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# NEIGHBORHOODS IN TRANSITION

Insights from U.S. Strategies for Integrated Urban Planning

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**G | M | F** The German Marshall Fund  
of the United States

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On the cover: Mission District, San Francisco. ©Andrea Jonas

# Neighborhoods in Transition

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Acknowledgments . . . . .	ii
Introduction: A Welcoming City and an Unaffordable City? . . . . .	1
San Francisco and Austin: Two Cities with Extreme Challenges . . . . .	4
Citywide Policies for Strong Neighborhoods . . . . .	7
“Informative, but Fun”: Strong Neighborhoods through Public Participation . . . . .	14
Portraits of Selected Neighborhoods in San Francisco and Austin . . . . .	17
Insights from U.S. Strategies for Integrated Urban Planning for Cologne and other European Cities . . . . .	22
Appendix: List of Interviewees . . . . .	26

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# 1 Introduction: A Welcoming City and an Unaffordable City?

**S**an Francisco has a reputation for being a very creative, welcoming city, open for all kinds of weirdnesses. This is currently disappearing — it is a cultural shift,” explained a housing expert about the most expensive city in the United States today, San Francisco. “We used to be the most affordable city in the State of Texas,” said an interviewee about the State Capitol Austin. Due to the economic boom and a rapidly increasing population, Austin is now one of the most expensive places to live in Texas, and was also recently named the most economically segregated city in the United States.<sup>1</sup>

Social polarization is one of the challenges of today’s globalizing world, and will force cities — including many in the United States and in Europe — to face new challenges. The European Union has declared the fight against social exclusion one of their core issues for the “Europe 2020 strategy,” and is implementing it, along with others, through incentives programs like the European Regional Development Fund (ERDF) and the European Social Fund (ESF).<sup>2</sup>

This issue is also part of the “Leipzig Charter on Sustainable European Cities,” a declaration by the ministers responsible for urban development in the member states of the European Union, which calls for a greater use of integrated urban development policy approaches to overcome the challenges faced by European cities.<sup>3</sup> Integrated urban development is defined as a cross-sector planning process that gives equal consideration to the economic, environmental, social, and cultural dimensions of a sustainable city. Furthermore, it includes the involvement of various stakeholders, including

citizens, the private sector, academia, and different levels of government.<sup>4</sup> “Integrated planning” also describes a more cooperative interagency way of working within a city government. Furthermore, urban planning should include different interests, especially in integrating a socially and economically diverse population into urban development processes.<sup>5</sup> In particular, special attention must be given to deprived neighborhoods within the context of the city as a whole.<sup>6</sup> Cities in Germany have used the Leipzig Charter as inspiration for their planning processes on integrated strategies.

After a period of suburbanization, many cities today are experiencing reurbanization and growth. In particular, young, well-educated, and wealthier individuals are moving into central parts of cities, often causing increased housing costs that lead to displacement and growing social polarization. Most affected by displacement are long-time and/or lower-income residents. Keeping cities attractive and affordable for a more socially and economically diverse population are major challenges of growing cities today.

As an urban and regional policy fellow at the German Marshall Fund and a planner for strategic urban development with the City of Cologne, Germany, I travelled for four weeks in San Francisco and Austin to gain new inspiration for solutions to meet Cologne’s urban planning challenges.

Cologne is Germany’s fourth largest city with a population of around 1 million, and will continue

*Social polarization is one of the challenges of today’s globalizing world, and will force cities — including many in the United States and in Europe — to face new challenges.*

<sup>1</sup> Imagine Austin Comprehensive Plan 2012, P. 20 and P. 27

<sup>2</sup> [http://ec.europa.eu/europe2020/index\\_en.htm](http://ec.europa.eu/europe2020/index_en.htm); <http://www.esf.de/portal/DE/Startseite/inhalt.html>; <http://www.efre.nrw.de/>

<sup>3</sup> [http://www.bmub.bund.de/fileadmin/Daten\\_BMU/Download\\_PDF/Nationale\\_Stadtentwicklung/leipzig\\_charta\\_en\\_bf.pdf](http://www.bmub.bund.de/fileadmin/Daten_BMU/Download_PDF/Nationale_Stadtentwicklung/leipzig_charta_en_bf.pdf)

<sup>4</sup> Deutscher Städtetag (2013): Integrierte Stadtentwicklung-splanung und Stadtentwicklungsmanagement –Strategien und Instrumente nachhaltiger Stadtentwicklung. Positionspapier des Deutschen Städtetages.

<sup>5</sup> Ibid.

<sup>6</sup> [http://www.bmub.bund.de/fileadmin/Daten\\_BMU/Download\\_PDF/Nationale\\_Stadtentwicklung/leipzig\\_charta\\_en\\_bf.pdf](http://www.bmub.bund.de/fileadmin/Daten_BMU/Download_PDF/Nationale_Stadtentwicklung/leipzig_charta_en_bf.pdf)

*As Cologne grows and diversifies, new ways of integrating a socially and economically diverse population into planning processes are necessary. This research in two U.S. cities — San Francisco and Austin — provides valuable insights for these future tasks.*

to grow for the foreseeable future. A recently published population projection by the city's statistical office expects growth of around 141,500 additional inhabitants by 2040. At the same time, in 2014, more than one-third of Cologne's population has a so-called migration background and diversity continues to grow. However, not all neighborhoods have benefited from this population growth and investment in the same way, and social polarization is increasing. The city's Department for Urban Development and Statistics is currently working on an integrated strategy called "Strong Neighborhoods — Strong Cologne," to improve the quality of life in its most distressed neighborhoods. With a city-wide approach, the goal of these efforts is to improve quality of life in these areas while also providing special resources for the most at-risk neighborhoods. This includes aspects such as education, public space, climate and environment protection, local economic development, transportation, and urban design. The city of Cologne is also preparing a new comprehensive plan for its future urban development.

As Cologne grows and diversifies, new ways of integrating a socially and economically diverse population into planning processes are necessary. This research in two U.S. cities — San Francisco and Austin — provides valuable insights for these future tasks.

The main questions for this paper are:

- What are successful methods for integrated planning that includes the needs and wishes of a socially and economically diverse population?
- What planning methods and initiatives are used in U.S. cities to strengthen social cohesion and provide resources to disinvested neighborhoods? What integrated strategies are used?

- What are successful initiatives and methods in integrating a socially and economically diverse population in the planning processes?

To answer these questions, I met with planners, city officials, researchers, non-profit organizations, and neighborhood associations in both San Francisco and Austin.<sup>7</sup>

From this research, important lessons learned for Cologne and other cities include:

- To handle the complex challenges growing cities are facing, an **integrated planning approach** that covers different aspects of quality of life — like housing, transportation, access to services, health, participation and many more — is necessary. A city-wide general plan/comprehensive plan or city-wide concept can support this. The Imagine Austin Plan shows how an integrated concept can connect different city departments to foster an integrated approach to work within a city administration.
- Projects and programs on a **neighborhood scale** can be seen as one successful method to improve quality of life and strengthen social cohesion. Every neighborhood is different and requires different actions and activities. Nevertheless, a framework or a base service can be used for the improvement of different neighborhoods. An example is the "Invest in Neighborhoods Program" in San Francisco.
- **Urban development policies for social cohesion should include a strong affordable housing policy and the support of small businesses.** To keep both growing cities attractive and affordable for all citizens and improving quality of life in disinvested neighborhoods without a displacement,

<sup>7</sup> A list of all interviewees is in the appendix

affordable housing is a key strategy. Planning tools that incorporate different kinds of income groups (low-to-medium income) are important. Initiatives that strengthen small businesses are another important way of planning for strong neighborhoods.

- **Diverse and multiple methods of public engagement are most successful for the integration of a diverse population.** This includes new and innovative ways, like the meeting-in-a-box tool, the use of social media, come-and-go events, or basic tools like language assistance.
- By working with temporary solutions and pilot projects, cities can test what kinds of

developments are working in which places. This can convince skeptical residents of some of the changes — such as denser housing — that growing cities need to implement.

