioned as a hot area with high disposable incomes.

Local stakeholders had much to say about the positive aspects of North Pasadena. These stakeholders pointed out that North Pasadena does not have a homeless problem, and that the City overall is fairly healthy. Those investing in the community noted that the area has a larger purchasing power than is reported, and that the area’s greatest asset was its semi-skilled labor force. Others cited the community’s location in the Houston area and the ease for getting around the region.

Various stakeholders thought that North Pasadena needed a theme or new image that defines the community’s character. This theme should be high quality, consistent, and provide a sense of being welcomed into the community. New investment from both the public and private sectors were seen as ways of providing that ‘shot in the arm’ to help the community gain its footing, develop a sense of place, and become a destination.

To brighten the community’s image, several stakeholders said that an important first step would be focusing on improving the streets,

sidewalks, and addressing the area around the Pasadena Town Square. Stakeholders pointed out that new buildings and new roads would help to attract people to North Pasadena, and that the area needed good quality businesses. Other stakeholders said they would like to see pedestrian-friendly amenities as the area redevelops.

Some stakeholders said they would like to see an HEB or Mi Tienda grocery store in North Pasadena. However, some Hispanic stakeholders were concerned about stereotyping the area because of its large concentration of Hispanic population. Concerns were raised about investors putting in a flea market or doing some type of colorful Hispanic theme. Hispanic stakeholders said they want to see new concrete and more variety in how they spend their dollars, such as having a Starbucks or an Ann Taylor store. Hispanic stakeholders view the North Pasadena community as being “One Pasadena” with the larger community.

New growth and development was seen as a positive for North Pasadena that had the potential to create a snowball effect. The importance for this new development is that it would give people a reason to want to stay. New schools and new activities – such as entertainment, shopping districts, cultural center, or convention center – were investments mentioned as attracting people back to the area. Such new growth and development would generate jobs. As one stakeholder stated, job creation in the area would help stabilize the community.

# CHAPTER 7: RECOMMENDATIONS

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### Fundamental Strategies for Success

For North Pasadena to successfully tackle the challenges of redevelopment, several critical components must be put in place. This requires hard work and investments coupled with dedication, commitment, and hope to achieve long term results.

It requires dedicated staff, led by one individual, who focuses on implementation of the Redevelopment Plan as their sole purpose in life. This individual can be an employee of the City, of the Second Century Corporation, or of a newly created Redevelopment Authority. It is recommended that the City strongly consider creating a Redevelopment Authority in accordance with State statutes. A Redevelopment Authority can have the long-term vision and constancy of purpose that is sometimes hard to maintain within a City government with the uncertainty of regular elections for leadership positions. A Redevelopment Authority also has some options for creating partnerships and utilizing additional sources of financing that may not be available to a 4B corporation.

A North Pasadena Redevelopment Authority should be created and a leader identified to passionately implement and oversee redevelopment of North Pasadena. This Redevelopment Authority must have the necessary resources to implement the plan and hire the staff to carry out the projects and initiatives detailed in this plan. The Authority would execute and oversee implementation of the redevelopment plan, the staff of the authority, and the financial resources that are dedicated to the redevelopment of North Pasadena. The Board of the Authority will be a liaison with the city council, the Second Century Corporation Board and other project

sponsors and will present an annual redevelopment performance report to the mayor and city council.

The Redevelopment Authority should be empowered to receive and manage the necessary capital and financial resources to carry out the plan; to undertake the redevelopment projects and initiatives defined in this report and make strategic modifications in the plan with appropriate community involvement (when needed), and retain the necessary professional consultants such as accountants, attorneys, engineers, and architects to assist with the daily business of the authority. The Authority should develop the appropriate operating policies and procedures to manage a transparent and business-like operation and insure that the goals and vision of the redevelopment plan are achieved.

The Authority should be organized as a 501 C(3) or other similar structure and should be empowered to structure public-private partnerships including TIRZ districts, propose development agreements for the City of Pasadena for Chapter 380 projects, enter into contracts for construction, acquire property, and engage in other actions that are important to carrying out the redevelopment plan.





