

Chipping away at builders' access

■ City has been toughening rules on industry not used to it here

By MIKE SNYDER
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Houston's real estate developers, who have long enjoyed a unique role as the city's unfettered engines of growth, suddenly find themselves on the defensive as they scramble to confront a flurry of policy initiatives affecting their industry.

In the past year, the City Council has strengthened rules for protecting historic buildings, required developers to set aside land for parks and tried to give neighborhood leaders more influence over the shape of new development surrounding them.

Various officials and committees, meanwhile, are working on new rules for development in transit corridors, policies to encourage and guide urban mixed-use developments and requirements for traffic impact studies of certain high-density projects.

Collectively these efforts are a bit of a shock to an industry accustomed to limited local regulation in the nation's only major city without zoning.

"I've been in this business for 35 years, and I've never seen this much change at one time," said Jim Box, a consultant who is active in development organizations and was a close associate of Walter Mischer Sr., the legendary Houston developer, banker and power broker who died in 2005.

Questions about how to

THE JUMP PAGE

DEVELOP: High-rise plan put focus on issue

balance development and neighborhood interests have resonated at City Hall for years as central Houston grew denser and neighborhood groups became more adept at getting their message across.

In the past few months, these issues have been brought into sharp focus by a dispute over a single structure that might never be built.

Responding to protests over a planned 23-story building at 1717 Bissonnet, city officials are drafting an ordinance that would impose the city's first requirements for traffic impact studies of new developments. These rules, which would apply only to high-density buildings that meet specific criteria, would require developers to take steps to reduce the impact of their projects on congestion in surrounding neighborhoods.

Regulation concerns

Among the audience at the first City Council committee meeting on the ordinance last month were lobbyists for the Greater Houston Builders Association, the Houston Apartment Association and Perry Homes, the Houston home building firm whose founder, Bob Perry, is a major Republican campaign contributor.

The GHBA represents single-family home builders; Perry Homes builds suburban subdivisions and urban townhome projects. Neither would be directly affected by the ordinance the committee was discussing, but the lobbyists said their concerns were more general.

This ordinance is the latest in a series of city policies that create a sense that the rules are constantly changing, compromising the consistency that's vital to getting development projects financed, said Adam Aschmann, the GHBA's government affairs director.

"It could set a precedent that affects the financial community's willingness to lend money for the development community as a whole," Aschmann said.

Andy Teas, Aschmann's

counterpart at the apartment association, said Houston's business- and development-friendly environment has served it well. He urged officials to move cautiously.

"Our members are concerned at the increase in regulation, not just on development but on business generally," Teas said, suggesting that city officials were "trying to impose a government policy solution on a market problem."

There are signs, however, that some developers have concluded that changes in the way they do business are inevitable. Aschmann and others who represent real estate interests have worked side by side with city staffers and neighborhood leaders on committees studying various aspects of Houston development patterns.

In addition, developers have raised \$1.5 million, some of which will pay for academic research on the best methods to measure traffic impacts of high-density developments, said Councilwoman Anne Clutterbuck, whose district includes the site of the Bissonnet high-rise.

They will provide the research to the city to help make the ordinance as effective as possible, Clutterbuck said.

She said developers have told her recently that they want to work with neighborhoods to ensure that whatever new rules are developed are clear and consistent.

Neighborhood activists say the best way to respond to their concerns while satisfying developers is through a fundamental reform of the city's development code, known as Chapter 42. The city's efforts thus far, they say, reflect a fragmented

approach that's unlikely to be effective.

Widespread changes?

The current work on a high-density traffic impact ordinance is a good example, said Jane Cahill, an activist who helped her Old Sixth Ward neighborhood secure stronger protections for its Victorian-era houses.

"That's a spit-and-chewing-gum approach that doesn't even come close to solving the development crisis in the community," Cahill said. "They need a global approach."

David Crossley, the president of the Gulf Coast Institute, a nonprofit focused on planning and quality of life issues, said the uproar over the Bissonnet high-rise could inspire a new, form-based development code that seeks to keep buildings comparable in scale to the surrounding neighborhood.

"The Planning Commission suffers this kind of fight almost weekly, and almost always the citizens leave in a frustrated huff, told that there's nothing anybody can do to save their neighborhood," Crossley wrote on a blog, *Process*, on the institute's Web site.

White, however, has shown no indication that he's interested in widespread changes. He made it clear that the Old Sixth Ward historic protections would apply only to that neighborhood, and he has instructed his staff to keep the high-density traffic impact ordinance narrowly focused.

In a recent interview, the mayor indicated that he generally favors market-based rather than government-imposed solutions to development problems.

"I'm perhaps a stronger believer in markets and consumer

choice on some issues involving development than some people who might vote in the Republican primary," said White, a Democrat.

Chronicle reporter Matt Stiles contributed to this report.

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TOUGHER RULES

Some city policies recently enacted or under discussion that affect the development industry:

■ **Preservation:** City Council created Houston's first protected historic district in the Old Sixth Ward, shielding more than 200 buildings from demolition.

■ **Parks:** Council agreed to require developers to set aside land in their developments or pay a fee to help expand city park system.

■ **Lot sizes:** City Council amended procedures for neighborhoods to petition for minimum lot sizes to limit density.

■ **Urban transit corridors:** Planning department and consultants working on new development rules and standards for streets and other infrastructure in transit corridors.

■ **Traffic impacts:** City officials working on ordinance that would require traffic impact studies for certain high-density projects; prompted by furor over planned high-rise at 1717 Bissonnet.