I begin this paper by characterizing the economic and social context for Austin and San Francisco, and then describe the ways that each city is attempting to put into place specific policies to reflect their respective visions for integrated planning. I describe how some of these policies play out in particular neighborhoods in each city, and I end by discussing policy lessons and recommendations for urban development policies in Cologne.

# 2 San Francisco and Austin: Two Cities with Extreme Challenges

*Social equity, as well as ensuring that the city does not become only a place for the wealthy, is therefore an important issue in San Francisco.*

This chapter provides an overview of San Francisco and Austin and their ongoing urban development issues, as well as the plans that guide each city's growth. Both case study cities work with a Comprehensive or General Plan to guide the city's future development. While a General Plan is mandatory for all cities in California, it is voluntary in Texas.

California has long taken pride in being innovative and in its ability to devise novel solutions to address social ills. Historically, it has had a "progressive" tradition. Texas, on the other hand, has a long cultural history and reputation as a "cowboy" state, where government intervention in the forms of either taxes or regulation are not looked upon favorably.<sup>8</sup>

### San Francisco: Rapid Change Threatens Community Character

San Francisco constantly ranks at the top of North American cities as one of the best places to live.<sup>9</sup> The city is not only well known for its famous Golden Gate Bridge, Victorian architecture, or the Golden Gate Park, it is also famous for its many different and ethnically diverse neighborhoods, like Chinatown, Japantown, the Castro, and the Mission District. Reflecting this diversity, around 50 percent of San Francisco's residents today are non-white.<sup>10</sup> However, current data shows that the percentage of non-white is declining, and a study by PolicyLink

projects that San Francisco will become the whitest county in the Bay Area by 2040.<sup>11</sup>

One reason for this development is job growth in San Francisco and the surrounding area (especially the Silicon Valley), which is attracting highly educated young professionals to the city. This has put increasing pressure on a housing market that is now one of the most expensive in the United States.<sup>12</sup> San Francisco is a growing city: the population increased in the last five years about 5.9 percent. In 2014, around 852,000 residents lived in the city.

San Francisco does not have a high concentration of poverty like other cities in the United States. Nevertheless, as in similarly sized cities, there are parts in town that are seen as "communities of concern."<sup>13</sup> These are mainly located near downtown (such as the Tenderloin, the Mission District, Chinatown, and neighborhoods in the southeastern San Francisco, including Bayview Hunters Point and Visitacion Valley). Social equity, as well as ensuring that the city does not become only a place for the wealthy, is therefore an important issue in San Francisco.

The State of California requires that a General Plan address seven issues: land use, circulation,

<sup>11</sup> <http://www.citylab.com/housing/2015/04/a-startling-map-of-how-much-whiter-san-francisco-will-be-in-2040/391200/>

<sup>12</sup> ABAG (2015): People, Places and Prosperity. San Francisco Bay Area. P. 34-35

<sup>13</sup> The Draft Equity Analysis Report for the Regional Plan Bay Area uses eight different indicators to measure communities of concern:

1. Minority population
2. Low income (<200 percent of poverty)
3. Limited English proficiency population
4. Zero-vehicle households
5. Seniors aged 75 and over
6. Population with a disability
7. Single-parent families
8. Rent-burdened households

Communities of concern are defined as area "having concentrations of four or more factors listed above, or having concentrations of both low-income and minority populations."

<sup>8</sup> This helpful indication was given to the author by Dr. Martin Bierbaum, adjunct professor at the Bloustein School Rutgers University, former associate director at the National Center for Smart Growth at the University of Maryland and former associate director of the Office of State Planning in New Jersey.

<sup>9</sup> [http://www.huffingtonpost.com/2014/10/06/best-cities-to-live\\_n\\_5929558.html](http://www.huffingtonpost.com/2014/10/06/best-cities-to-live_n_5929558.html)

<sup>10</sup> <http://www.census.gov/quickfacts/table/PST045215/0667000,00>



housing, conservation, open space, noise, and safety.<sup>14</sup> **San Francisco's General Plan** extended these requirements and contains nine elements: residence, commerce and industry, recreation and open space, community facilities, transportation, community safety, environmental protection, urban design, and arts. Interviewees described them as "high-level" elements because they represent the entire city. Everything that happens to city land or city property has to come to the Planning Department for a referral and is reviewed to be within the General Plan objectives.

### **Austin: Planning for "Complete Communities"**

The city of Austin, Texas, is one of the fastest growing cities in the United States. The city's population increased by 12.5 percent, or by more than 100,000 new inhabitants, in just five years.<sup>15</sup> Austin is also characterized by a nearly "minority-majority" population, which means that around half the population is non-white. The capital of Texas, it is also well known for its live music and arts scene, its large university, attractive job opportunities in industries such as tech, and for its surrounding natural beauty. Formerly known as a "little Cowboy town," Austin is now the 14<sup>th</sup> largest city in the United States, with a population of 913,000.<sup>16</sup>

For many years, Austin was an affordable place to live, but the rapidly growing population increased house prices and rents. For instance, median housing costs increased by 85 percent between 1998 and 2008.<sup>17</sup> Currently, the average rent per month in Austin is around \$1,200<sup>18</sup> and the median

home price is \$322,500.<sup>19, 20</sup> Neighborhoods or "communities of concern" are mainly located in East Austin, which mirrors the pattern of Austin's historical racial segregation.<sup>21</sup> The city is said to be one of the most economically segregated in the United States.<sup>22</sup> In addition to its housing shortage, traffic and the lack of public transportation options were described as a main challenge for the city's future urban development.

As mentioned earlier, comprehensive plans are not required in the state of Texas, so the city's decision to embark on a city-wide planning process to manage this rapid change was significant. Austin's comprehensive plan "**Imagine Austin**" was adopted in 2012 and contains 1) a vision statement, 2) an action and priority program, 3) policies, 4) a growth concept map series, and 5) work plans with step-by-step actions. Especially relevant are eight priority programs that form the core of the Imagine Austin Plan:

1. Invest in a compact and connected Austin
2. Sustainably manage our water resources
3. Continue to grow Austin's economy by investing in our workforce, education system, entrepreneurs, and local businesses
4. Use green infrastructure to protect environmentally sensitive areas and integrate nature into the city
5. Grow and invest in Austin's creative economy

<sup>19</sup> Austin Boards of Realtors, Q1 & Q2 2015, in "Housing Works Austin: Crossroads Housing 2015"

<sup>20</sup> The median gross rent from 2010 to 2014 in the United States was \$920 and the median value of owner-occupied housing units during the same period was \$175,700 (<https://www.census.gov/quickfacts/table/HSG860214/00>).

<sup>21</sup> Imagine Austin Comprehensive Plan 2012, P. 20 and P. 27

<sup>22</sup> <http://www.citylab.com/work/2015/02/americas-most-economically-segregated-cities/385709/>

*[Austin] is said to be one of the most economically segregated in the United States. In addition to its housing shortage, traffic and the lack of public transportation options were described as a main challenge for the city's future urban development.*

<sup>14</sup> [http://www.sf-planning.org/ftp/General\\_Plan/index.htm](http://www.sf-planning.org/ftp/General_Plan/index.htm)

<sup>15</sup> <http://quickfacts.census.gov>

<sup>16</sup> Imagine Austin Comprehensive Plan, 2012, P. 22

<sup>17</sup> Imagine Austin Comprehensive Plan, 2012, P. 28

<sup>18</sup> Austin Investor Interests, Q2 2015, in "Housing Works Austin: Crossroads Housing 2015"

## Demographics of case study cities and Cologne

	USA	Germany	Austin	San Francisco	Cologne
Population (in 1,000) (2014)	318,857	81,197	913	852	1,054
Population growth in % (2005-2014)	3.3 <sup>1</sup>	-1.5	12.5 <sup>1</sup>	5.9 <sup>1</sup>	3.0
Population 65 and over in % (2014)	14.5	21 <sup>2</sup>	7.0 <sup>3</sup>	13.6 <sup>3</sup>	17.7
Recipients of social benefits/persons in poverty (2014) in %	14.8	9.1 <sup>2</sup>	19.1	13.5	13.4

<sup>1</sup>2010-2015 <sup>2</sup>2013 <sup>3</sup>2010

Data: Amt für Stadtentwicklung und Statistik, Stadt Köln, [www.destatis.de](http://www.destatis.de), <http://quickfacts.census.gov>

6. Develop and maintain household affordability throughout Austin
7. Create a Healthy Austin Program
8. Revise Austin's development regulations and processes to promote a compact and connected city

and economic equity.”<sup>24</sup> Whereas, a complete community is measured and designed on a neighborhood scale, it is still integrated in the city and the region as a whole.<sup>25</sup> The plan also integrates various aspects of quality of life and is therefore similar to the European idea of integrated planning.

