

## Austin, Texas: Saltillo Redevelopment District

### The Specter of Gentrification: A Disadvantaged Community Struggles to Protect and Redefine its Future

For many years living in East Austin was anything but trendy. Citizens were forced to make do with fewer services than were provided elsewhere in the city and tolerated more than their share of undesirable industrial activities. Despite these hardships communities became close-knit and stable. Still, many citizens hoped to one day relocate to a safer, more prosperous part of the city. Recently conditions have improved, but citizens now face some additional serious challenges; indeed, the one topic that just about everyone in East Austin is talking about, worrying about, or at least has an opinion about is gentrification, the process by which disadvantaged citizens get economically squeezed out of their neighborhoods as inner city communities become revitalized, trendy, and expensive. Crafting an approach to community revitalization that sparks additional redevelopment without depriving residents of the benefits is a challenge that the community is now tackling head-on.

Initiated in the late 1990s, East Austin's Saltillo District Redevelopment project is poised to become one of East Austin's most significant revitalization efforts. Currently project participants are working to build consensus on a master plan. All stakeholders have high expectations for the redevelopment. The local public transportation authority, Capital Metro, emphasizes the site's role as a transportation hub for a future commuter rail line and sees opportunities for infill development and smart growth. Members of the Community Advisory Group (CAG) are adamant that the redevelopment provide very "aggressive" amounts of affordable housing that the community's lowest income residents can afford. The City of Austin supports both affordable housing and infill development but also hopes to generate additional tax revenue from the project. Participants are having trouble reaching a compromise agreement to satisfy these disparate goals while maintaining the "unique qualities and socio-economic fabric of the surrounding neighborhood." Nearly three years after formal planning activities began uncertainties abound and proposed solutions remain contentious.



*Vacant Portion of the Saltillo Site*



*Plaza Saltillo*

Owned by Capital Metro, the local public transportation authority, the 11-acre Saltillo District site sits within walking distance of downtown, its real estate value increasing by the minute. The property is underutilized and largely vacant although it has never officially been declared a brownfield. Bisected by a rail line and flanked by a coffee shop, loading docks, vacant lots, and housing of various types, the site contains rented artists' studios as well as Plaza Saltillo, a small, attractive plaza that was built by Capital Metro several years prior and is currently maintained and operated by the City of Austin Parks and Recreation Department. The plaza was designed

to accommodate a future commuter rail stop, while also providing public meeting space. Citizen feedback inspired many of the project's architectural and functional elements. Although Plaza Saltillo does not entirely match citizens' original vision for a permanent indoor-outdoor marketplace, it does provide small outdoor booths for farmers' markets and community gathering space. With its fountain, trellises, and greenery the plaza contrasts noticeably with much of the surrounding development. But the neighborhood is in flux. Just across the street a sleek urban loft development has sprung up and similar projects are spreading onto the surrounding streets. Community members hope that the Saltillo Redevelopment process will allow for the neighborhood's growth and prosperity while protecting the interests of long-time residents.



*Lofts Adjacent to the Site*

### **The East Austin Community**

For many years developers and city officials gave little thought to East Austin. Segregationist policies in the 1930s forced minority residents and the poor to relocate to the city's east side. Industrial businesses encroached and interwove with the area's residences and schools. After the city was ripped apart by the completion of Interstate Highway 35 (IH-35), minority populations and disadvantaged citizens found themselves further isolated and neglected. A lack of investment in infrastructure and proper maintenance left East Austin blighted and decaying, leading to problems such as crime and widespread poverty. Some families chose to move away from the area as soon as they were able to, but others developed strong ties to the community and have chosen to stay. However, in recent years, local governments have worked to provide public investment in East Austin through enhanced parks and recreation facilities, upgrades to libraries and streets, and additional funding for public schools.

Although development interest in the area has been increasing steadily over the past 10 years, property values have been exploding since the early 2000s, making it much harder for families to remain in the neighborhood. Suddenly East Austin has become trendy and developers are eager to capitalize on the area's investment potential. Community members already see their most vulnerable neighbors being forced out and losing their homes. They note that ninety percent of the foreclosures in the city occur in East Austin. Residents believe that Capital Metro's redevelopment, if planned properly, could help slow down this trend and provide for the area's long-time community members' need for affordable housing.

### **Inviting Citizens to the Table**

Early in the planning process Capital Metro and its project partner, the City of Austin, recognized Austin's heritage of citizen involvement and decided that citizens should be full partners in planning the Saltillo District from the earliest stage. Another motivation for including community involvement and building support for the project was Capital Metro's desire to pass a commuter rail referendum. Perhaps most of all, however, many Capital Metro employees, such as Dianne Mendoza, wanted to be good neighbors. She explains that, "My vision was that we could make the stakeholders be the community. That they come to the table. That they be reasonable about what would be the balance of a win-win situation for Capital Metro, the owner of a very now lucrative piece of land, and that the community then find its way to being able to blend into that."