### Targeted Next Steps

Several targeted next steps will help to ensure the success of the Pasadena Redevelopment Plan. These include:

- Create and fund the Pasadena Redevelopment Authority
- Identify and retain Authority Staff and professional consultants to assist with ongoing planning and operations
- Initiate a comprehensive Community Involvement Process and continue to involve the community going forward
- Identify and secure capital resources to fund projects and initiatives
- Initiate planning, financial analysis, and preliminary engineering to:
  - Create a community gateway along Pasadena Boulevard from Red Bluff to Southmore as defined in Chapter 5
  - Create a new Town Center and Government Complex in the vicinity of the current City Hall and Town Square Mall as defined in Chapter 5
  - Create a Retail/Entertainment Complex near the Capitan Theater on the north side of SH 225 at Pasadena Boulevard as defined in Chapter 5
- Identify supplemental funding and implement increased code enforcement for rental properties including multi-family housing in North Pasadena
- Develop a North Pasadena Economic Retention and Attraction Strategy focused on helping existing businesses and creating targeted strategies to attract appropriate new businesses that “fit” within the available real estate and will utilize the local workforce
- Implement a Housing and Homeownership program to strengthen the marketability, competitiveness, and diversity of housing in North Pasadena including:
  - Develop a Targeted Homeownership Program geared to first-time homebuyers and the local workforce in conjunction with local lenders and agencies
  - Develop a North Pasadena Home Plan Book to help homeowners or prospective purchasers visualize various options for renovating and modernizing existing homes and develop a program for low cost home-improvement financing
  - Develop in-fill redevelopment tools including a residential property inventory system, targeted conversion from strip retail to residential along secondary corridors, and strategies to streamline reuse of tax delinquent properties
  - Develop recommendations for a general Neighborhood Improvement Program with input from the community including enhancements to street lighting, sidewalk and street repairs, park enhancements, additional police substations, and YMCA or similar day care/after school programs at key locations near concentrations of multi-family units
- Develop an “on-demand” or fixed route circulator for North Pasadena as proposed in Chapter 5 to provide alternative transportation options for residents



In addition to these “Next Steps” three fundamental strategies crucial to achieving positive results are:

- Community Involvement and Communication
- Building Partnerships
- Fostering Strong Leadership

### Community Involvement and Communication

The people of North Pasadena must take ownership of this plan. They must therefore understand it and believe that positive change can happen. Civic leaders, business owners, ordinary citizens, and stakeholders must be engaged and be willing to invest their time and resources (talents, capital, enthusiasm, etc.) to make North Pasadena a “Community of Choice”. Four principal strategies have been identified to improve community involvement and communication:

- ★ Identify groups that are already organized in North Pasadena community. Examples are Parent Teacher Organizations at the local schools, local churches, the neighborhood associations in North Pasadena, business and civic organizations, community groups, etc.
- ★ Hold a meeting to present the North Pasadena Redevelopment Plan to these groups and then break down into small groups to brainstorm about the plan. Ask participants to pinpoint problems and opportunities in their neighborhood or around their businesses. This can help to prioritize project and initiate schedules. Ask participants to identify other groups and organizations that should be a part of this effort
- ★ Create a structure for community involvement. Identify community leaders and begin to build relationships with

them. They can help to identify the talents and interests in their groups that can be harnessed to move redevelopment activities forward.

Regularly scheduled meetings with these leaders will help to generate interest in projects and commitment to the vision

- ★ You have to “Get the Talk Right”. Develop a Communications Plan for the project. Residents need to be informed, invited to participate in the process, and understand why their involvement matters. Many of the communications materials should be published in Spanish as well as English. Enlist the local newspapers and radio stations as outlets for informational updates and for opportunities to get involved, talk with school leaders and teachers, and ask ministers and priests from local churches to talk with their members.

Creating a “Community of Choice” only happens when the community itself works hard to turn the vision into reality. The people who live and work in North Pasadena must be empowered and inspired to move this Redevelopment Plan forward. They will need help and support from the City, the Pasadena Second Century Board, other agencies, the elected officials, the business community, and others in Pasadena to succeed. In reality, the people of North Pasadena must be the driving force of this effort.

### Building Partnerships

Effecting neighborhood change isn’t easy. “Communities of Choice” foster partnerships and collaboration within neighborhoods and beyond their borders.