Using this approach, the city of Austin is connecting different central aspects of urban development. Working groups are organized according to themes, not to city departments.<sup>23</sup>

A central aspect of the Imagine Austin Comprehensive Plan is the idea of a “complete community,” which describes the “places that provide choices, encourage accessibility, offer connections, promote health, and improve social

<sup>23</sup> Between the author's visit to Austin and the publication of this report in October 2016, public opinion of the Imagine Austin plan and the process that underpinned it turned sharply negative. Though this report still uses the Imagine Austin plan as an example, it is important to acknowledge the reasons for this change. These reasons include delays and internal leadership issues at CodeNext, the name given to the effort to rewrite Austin's development code based on the results of Imagine Austin. As housing prices continue to increase city-wide, this has led to considerable concerns. In addition, some have claimed that the public participation process part of the plan was not actually comprehensive enough and failed to produce enough consensus around what the city's citizens actually need and want for Austin's future. For more information, <http://www.austin-monitor.com/stories/2016/06/coalition-asks-keep-codenext-new-track/>

<sup>24</sup> ABAG (2015): *People, Places and Prosperity*. San Francisco Bay Area. P. 14

<sup>25</sup> Brooks A., Ohland G., Thorne-Lyman A., and Wampler E. (2012). *Reconnecting America: People, Places, Possibility. Are we there yet? Creating Complete Communities for 21<sup>st</sup> Century America*. <http://www.reconnectingamerica.org/resource-center/browse-research/2012-2/are-we-there-yet-creating-complete-communities-for-21st-century-america/>.

# 3 Citywide Policies for Strong Neighborhoods

This chapter outlines how the comprehensive plans of both cities play out in the specific policies that Austin and San Francisco are pursuing as part of an integrated planning approach, including housing affordability, connectivity, and neighborhood economic development.

## A One-Bedroom Apartment for \$2,500? Tackling Housing Affordability

“Housing: the new currency” (Wohnung: Die neue Währung) was a headline in the German Newspaper *Süddeutsche Zeitung*.<sup>26</sup> One of the main challenges in growing cities is to keep cities attractive and affordable for all citizens. A 2012 study determined that more than one-third of households in the United States spend more than 30 percent of their income on housing alone.<sup>27</sup> Therefore, a central aspect of planning for a socially and economically diverse population is affordable housing. In both Austin and San Francisco, a crisis in housing affordability threatens social cohesion.

During the author’s stay in San Francisco in October 2015, housing affordability was very topical: Three propositions regarding housing affordability were on the ballot: one for a Housing Affordability Bond, one for a pause of building new luxury apartments in the Mission District, and one for stricter regulations for AirBnB.

How does a city plan for population growth during skyrocketing housing prices? “We are managing the pain,” said one interviewee. The city of San Francisco, currently one of the most expensive places to live in the United States, is working with different tools to increase affordable housing, all seeking to support the housing element within the city’s General Plan.



Campaign for more affordable housing in San Francisco

The term “affordable housing” is not the equivalent of Europe’s definition of public housing and varies between cities: In San Francisco and in Austin, housing is generally affordable when a household spends less than one-third of its income on housing.<sup>28</sup> This baseline is established by the Area Median Income (AMI) for the metropolitan area (San Francisco-Oakland-Hayward and Austin-Round Rock) and differs between very low-income, low-income, moderate-income, and middle-income households. A very low-income household, for example, is defined in San Francisco as one earning less than 50 percent of AMI (\$34,000) and a middle-income household as one with 140 percent of AMI (\$95,000).<sup>29</sup> In San Francisco,

<sup>28</sup> <https://www.youtube.com/watch?v=5XKkJfkLWW4&feature=youtu.be>; <http://austintexas.gov/page/homestead-preservation-districts>

<sup>29</sup> [http://www.sf-planning.org/ftp/files/plans-and-programs/planning-for-the-city/ahbp/ahbp\\_affordable\\_rents.png](http://www.sf-planning.org/ftp/files/plans-and-programs/planning-for-the-city/ahbp/ahbp_affordable_rents.png)

<sup>26</sup> *Süddeutsche Zeitung*, October 21, 2015

<sup>27</sup> Brooks, et al. *Reconnecting America*.

*An important tool to build more affordable housing in San Francisco is Inclusionary Zoning. It requires a specific percentage of affordable housing units for private developers on new build market-rate housing (similar to Cologne's Kooperatives Baulandmodell).*

the ratio of people in need of an affordable home and the supply of affordable houses is 30 to 1, said a housing expert, meaning that for every available affordable housing unit, there are 30 households waiting for it. In Austin, income levels for affordable housing programs are often linked to the Median Family Income (MFI). A low-income single household with less than 50 percent of MFI is defined by earning less than \$26,900. The 140 percent income limit in the Austin area is defined as an income of \$75,250 for a single household.<sup>30</sup>

High rents and the challenge of keeping the city affordable is not a new task for San Francisco. Since 1979, the city has used rent control in an effort to keep housing prices under control. Under this regulation, rents for houses built before 1979 can only increase by a specific amount. For example, between March 1, 2015 and February 29, 2016, rents for houses under rental stabilization could not increase by more than 1.9 percent.<sup>31</sup> Around 170,000 units are covered under this rent control.<sup>32</sup> The regulation also includes an eviction protection, which gives landlords permission to evict only under specific circumstances such as unpaid rent.

San Francisco's Mayor Ed Lee aims to build 30,000 new housing units by 2020, with 33 percent of these permanently affordable to low- and moderate-income households. Funding for affordable housing is based on property taxes, hotel taxes, developer fees, and other local sources.<sup>33</sup> Furthermore, many projects will be combined with other funds from state and federal governments. Interviewees described the Low Income Housing Tax Credits

(LIHTCs) provided by the federal government as the most important of these subsidies.

An important tool to build more affordable housing in San Francisco is **Inclusionary Zoning**. It requires a specific percentage of affordable housing units for private developers on new build market-rate housing (similar to Cologne's Kooperatives Baulandmodell).

In San Francisco, inclusionary zoning is mandatory and requires that market rate housing projects with more than ten units have 12 percent affordable housing units on site, 20 percent off site or payment of a fee equivalent of building 20 percent affordable units. Around 21,000 units have been built with this fund.<sup>34</sup>

To handle the housing crisis, a new voluntary program has also been developed but not yet implemented. The aim of the **Affordable Housing Bonus Program** is to provide more affordable housing units by allowing higher density. For newly built residential developments, the program includes incentives for more affordable units. These incentives allow developers to build up to two stories above existing height limits. In return, the developer has to provide 30 percent permanently affordable housing units, 12 percent for very low, low, or moderate-income households, and 18 percent to middle-income households. For a building with 100 percent affordable housing units, a higher density of up to three stories is allowed. With this tool, the city of San Francisco goes above of the California State Density Bonus Law, which requires all cities and counties to provide 13 to 20 percent of affordable housing for low to moderate income households units. Unlike the state law, San Francisco's Bonus Program does not require a minimum unit threshold and also addresses middle-income households. The program does not

<sup>30</sup> 2015 HUD Income and Rent Limits, Austin-Round Rock — San Marcos, TX MSA

<sup>31</sup> Brooks et al. Reconnecting America.