The city and Capital Metro formed a 9-member community advisory group (CAG) that includes six appointed community leaders. The CAG helped choose the consultant design team,

participated in discussions with the city and Capital Metro, and provided recommendations to the Capital Metro Board of Directors, the final decision makers on the project. In addition to receiving feedback from the CAG, Capital Metro and the city hosted two open house meetings in the immediate community, conducted focus groups aimed at a broader cross-section of Austin's residents and invited a public participation specialist to work with the design team. Most stakeholders were eager to be involved in what they thought would be a model process of cooperation and collaboration that balanced new development with the needs of the existing community. However, trouble started after the first master design plan was released by the consultant. Community advisory group member Susana Almanza explains:

*"After about two years of being involved in the process, you would think we were never there at the table 'cause what happened after two years of commitments and meetings when ROMA came back with the development plan, we said, 'who in the hell had you been listening to?' because everything that they showed and the designs and everything was definitely going to displace the community... [it] was definitely about high-market condos, townhouses, [and an] 11-story hotel."*

The CAG had some concerns about the consultant's design plans but overall were in agreement with the ROMA Master Plan concept. The major concerns that the CAG had with the Master Plan were the amount of affordable housing, allocation of land to different uses, and proposed building heights. The ROMA Master Plan calculated the affordability to be no less than 25% matching existing affordability standards in Austin at the time. However, the CAG worried about the inclusion of luxury housing and felt that the affordable housing units would be offered at rates too expensive for many of the area's citizens.

CAG members reported that they felt that their ideas had been ignored and saw the plan as a high-market development scheme that would appeal primarily to outsiders while pushing property values even higher. Most of all, the CAG felt as if they had been misled. One CAG member explains, "We went in open arms with good faith and...we really felt like we'd been stabbed in the back...It seemed like...they already had their plan, they were going through an exercise which we thought it was a real model that we were working on, but in reality they were going on a two-prong. They were having another plan that they were being steered to."

In the spring of 2006 the CAG rejected the master plan and provided their own set of recommendations for the Capital Metro board of directors to consider. Their plan calls for more aggressive levels of affordable housing and more multi-bedroom units to accommodate families. Although some participants are skeptical about the costs of the advisory group's proposal, CAG members believe that their plan is financially feasible. They have asked the city to obtain feedback on their proposal from a consultant who was hired to prepare an updated market analysis of the neighborhood. Participants are taking a breather while they wait for clear guidance on what is economically feasible. Specifically, they are looking towards the results of the market analysis study.

### **A Well-Planned Participation Approach Goes Awry**

Despite Capital Metro and the City of Austin's desire to offer ample opportunities for public participation, the process of citizen involvement turned out to be difficult and frustrating. One participant revealed that "The person that drafted the scope of work was a city staff person...who thought she knew how to do everything, but she's an architect, not a public

involvement specialist." Although the scope of work for the Saltillo project was reviewed and approved by the members of the CAG, they were ultimately dissatisfied with the implementation of the process because they felt that the public participation specialist was not fully utilized.

Some participants believe that the appointees on the advisory group represent a narrow "activist" perspective and do not properly embody the East Austin community. The business sector in particular is scarcely represented. Other participants emphasize the importance of reaching out to typical citizens in addition to working with those in formal advisory roles. Capital Metro representative Dianne Mendoza explains, "We have been told that people who speak for the community do not necessarily represent the community and so what we found...is that people were saying 'you need to let me say 'cause I live two blocks away and my house is here and I'm going to be affected.' And that's what I was trying to get to...I was trying to get to the real person who would be impacted by any project and whether they thought it was good or bad."

Some participants argue that the City and Capital Metro did not do enough to keep the public informed of new developments and the project's progress. Others, like CAG representative Johnny Limon, are optimistic that there will be more opportunities for involvement. He explains, "I personally think that Capital Metro does want to meet the needs of the community... [some members] in the advisory group don't think that they are and maybe because of prior histories of things that used to happen in this community, broken promises all the time, maybe that's why they feel that way. I want to be more positive and I want to think that we will be given that opportunity."

Finally, the participation timeframe stretched out much longer than would have been ideal. There would often be gaps of three to four months between meetings. One participant insists, "This project has taken too long...much too long. And even the committee members I think sometimes forgot what they agreed to previously." By the end of the planning process economic conditions had changed and discussions shifted to mirror this change. Stakeholder groups became polarized as affordable housing—a topic which initially was just one of many concerns—began to dominate all discussions.