They build partnerships with community residents, the business community, city staff, churches, schools and community colleges, private developers, and others to develop the consensus and commitment required to succeed with the redevelopment of North Pasadena and create an underlying foundation to maintain that success long term. High performing partnerships will subordinate individual interests to the shared vision and goals collaborating



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across barriers and sectors to successfully implement the action strategies and initiatives in this plan.

This redevelopment will not happen without strong partnerships that are collaborative in their planning as well as implementation. Building these partnerships will require time and effort by the redevelopment staff and the board. The private sector is a key partner in many of these efforts. Their financial resources, knowledge, and contacts will be needed to refine these programs and leverage the capital that will be needed to redevelop North Pasadena. The City staff is an integral partner as well. They must embrace the concept of neighborhood revitalization and work across departmental disciplines to streamline processes, coordinate resources, and manage projects that will help to redevelop the community. Their knowledge and expertise is critical to success, their commitment to the redevelopment effort can mean the difference between success and failure.

### Fostering Strong Leadership

Successful “Communities of Choice” value and cultivate skilled leadership and active citizen involvement. “Communities of Choice” possess leaders at all levels: local, county, and state elected officials; in community organizations; in civic associations; and in religious communities. These leaders represent the community’s array of racial, ethnic, and economic constituencies.

The elected and volunteer leadership that moved the North Pasadena Redevelopment Plan forward must stay engaged and committed to the process throughout the implementation of the plan. Although this plan focuses on North Pasadena, the entire City will benefit from these improvements creating a stronger city overall.

### Key Partners

This plan has identified specific actions and initiatives to redevelop North Pasadena and make this a “Community of Choice” again. The next step is to organize, and to create the principles and policies that

are needed to implement the plan. Four key partners must be a part of this process:

- ★ The Community and Neighborhoods of North Pasadena
- ★ The North Pasadena Redevelopment Board
- ★ The Implementation Team
- ★ Facilitating Partners

### The Community and Neighborhoods of North Pasadena

The Community and Neighborhoods of North Pasadena must organize and become active and engaged volunteers as well as a review and sounding board for revising priorities and measuring progress. The community and neighborhoods should meet monthly at the beginning of the project and they should elect a representative to the Implementation Team. These partners must keep their eyes and ears open to what’s going on in the community and be ready to mobilize residents to “get things done” and also identify new issues and opportunities within the community that need to be considered.

### The North Pasadena Redevelopment Board

The North Pasadena Redevelopment Board is responsible for providing the oversight of executing the plan and keeping the “big picture” in perspective working toward the vision of North Pasadena being a “Community of Choice”. The Redevelopment Board helps to link the redevelopment project to the larger community, keeping elected officials at all levels aware of progress or issues of concern for which they need help.

The Redevelopment Board should meet monthly to hear reports from the Implementation Team, review financial reports and approve funding for projects and activities, consider strategies for involving other partners in the project in order to secure resources and support, consider grant opportunities that are identified by the Implementation Team, monitor performance benchmarks and



schedules, and maintains communication with major project sponsors.

## The Implementation Team

The Implementation Team are the “hands on” partners that are responsible for making sure that projects and initiatives get done. This Team must be successful in forming collaborative relationships with private developers, City Staff, business owners, and other key players in the redevelopment process. These partners are responsible for facilitating and managing the community involvement process, the marketing and communication programs, and providing monthly reporting to the Redevelopment Board.

The Implementation Team members identify grant and other funding opportunities and prepare the proposals or applications that are necessary once the Board approves pursuing these funds. These team members identify and implement projects, or collaborate with local administrators who will be responsible for the implementation of projects. The team members gather data to track performance and other indicators of progress on the redevelopment plan and continue to build relationships with external and internal stakeholders, residents, and organizations to facilitate the plan.

The Implementation Team must have dedicated staffing for the redevelopment plan, ideally people who “get up everyday concerned about the redevelopment of North Pasadena”. The required staffing must be determined ultimately by the Redevelopment Board. The ongoing operating costs must be funded from a source that can provide a minimum of five years of funding for the implementation of the plan.

## Facilitating Partners

Facilitating Partners are other partners outside of the Implementation Team and the City of Pasadena staff that are needed to facilitate the implementation of the projects and initiatives in the redevelopment plan. These partners should participate in project planning meetings, particularly for those projects that their agency or organization may be sponsoring. These partners may also offer technical assistance in implementation and ongoing initiatives for the project.