<sup>32</sup> [http://www.sf-planning.org/ftp/General\\_Plan/2014HousingElement-AllParts\\_ADOPTED\\_web.pdf](http://www.sf-planning.org/ftp/General_Plan/2014HousingElement-AllParts_ADOPTED_web.pdf)

<sup>33</sup> <http://voterguide.sfelections.org/en/affordable-housing-bond>

<sup>34</sup> <https://www.youtube.com/watch?v=5XKkJfLWW4&feature=youtu.be>

rely on public subsidies, and is said to have doubled the amount of affordable housing now being built in San Francisco.<sup>35</sup>

In November 2015, San Francisco voted for **Housing Bonds** of \$310 million for affordable housing (Proposition A). With these bonds, the city will provide housing for its vulnerable populations such as working families, veterans, seniors, and disabled persons. It also includes the rehabilitation and preservation of affordable rental apartment buildings.<sup>36</sup> Authorities projected the above-mentioned funding sources would not be enough to meet San Francisco's future housing needs, so an increase in property tax to pay off the bonds was also part of Proposition A.<sup>37</sup>

Provided by the Federal Department for Housing and Urban Development (HUD), the **Housing Choice Vouchers** (also known as “**section 8 voucher**”) are a rent subsidy program for lower income groups. The nation-wide voucher covers the difference between the amounts of money a low-income household can pay (30 to 40 percent of their income) and the HUD-determined fair market rent. In San Francisco, around 8,000 units are subsidized by vouchers.<sup>37</sup> However, implementing this system often fails since many landlords refuse to accept individuals with the vouchers.

While San Francisco's housing shortage is not new, Austin was a very affordable place to live until the city's recent population and job growth. As a result



Affordable housing in Austin

of this increase, there is widespread concern that Austin will become a place where only wealthy or very low-income people will live.<sup>38</sup> Currently, there is a shortage of about 48,000 units of affordable housing.<sup>39</sup> Unlike in San Francisco, the use of tools like mandatory inclusionary zoning is not allowed in Texas by state law. The city of Austin is therefore working with other instruments to keep the city affordable for a diverse population.

One tool to keep a neighborhood affordable and attractive for a mixed-income population is the **Community Land Trust**. This model enables the transfer of land into a trust that is managed by

<sup>35</sup> [http://www.sf-planning.org/ftp/files/plans-and-programs/planning-for-the-city/ahbp/AHBP\\_Summary\\_Handout-102915.pdf](http://www.sf-planning.org/ftp/files/plans-and-programs/planning-for-the-city/ahbp/AHBP_Summary_Handout-102915.pdf); <http://www.spur.org/blog/2015-10-26/little-taller-lot-smarter>; [https://www.youtube.com/watch?v=sN\\_w-FR-1QI&feature=youtu.be](https://www.youtube.com/watch?v=sN_w-FR-1QI&feature=youtu.be)

<sup>36</sup> <http://voterguide.sfelections.org/en/affordable-housing-bond>, [https://sfgov.org/elections/ftp/uploadedfiles/elections/ElectionsArchives/2015/Nov/Nov2015\\_VIP\\_EN.pdf](https://sfgov.org/elections/ftp/uploadedfiles/elections/ElectionsArchives/2015/Nov/Nov2015_VIP_EN.pdf)

<sup>37</sup> [http://www.sf-planning.org/ftp/General\\_Plan/2014HousingElement-AllParts\\_ADOPTED\\_web.pdf](http://www.sf-planning.org/ftp/General_Plan/2014HousingElement-AllParts_ADOPTED_web.pdf)

<sup>38</sup> Urban Land Institut — Austin, Housing Works Austin, Real Estate Council of Austin, Austin Area Research Organization: Building and Retaining an Affordable Austin. Executive Summary.

<sup>39</sup> <http://austintexas.gov/page/homestead-preservation-districts>

*Some experts described both cities as having some of the most sophisticated tools available for affordable housing and as being pioneers of a diverse set of planning tools.*

non-profits and keeps the land affordable for 99 years. The land is not only used for housing, but also for community gardens or other benefits. Community land trusts enables lower income residents to become home owners. The model also includes a fixed rate for the house's appreciation to make it affordable for subsequent owners.<sup>40</sup> Costs of land are taken out of the real estate transaction to further make housing affordable. The new City of Austin Community Land Trust is available to individuals with an income of 80 percent MFI or less and provides affordable mortgages to new residents.<sup>41</sup>

Austin's **Density Bonus Program** is an incentive program similar to San Francisco's Affordable Housing Bonus Program, a voluntary program enabling developers to build higher density than the zoning allows. In exchange, the developer has to provide affordable housing units. So far, this program has produced over 1,100 units. The viability of this program comes partly from the fact that it does not require any on-site subsidies.

To finance more affordable housing units, the city of Austin also uses **Affordable Housing Bonds**, the first of which was established in 2006 for a six-year period and included \$55 million. Voters approved the bond measure, which included a tax increase. A later election in 2012 for additional affordable housing bonds failed, but voters did pass a \$65 million housing bond in 2013.<sup>42</sup>

A powerful tool in a growing city is also **Tax Increment Financing (TIF)**. TIF allows property taxes from new development to be used in the community on items such as affordable housing, infrastructure, or open space. To improve housing

<sup>40</sup> <http://www.route50.com/2015/07/collective-land-ownership-cities/117061/>

<sup>41</sup> <https://www.austintexas.gov/department/community-land-trust>

<sup>42</sup> <http://www.austintexas.gov/2013bond>

affordability in the most impoverished areas of town, a **Homestead Preservation District**<sup>43</sup> is created. TIF can then be used in these districts to ensure that property taxes generated by economic development and rising property values are reinvested in affordable housing within them. Currently, Austin has four designated Homestead Preservation Districts.<sup>44</sup> They are especially important in neighborhoods that are affected by gentrification and rising property values, and may help to prevent the displacement of low-to-moderate income households.<sup>45</sup>

Both San Francisco and Austin have named the preservation of housing affordability and neighborhood stabilization to support housing of all levels of affordability and housing choice as an important part of planning for an economically and socially diverse population. Some experts described both cities as having some of the most sophisticated tools available for affordable housing and as being pioneers of a diverse set of planning tools.

For example, Austin is the only city in Texas with an affordable housing bonds program. The city's 2006 housing bonds program totaled \$55 million, leveraged \$196 million in matching grants, and led to both the construction of 3,400 new homes and apartments and around 650 home repairs for low-income homeowners.<sup>46</sup> However, housing experts say that the structural solutions of Austin's challenges have yet to be solved, as neither city is producing enough new housing to meet demand. A housing expert at the University of Texas pointed out that San Francisco's housing market pressure is in general greater than Austin's, but Austin sees more pressure on existing residents. This is due

<sup>43</sup> <http://austintexas.gov/page/homestead-preservation-districts>

<sup>44</sup> *ibid.*

<sup>45</sup> <https://www.austintexas.gov/faq/12-what-tax-increment-reinvestment-zone-tirz>

<sup>46</sup> HousingWorks Austin (2015): Crossroads Housing.

to a lack of rent control and tools to restrain the rate of increase of property taxes, which especially affects low-income homeowners in gentrifying neighborhoods. In contrast, California has capped property taxes at 1 percent of value and limited the rate of increase over time since 1978 (Proposition 13). This instrument and rent control both help to protect low-income residents from displacement.

A regional planner said that planners in the Bay Area have to sharpen their tools, to open their minds and — more than anything else — to be very honest about what they need to do. This may be a painful process, but could lead to substantial gains as a society and as a region for the systemic issues that still plague San Francisco. Reasons for the housing crisis in San Francisco are mainly due to the low production of housing, high costs for building new housing (\$500,000 to \$700,000 for one unit), the loss of affordable housing, and a substantial decline in public funding for housing. Furthermore, interviewees in San Francisco and in Austin reported that many citizens do not want to see any change in their particular neighborhoods, which often delays or stops higher density development in areas that desperately need it.