### **Redevelopment and the Threat of Gentrification**

*"We've seen a change from... concerns over the problems of a deteriorating environment to concerns, very serious concerns, over gentrification and displacement... there's a fair amount of redevelopment going on. Most of it is aimed at a market that is not the residents who have been there for the last, you know, 50 years."*

*George Adams, City of Austin, Transportation Planning and Sustainability Dept.*

Since planning activities began concerns about gentrification and displacement have skyrocketed. However, community members do not have a unified perspective on the revitalization attempts and all the attention their neighborhood is receiving. George Adams claims, "There's a lot of tension between...the existing community and the new community and there's even tension within the existing community because some people welcome it to a certain extent: 'It's like finally this is, you know, this is happening.' And then there are a lot of other people who are very concerned about it because they feel like people are being forced out."

CAG member Susana Almanza speaks for a segment of the community that is concerned that the Saltillo Redevelopment, rather than slowing down the process of displacement by proving ample affordable housing, may actually accelerate it. She laments, "It's not being built to really make it accessible for the everyday worker, the clerks or the janitors or waitresses." Johnny Limon, a native of East Austin, offers a different perspective: "I welcome the diversity. I welcome diversity in people and I welcome the diversity of income." He argues that community members with higher disposable incomes will help support the local neighborhood businesses. However, he is adamant that all participants work to make sure existing residents are not priced out of the area.



*Traditionally a Neighborhood of Simple Buildings and Modest Means*

Although opinions vary on how the Saltillo Redevelopment might address or exacerbate gentrification, Dianne Mendoza of Capital Metro captures the neighborhood's basic wish: "People want something good to happen that will be good for everyone. It's not necessarily affordable housing. It's...make something happen so that East Austin, my area, will be better for my children and for those that come later."

### **Lessons Learned**

Despite recent setbacks, the Saltillo District project is poised to be an impressive redevelopment that meets the needs of a variety of stakeholders, including community members. Capital Metro has offered important compromises to the CAG, such as increasing the amount of affordable housing beyond the consultant's original recommendation. However, the participation process could have been planned differently so that more citizens would have been reached and some of the obstacles would have been avoided.

Some people felt that the public involvement expertise was not well utilized; in future planning, it would be a good idea to be sure that this expertise is included and used fully. Additionally, a detailed project website could have been updated regularly for citizens to access new information. Even though media was invited to all of the events and both print and television coverage was provided to the community at large by both Hispanic-owned and other print and television providers, there are still many people who do not know enough about the project. Therefore, an organic, less rigid approach to public involvement might have enabled the City and Capital Metro to offer more meaningful citizen participation opportunities to a larger pool of residents.

The CAG was perceived by many as being populated by activists. The advisory group could have included additional appointees with financial or business backgrounds. Although focus groups did capture some broader community views, certain members of the CAG felt that greater weight was placed on feedback from focus groups than from the CAG. Capital Metro and the city might have avoided this issue if they had been very clear about whose voices would influence design plans.

Finally, had planning activities been completed in a more timely manner, affordable housing and gentrification would not have come to dominate the entire discussion. By stretching the planning out over years instead of months, conditions changed to the point that original compromises no longer seemed appropriate to some stakeholders. Had meetings been scheduled more

regularly, the participants may have built stronger ties and the project's overall momentum would have been preserved. Participants would have been better able to keep straight which issues had been settled as well.



### *The Saltillo District Awaits Further Redevelopment*

functions could help spark additional interest in the project. Although targeted participation efforts are time consuming, intensifying the public participation and consensus-building processes in the short-term will be more cost effective in the long term. Capital Metro has already embraced this approach and is conducting one-on-one meetings with private citizens, business leaders, church leaders and others in the community to develop consensus for this project.

The forces of gentrification are already in full swing in East Austin and no project will significantly slow this trend. However, the Saltillo District Redevelopment project does have the potential to set the standard for high-quality, mixed-income, participatory development in East Austin. But that can only happen if the project moves forward. For that to occur, however, all participants must accept that while no one's exact plans will be replicated, a piece of everyone's vision can be realized—attractive mixed-income housing, new businesses and commercial areas, and a substantial amount of affordable housing.

Participants have now chosen to take a break and regroup before resuming negotiations. The city has agreed to have the CAG's alternative recommendations analyzed for financial feasibility, thus enabling an unbiased, outside expert to provide information that all participants can use in making decisions of how to reshape the Saltillo Redevelopment District's master plan. Capital Metro will not move forward with a project that will anger the public, but in order to satisfy community members Capital Metro must ensure that it receives feedback from many diverse groups. Targeting neighbors individually by knocking on doors, mailing brief questionnaires, and making appearances at community