### **Planning for Connectivity: Transit-Oriented Development**

Due to the increasing desirability to live in more urban places, low- and lower-income households are often pushed out from central parts of town to more remote neighborhoods often with very limited access to public transportation options. In Austin, households spend around one-quarter of their income on transportation, and nearly one-third of all renters pay more than 50 percent of their income on housing.<sup>47</sup> The Housing and Transportation Affordability Index shows that Austin (municipality) residents have to pay around

48 percent of their total income on housing (28 percent) and on transportation (20 percent). In comparison, costs for transportation in San Francisco are much lower at 11 percent, but with 32 percent on housing. In total, a household in San Francisco has to spend around 44 percent of its income on housing and transportation.<sup>48</sup> Both cases show that an important aspect of integrated planning is the connectivity of housing and transportation choices.

Both San Francisco and Austin are pursuing multi-modal transportation investment strategies guided by their comprehensive plans to address the housing and transportation affordable nexus. In terms of planning strategies, a familiar and reliable tool that integrates housing and transportation needs is **Transit-Oriented Development (TOD)**. In Austin, the city is using TOD along a 2010 new light rail commuter line to encourage the development of high-density, mixed-use and affordable housing in a mixed-use setting. So far, 162 TOD affordable housing units have been built in Austin under the city's density bonus programs.<sup>49</sup> Furthermore, the transferability of TOD to rapid bus corridors is currently being discussed in Austin. In interviews with the author, local experts critiqued the TOD strategy as not offering enough options for families and for focusing too much on smaller households. These points are important for the transferability and evolution of TOD policy to Europe, particularly German cities, especially when it comes to increasing the effectiveness of TOD strategies.

### **Small Business Matters: Strong Neighborhoods through Economic Development**

Within the framework of an integrated planning approach, affordable, well-connected

*Both cases show that an important aspect of integrated planning is the connectivity of housing and transportation choices.*

<sup>47</sup> Imagine Austin Comprehensive Plan, P. 29 and P. 44

<sup>48</sup> <http://htaindex.cnt.org/>

<sup>49</sup> Housing Works Austin (2015): Crossroads Housing.

neighborhoods should be complemented by a robust economic development strategy that addresses local business and employment. The city of Austin is working with different place-based tools to address economic growth in all neighborhoods and to decrease poverty, explained an expert from the Department for Economic Development. One is a city-wide commercial revitalization program (Soul-y Austin<sup>50</sup>) to create merchant associations around the city, in order to strengthen distressed neighborhoods. This program offers items such as free architectural services or low-interest business loans. For every \$35,000 a business borrows, one person from the community has to be hired, and half of the employees have to be low-income residents. Around 80 percent of Austin's businesses employ fewer than 20 persons,<sup>51</sup> which underlines the important role of small businesses in the city's economic development.<sup>52</sup> The city's small business program is working to educate and expand at least 10 percent of these businesses and to encourage them to hire local and low-income residents.

In San Francisco, inhabitants are not the only ones affected by displacement; businesses are also, especially smaller ones. San Francisco's **Invest in Neighborhoods** Initiative is an interagency program to strengthen and revitalize commercial districts throughout the city.<sup>53</sup> The program was piloted in 25 commercial districts areas with various strengths and needs. "We are working with

<sup>50</sup> <http://austintexas.gov/soulyatx>

<sup>51</sup> *ibid.*

<sup>52</sup> <http://austintexas.gov/department/small-business-program>

<sup>53</sup> <http://investsf.org/>



Transit-Oriented Development in Austin

the neighborhood, businesses, various city departments, and with for-profit and non-profit organizations to deploy programs to build on strengths and address the needs," said an interviewee from the city's Department for Economic Workforce.



Invest in Neighborhoods identifies the specific needs in these areas and provides services and resources to meet these needs. A base set of services is provided in all pilot commercial corridors, including an economic assessment, dedicated city staff, vacancy tracking, and access to mini-grants. These are in addition to services available city-wide, such as business development technical assistance, financing resources (loan and micro-loan programs), and outreach staff (a team helps smaller businesses to get access to city services and





Small business in Chinatown neighborhood



Small business in Richmond neighborhood

goes door-to-door throughout the neighborhood). These goals often focus on aspects such as:

- Quantifiable economic outcomes (helping existing businesses thrive, job creation, sales tax revenues, lower vacancy rates)
- Quality of life and environmental improvements (safety, cleanliness, walkability, residents' and businesses' satisfaction)
- Increased social capital (build relationships between community members, cultivate local leaders, create stronger connections between city staff, city programs, and the communities that they serve)

# 4 “Informative, but Fun”: Integrated Neighborhood Planning through Public Participation

Often citizens involved in the planning processes do not reflect the demographics — socially and economically — that most cities have. This chapter deals with the question of how cities can integrate a diverse population into the discussions about the future development of their city, drawing from the way the robust public participation process underlies many of the city-wide policies in Austin and San Francisco.

The **Imagine Austin Comprehensive Plan**<sup>54</sup> gives plenty of recommendations to answer that question.<sup>55</sup> The plan was developed and written between 2009 and 2012, and adopted in 2012, with around 18,000 citizens involved in its development. A variety of involvement tools were chosen for integrating this impressively large number of residents.

An important goal of the planning process was the integration of a diverse population. First, a public participation plan was created. Around 70 residents, both self-selected and picked based on their demographics, developed principles for citizen involvement in a first meeting.

Demographic characteristics of participants were monitored, and this monitoring showed that a large variety of citizens had been reached by the Imagine Austin public participation process — including many citizens who often do not participate in planning processes. The monitoring helps city staff and political decision-makers to understand the public input and to undertake additional outreach to underrepresented groups.<sup>56</sup>

<sup>54</sup> <http://www.austintexas.gov/imagineaustin>

<sup>55</sup> <http://www.nlc.org/find-city-solutions/city-solutions-and-applied-research/governance/civic-engagement/bright-spots-in-community-engagement/austin-comprehensive-planning-through-community-engagement>; <http://www.governing.com/topics/mgmt/gov-demise-of-public-hearing.html>

<sup>56</sup> Imagine Austin Comprehensive Plan, A-7

Second, a series of four community forums was held where as many as 6,000 residents joined. The kick-off meeting was intended not only to be informative, but also a fun event. Reflecting the city’s spirit, live music by local acts and food trucks were provided.

During the first of the four community fora, participants were asked to answer three questions:

1. What are Austin’s strengths?
2. What are its challenges?
3. How can the city be improved by 2039?

In this first round of public participation, an innovative method of involving citizens — called “meeting-in-a-box” — was introduced. Citizens could meet at a place most convenient for them using packages (boxes) with related materials that were provided to be picked up or downloaded. Residents could have a discussion in an accessible area without city staff. More than 400 meetings-in-a-box were conducted this way.

Based on this input, a vision statement was developed in the second community forum. Part of the second meeting was also a so-called “chip exercise” to visualize and define areas of Austin’s future growth. More than 60 maps were created as a result of this exercise, which were used to develop five different scenarios of how Austin could grow in the future. These were discussed and ranked in a third round of participation. It was important to leaders of this process within the city of Austin that participants not only ranked the five scenarios, but also gave feedback about what they liked or disliked about each. In the fourth and last forum, the draft plan was discussed and priorities defined. These forums were complemented by more than 100 speaker events throughout the city, discussing urban development trends, challenges, and possible solutions.

*An important goal of the planning process was the integration of a diverse population.*

Further, flexibility (a come-and-go-meeting) was maximized during public meetings to allow people to attend during a window of time. Videos explaining the goals of the plan and the planning process are extremely helpful to make a meeting a come-and-go event.

The city also had a “traveling team” that met with citizens at popular places like festivals, farmers markets, or sporting events around Austin. “We went where people were, and did not make them to come to us,” said an expert from the city of Austin.

The Imagine Austin Comprehensive Plan is recognized as a best practice example of citizen involvement in the United States.<sup>57</sup> The many different outreach tools used for different groups of residents and the involvement of the public in the very beginning of the process were seen by experts as key factors for the success of the process. Unlike many other cities, the city of Austin asked its citizens, from the very beginning of the process, about their views and thoughts on the city’s future development and how they wanted to be engaged in the process.

Another example of involving a diverse population into planning processes is the **Colony Park Plan** in Austin, which was developed at around the same time as Imagine Austin and was described by interviewees from the City of Austin’s Neighborhood Housing and Community Development Department as a “very unsophisticated process to get a sophisticated plan” that changed how they operated. Colony Park is a disinvested and diverse neighborhood in East Austin lacking many services and job opportunities nearby. The planning process for the development of a 200-acre large site started with a “standard”



East Austin

model of planning, including working with a consultant and a few public meetings.

However, local residents did not accept this standard model for their neighborhood. As part of a pilot planning process, the department worked together with the University of Texas and created a new form of citizen involvement. Students “block walked” to the neighborhood and knocked on every door to inform and engage people to be part of the process. Students attempted to “translate” planning terms in an everyday language and to listen to residents who felt left behind for many years and did not trust city staff. This process encouraged more and more citizens to participate in the process of designing their neighborhood. The city even provided transportation, food, and

<sup>57</sup> <https://www.austintexas.gov/department/imagine-austin-knowledge-exchange>

*For [Austin's] future development and for its prosperity, the integration of the diverse population is seen as central. This includes a "fair share" of services and amenities for all citizens and in all neighborhoods.*

child care to enable residents to participate in meetings. The wishes and thoughts these residents articulated for their neighborhood were nothing unreasonable; "they just wanted what everyone else in the city has," including a grocery store, school improvements, better transportation, or medical services, and they wanted to benefit from any new development. During the process, the community became partners of the plan due to the grassroots planning efforts. A plan was created that is accepted by residents and is expected to bring considerable benefits to make this area a "complete" neighborhood.<sup>58</sup>

Making Austin "a place where its high quality of life is available to and accessible for all of its citizens"<sup>59</sup> is an important commitment by the city of Austin. To implement this goal, the City established a **Hispanic/Latino Quality of Life Initiative**<sup>60</sup> in 2008 that includes a lengthy analysis of the current situation of Hispanics/Latinos, community engagement, public fora, and an oversight team. The initiative evolved out of a concern by the Hispanic/Latino population that they were not participating in Austin's current prosperity, and that the city government should be providing additional programs, services, financial assistance and other opportunities to enhance the quality of life for them.<sup>61</sup>

The Hispanic/Latino population is currently the largest minority group in Austin and continues to grow rapidly, already representing around one-third of Austin's population. As part of this initiative, the city took a hard look at a wide range of aspects of quality of life, like education, youth service,

housing and community development, cultural arts, economic development, health, civic engagement and transportation. Eventually, a list of priority items was developed. Main recommendations for improving quality of life were: to establish an equity office, increase health care outreach and education, a celebration of the "Dias de los muertos (Day of the Dead)," and a pilot program on youth leadership. A leading expert of the City of Austin explains the importance of the initiative: "We have known for a long time that the demographics will change; a lot of these young kids will take care of all of us in the future." For the city's future development and for its prosperity, the integration of the diverse population is seen as central. This includes a "fair share" of services and amenities for all citizens and in all neighborhoods. The Hispanic/Latino Quality of Life Initiative is one example of how the city is attempting to be responsive to the concerns of its entire population.

<sup>58</sup> <http://www.austintexas.gov/department/colony-park>

<sup>59</sup> <https://www.austintexas.gov/department/hispanic-quality-life>

<sup>60</sup> An African-American quality of life and an Asian-American quality of life initiative were also established.

<sup>61</sup> [https://www.austintexas.gov/sites/default/files/files/City\\_Manager/HispanicReport-ver\\_6-0901\\_13.pdf](https://www.austintexas.gov/sites/default/files/files/City_Manager/HispanicReport-ver_6-0901_13.pdf)

# 5 Portraits of Selected Neighborhoods in San Francisco and Austin

Today's desirable places to live are often located in the urban core or areas close to it. For a long time, these areas were places where capital fled and where lower income residents could move to. The challenge many growing cities are facing is to improve quality of life in these neighborhoods while also protecting long-time residents and especially lower income groups from displacement. The following section describes three different neighborhoods and how policies play out at the hyper-local levels: San Francisco's Tenderloin and Mission District and Austin's Mueller neighborhood.

## San Francisco

Located in the center of the city and in walking distance to exclusive hotels is the **Tenderloin**. It is characterized by a high percentage of lower-income residents, including a poverty rate that is more than double the San Francisco average, a very diverse population, and a high population density. The percent of housing units that are permanently affordable and single room occupancy units (SRO) is significantly higher than the city's average. The preservation of SROs and residential hotels is regulated under the Residential Hotel Conversion and Demolition Ordinance from 1981; around 19,000 SROs provide small apartments for lower income residents, most of them in for-profit residential hotels (around 70 percent).<sup>62</sup> Surrounded by areas experiencing gentrification, the Tenderloin is seeing changes too (Twitter recently opened a nearby office), but in a less intense way than other parts of San Francisco.

The focus in this neighborhood is to preserve existing affordable housing units while improving the neighborhood, such as through redeveloped parks. The Tenderloin is characterized by a lack of open space and recreation sites. The newly



Tenderloin neighborhood in San Francisco

redeveloped Boeddeker Park is now a green oasis in the middle of a dense urban area. The park includes a playground, basketball court, garden, lawn, benches, sport facilities for adults, and a community meeting room.<sup>63</sup>

An example of improving quality of life through urban design is the "Better Market Street" program. Through this program, Market Street, which is goes though the Tenderloin Neighborhood, will be substantially redesigned. Part of the program is the "Market Street Prototyping Festival" (MSPF), an initiative that tests public space ideas on the sidewalks of Market Street. The goal of the initiative

<sup>62</sup> [http://www.sf-planning.org/ftp/General\\_Plan/2014HousingElement-AllParts\\_ADOPTED\\_web.pdf](http://www.sf-planning.org/ftp/General_Plan/2014HousingElement-AllParts_ADOPTED_web.pdf)

<sup>63</sup> <http://www.sfgate.com/bayarea/article/Tenderloin-s-challenge-keeping-Boeddeker-Park-5948866.php>



Tenderloin neighborhood in San Francisco



is to figure out which improvements work in which areas and find ways for more interaction and vitality on the streets. With temporary design, different solutions are tested.

The community's reaction to these test projects was very positive, said a planner from the city's Urban Design Team, since there was no risk to the community. "If they do not like it, we can take it out."

To include the diverse population in planning processes and to inform residents about opportunities to engage, the Tenderloin Neighborhood Development Cooperation provides

monthly local planning classes, which 10 to 30 residents join.

In nearly all San Francisco interviews, interviewees mentioned the **Mission District**, a diverse neighborhood with a large Latino population, located close to downtown and with excellent access to public transit, as a community of concern. The Mission is facing an intense gentrification and displacement process. Around 10,000 residents were affected by displacement in the last 5 to 10 years, and many long-term residents are concerned about significantly increasing rents

and new luxury apartments. The average rent for a two-bedroom apartment in the Mission District is roughly \$5,000 and is therefore not affordable for lower or middle-income residents.

The Mission Action Plan 2020 is intended to strengthen the community by helping low- and moderate-income households, small businesses, and non-profit organizations to remain in the area, therefore helping to preserve the socioeconomic diversity of the Mission. Another idea to empower the neighborhood is the creation of a cultural district (Calle 24).<sup>64</sup> Whereas, the Tenderloin is characterized by a high percentage of permanently affordable housing units, the lack of these units and prevalence of privately owned land are among the Mission's challenges. One goal is therefore the extension of permanently affordable housing units. "This is not a neighborhood that was not aware what was going on," said a researcher. Plans for TOD and higher density along transit

<sup>64</sup> <http://www.sf-planning.org/index.aspx?page=4184>



Designing strong neighborhoods in San Francisco

stations were not realized because residents did not want these changes. Over the course of several decades, nearly no new buildings were constructed in the neighborhood. The Mission District is characterized by strong neighborhood organizations and a strong citizen's participation. Like in the Tenderloin, non-profits teach lower income residents about what planning means and how they can speak-up for their needs.

The ongoing gentrification is seen as a process that cannot be stopped, but adding affordable housing may slow it down. One instrument is a city-wide housing bond fund that includes \$50 million<sup>65</sup> to build affordable housing in the Mission District. The bonds were described by interviewees as

<sup>65</sup> Costs for one housing unit: \$500,000-700,000 plus costs for property.



The Mission District in San Francisco

“better than nothing,” but due to the high costs for land and building, it is unclear how much of an impact these bonds can actually make.

A former member of the San Francisco Planning Commission explained that the community is looking for a way to preserve the culture in the neighborhood, without completely stopping new developments. The aim is a balance between preserving and integrating new developments.

**Austin**

An example of a newly built complete community is the award-winning<sup>66</sup> **Mueller redevelopment** in East-Austin. Located approximately three miles from downtown, the Mueller neighborhood was built on the site of a former airport. The 700-acre

<sup>66</sup> <https://www.planning.org/awards/2015/hud/>



Mueller neighborhood in Austin.

Mueller neighborhood in Austin

development is a mixed-used neighborhood based on planning principles of New Urbanism. In total, 13,000 residents, 13,000 jobs, and 140 acres of new parks and greenways are planned for this area. With the Mueller Master Plan, the city of Austin is looking for new ways to handle its growth and to achieve a model for new urban development, said a planner from the city of Austin Economic Development Department. Looking to build a compact, mixed-used, bike- and pedestrian-friendly neighborhood, the city is testing alternatives to a land-consumptive and automobile-oriented way of living.

The Mueller development has six overarching goals:

1. **Sustainability** through efficient use of energy and water, resource protection, a variety of transportation choices, watershed protection, and green space preservation

2. **Diversity and affordability** due to a wide range of housing options and 25 percent affordable housing for a socially and economically diverse community. The regulations foresee that affordable housing has to be provided in all sections of Mueller and that affordable and market-rate housing is not different in design, so affordable housing is not differentiable. Around 1,400 new units for residents whose income is below 80 to 60 percent of the median family income are planned.

3. **Fiscal responsibility** will create a positive revenue stream that will fund on-site infrastructure, so the higher tax base will be used for the benefit of all citizens.

4. **Economic development** through the creation of 13,000 new jobs. Mueller will function as a town



center that provides many different employment options. The Dell Children’s Hospital is one of the larger employers in the neighborhood.

5. **Compatibility with surrounding neighborhoods** will ensure that the new development is well integrated. This includes, for example, transportation options and compatible land uses.

6. **East Austin revitalization** through economic development opportunities that give local residents new opportunities.<sup>67</sup>

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<sup>67</sup> <http://www.muelleraustin.com/>

Whereas there was skepticism about this new style of development in the beginning, it became popular and desirable very quickly. The Mueller development “Demonstrates that you can have all kinds of affordable housing in the community with no problem,” said a researcher from the University of Texas, and that “We can do a different kind of development.”

# 6 Insights from U.S. Strategies for Integrated Urban Planning for Cologne and other European Cities

**M**any growing cities in the United States and in Germany, like Cologne, are facing similar challenges to the two selected case study cities, San Francisco and Austin, but to a less extreme extent. San Francisco's housing crisis is a story of extreme supply constraints, and Austin is growing much faster than most other cities. Given this, policies made now in San Francisco and Austin are of tremendous interest for many other cities. This chapter summarizes the main lessons learned for Cologne and other European cities.

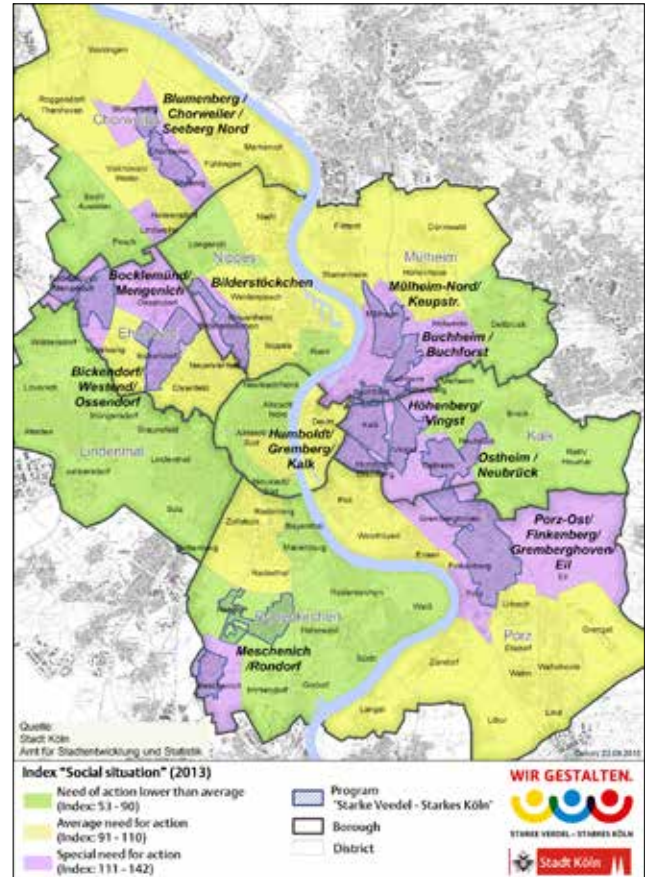
## Don't Just Plan, Implement!

To handle complex challenges, growing cities should create an integrated planning approach that covers many different aspects of quality of life, such as housing, transportation, access to services, health, and community involvement. A city-wide general plan, comprehensive plan, or concept can support this.

## Integrated Neighborhood Plans & Projects

Integrated planning looks at the city as a whole as well as at the neighborhoods, especially distressed ones. Therefore, neighborhood-scale projects and programs can be seen as one successful method to improve quality of life and strengthen social cohesion. Every neighborhood is different and requires different actions and activities. Nevertheless, a framework or a base service can be used for the improvement of different neighborhoods.

The city of Cologne is currently working on an integrated urban development concept to increase



Strong Neighborhoods- Strong Cologne (Starke Veedel- Starkes Köln)

quality of life in its most deprived neighborhoods (Strong neighborhoods - Strong Cologne<sup>68</sup>).

These areas are all characterized by a higher-than-average unemployment rate, a large amount of recipients of social welfare, and children growing up in poverty. The selection of these neighborhoods was based on urban development monitoring using 14 different indicators to measure the social situation. Three different neighborhood types are part of the program: large housing estate neighborhoods at the periphery, old industrial

<sup>68</sup> <http://www.stadt-koeln.de/politik-und-verwaltung/stadtentwicklung/starke-veedel-starkes-koeln>

areas close to downtown, and working class neighborhoods. The concept contains actions for improvement of the social, economic and environmental situation, transportation, and urban design. With a common approach and basic tools, the city plans to improve the social situation in all selected areas.

Integrated programs on a neighborhood scale in both San Francisco and Austin show how city-wide strategies can strengthen neighborhood-level economic development and urban design in general. Nonetheless, investments in communities of concern do not always find full acceptance. Many interviewees in San Francisco shared experiences of physical improvements that were rejected in some neighborhoods for fear that any investment will be shortly followed by gentrification. In these cases, only actions the neighborhood actually wants will be implemented, so special attention should be paid to public participation processes.

### Housing Affordability is Critical

Affordable housing is a key strategy to keep growing cities attractive and affordable for all citizens while improving quality of life in disinvested neighborhoods and not creating displacement. Like most growing cities, Cologne is affected by increasing costs of housing and gentrification. Cologne's demand for affordable housing is not met by the supply of around 40,000 public housing units. The supply has in fact decreased from around 22 percent of all housing units in the 1990s to 7 percent today.

Cologne's urban development concept on housing (*Stadtentwicklungskonzept Wohnen*)<sup>69</sup> was approved in 2014 and is currently in the implementation phase. New methods and tools to handle the city's growth are in development, for



Neighborhoods of concern in Cologne

instance the already adopted inclusionary housing model (*Kooperatives Baulandmodell*) or the extension of the so-called “*soziale Erhaltungssatzung*,” a planning tool that is used in areas affected by gentrification to reduce the transfer of rental apartments into condominiums or to avoid luxury renovations. Part of the way to handle Cologne's growth is to build new neighborhoods, for example, in central locations and on brownfields.

<sup>69</sup> <http://www.stadt-koeln.de/politik-und-verwaltung/stadtentwicklung/wohnen>

*Affordable housing is a key strategy to keep growing cities attractive and affordable for all citizens while improving quality of life in disinvested neighborhoods and not creating displacement.*

Despite all the tools in place, all interviewees saw the challenge of keeping the cities affordable and attractive for all citizens as tremendous. This is especially true in San Francisco where the market is changing faster than nearly anywhere else, said a researcher, but nowhere is it possible to design a policy for zero displacement. Most interviewees expressed a need for a general increase in housing supply, as much of today's housing shortage stems from a legacy of undersupply.

### **Prioritize Public Participation and Integrate Diverse Stakeholders into Planning Processes**

Using multiple methods of public engagement is the most effective way to integrate a diverse population in the planning process. This integration challenge, especially for lower-income residents, exists in many cities, including Cologne. Only 40 percent of Cologne's residents participated in the last election of a new mayor; in one neighborhood with a high percentage of low-income residents, only 15 percent voted. Using multiple methods of public engagement is most successful for the integration of a diverse population, so a city-initiative (*Leitlinienprozess zur Beteiligung von Bürgerinnen und Bürgern*<sup>70</sup>) is currently underway to design a new guideline for public participation. New methods of public participation have already been used in the planning of neighborhoods like "Parkstadt Süd" or "Deutzer Hafen."<sup>71</sup>

In particular, the unsophisticated outreach to residents in San Francisco and Austin can be a model for other cities, as can the use of tools like meeting-in-a-box. Asked about successful methods of integrating a diverse population into planning processes, interviewees mentioned additional

<sup>70</sup> <http://www.stadt-koeln.de/politik-und-verwaltung/mitwirkung/leitlinien-buergerbeteiligung/>

<sup>71</sup> <http://www.stadt-koeln.de/leben-in-koeln/planen-bauen/projekte/deutzer-hafen/>; <http://www.stadt-koeln.de/leben-in-koeln/planen-bauen/projekte/parkstadt-sued/>

factors such as like transportation, language service/translation, food, childcare, and outreach to community organizations, schools, or churches. It was seen as important to integrate existing organizations and to give them the feeling that they are being heard.

Another aspect is the creation of public participation that is not only informative, but also enjoyable. Examples of the public meetings for the Imagine Austin Comprehensive Plan that had food trucks and live music or walking tours through neighborhoods show that public participation can be multi-dimensional. The development of trust between communities and the city staff are crucial to integrating a diverse population into planning processes. Multilingual city staff members are critical for getting this relationship off the ground.

### **Policy Recommendations for Cologne's New Strategic Urban Development Plan**

The city of Cologne is working on a new strategic and sustainable urban development plan. Based on the lessons learned in both case study cities, the following points are recommended for consideration in the development of this new plan:

- An integrated urban development concept is a guideline for a city's future urban development. Therefore, it needs to integrate different stakeholders and perspectives. Careful attention may be given to participation processes, and planners should be open to new and innovative tools to reach out to groups that are currently underrepresented in urban planning processes.
- Designing a concept that is accepted by many, but is still powerful enough to guide the city, is a key challenge. This risk can be reduced by connecting the plan/concept with implementation actions and a regular

evaluation process with performance measures and milestones for mid- and long-time targets.

- It is important for the implementation of a strategic concept to be linked to the city budget and/or decisions made on city-owned land.
- A basic part of integrated urban development concepts is the incorporation of different elements, like housing, transportation, environment, urban design, neighborhood development, land use, and many more. It is central to connect these aspects to each other, for example by designing priority areas that are not related to just one city department.

Today's growing cities face big challenges such as demographic and social changes, housing affordability and displacement, transportation, social polarization, climate change, and economic shifts. On the other hand, the increased appeal of living in dense, mixed-uses places creates big opportunities for many cities. An integrated planning approach that effectively incorporates public engagement throughout a city, in a diversity of neighborhoods, and that utilizes a multitude of planning tools organized under a comprehensive vision, can be an effective method to guide the city's future.

# 7 Appendix: List of Interviewees

## San Francisco

### Planning Department

- Andrea Contreras, Environmental Planner
- Kimia Haddadan, Citywide Planning, Legislative Affairs, Planner
- Patrick Race, City Design Group, Planner/Urban Designer
- Jon Swae, Sustainable Development Program, Lead Planner
- Steve Wertheim, City-Wide Policy & Analysis, Planner

Claudine del Rosario, City of San Francisco, Mayor's Office of Housing & Community Development

Jorge Rivas Jr., City of San Francisco, Office of Economic and Workforce Development

Cindy Wu, City of San Francisco, Planning Commission

Christina Olague, former member of Mission Anti-Displacement Coalition and former supervisor of the Planning Commission, Mission Neighborhood Resource Center

Doug Johnson, Metropolitan Transportation Commission, Senior Planner

Miriam Chion, Association of Bay Area Governments, Regional Planning Director

Tim Colen, San Francisco Housing Action Coalition, Executive Director

Egon Terplan, San Francisco Bay Area Urban Planning and Research Association (SPUR), Regional Planning Director

Rachel Brahinsky, University of San Francisco, Leo McCarthy Center of Urban Affairs, Chair and Professor

Raquel Pinderhughes, San Francisco State University Urban Studies and Planning Department, Faculty Director

R. Sean Randolph, Bay Area Council Economic Institute, Senior Director

Brian Solange, American Planning Association - California Northern, San Francisco Regional Advisory Council (RAC), Director

Elisabeth Wampler, The San Francisco Foundation Great Communities Collaborative, Associate Initiative Officer,

Natalie Bonnewit, Bonnewit Development Services, Principal

Alexandra Goldmann, Tenderloin Neighborhood Development Corporation, Community Planner

Claire Evans, Tenderloin Neighborhood Development Corporation

## Austin

### Planning Department

- Gregory Guersney, Planning and Zoning Department, Director
- Matthew Lewis, Planning and Development Review Department, Urban Design and Comprehensive Planning, Assistant Director
- Mark Walters, Planning and Development Review Department, Principal Planner
- Tonya Schwartzendruber, Planning and Development Review Department, Urban Design Division, Principal Planner
- Matthew Dugan, Development Services Process Coordinator
- Garner Stoll, Board of Directors for the Austin Chapter of CNU; former executive in charge of the development of Imagine Austin

Larry Schooler, City of Austin Community Engagement Division, Mediator, Facilitator, and Manager

Kevin Johns, City of Austin, Economic Development Department, Director

Christine Freundl, City of Austin, Economic Development Department, Project Manager Mueller and Colony Park

Ray Baray, City of Austin, City Manager's Office, Chief of Staff

Marion Sanchez, City of Austin, City Manager's Office

Betsy Spencer, City of Austin, Neighborhood Housing and Community Development, Director

Regina Copic, City of Austin, Neighborhood Housing and Community Development, Real Estate Development Manager

Sandra Harkins, City of Austin, Neighborhood Housing and Community Development, Project Coordinator

Heather Way, University of Texas, Texas Law, Director

Elizabeth J. Mueller, University of Texas, School of Architecture, Community, and Regional Planning, Associate Professor

Jake Wegmann, University of Texas, School of Architecture, Assistant Professor

Charisse Bodisch, Austin Chamber of Commerce, Senior Vice President

Mandy De Mayo, HousingWorks Austin, Executive Director

Kathy Tyler, HousingWorks Austin, Board of Directors

John Henneberger, Texas Housers, Texas Low Income Housing Information Service, Co-Director

Karen Paup, Texas Housers, Texas Low Income Housing Information Service, Co-Director

Chris Schreck, Capital Area Council of Governments, Economic Development Manager

Scott Morris, Central Austin Community Development Corporation, Director

Bo McCarver, Blackland Community Development Corporation, Chair

Adam Stephens, Central Austin Neighborhoods Planning Advisory Committee

Julio Gonzalez Altamirano, Keep Austin Wonky, author



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