



Historic Preservation: Preservation in the Progressive City

Debating History and Gentrification in Austin

By Jeffrey Chusid

A city taskforce, spurred on by activists, planned to save East Austin by rolling back historic preservation laws

Most residents consider Austin, Texas, an enlightened, progressive city. Home to one of the nation's premier research universities, a renowned live music scene, Lance Armstrong, and the homegrown Dell Corporation, this blue dot in a red state has consistently ranked high in various surveys of "best places to live in America." But its political maverick status has frequently put the city on a collision course with conservative state legislators, who seem to have a penchant for passing bills that reverse city ordinances.

One such case recently led to a major battle in Austin over gentrification and historic preservation—a five-year long public controversy that generated several task forces and expert studies, as well as uncounted pages of newspaper coverage. In the process, the debate nearly terminated the city's 30-year-old practice of protecting historic properties, pitted neighbor against neighbor, and brought into public discourse some unpleasant realities about modern American urban life from which most Austinites probably imagined themselves immune. The story of this debate underscores the complex relationship between gentrification and preservation, and how difficult it can be to measure their relationship. Ultimately, the Austin debate outlines ways in which preservation can be used to combat displacement and a loss of cultural identity, but it also demonstrates the limitations faced by an individual municipality attempting to counter national—even global—economic and political forces.

A FRACTURED CITY

The population of Austin has roughly doubled every twenty years since the city was founded in 1836, and that rate of growth is expected to continue. It is now larger than Boston, Seattle, or Washington, D.C. The city has sprawled westward across its scenic yet ecologically fragile hill country landscape, which overlies the Edwards Aquifer, a major source of drinking water for the region and of the many springs and creeks that nourish native flora and fauna. To control this growth, Austin's voters in 1992 adopted the growth-control Save Our Springs (SOS) Ordinance through a citizen initiative. State lawmakers and local developers, however, passed legislation rendering the SOS ordinance largely ineffective. At the end of the decade, Austin responded by adopting a set of planning incentives under the rubric of Smart Growth; instead of restricting development in ecologically sensitive areas, they would reward developers for building in non-sensitive areas.

Smart Growth, however, had a rocky reception. Initially, historic preservation advocates perceived it as a devious strategy for developers to gain access to historic districts, and as a threat to neighborhood character across the city. But the more resounding outcry came from community groups in East Austin, who perceived that Smart Growth encouraged construction in their neighborhoods—neighborhoods that are poorer and have larger minority populations than elsewhere in the city.

East Austin lies on one side of Interstate 35, a major north-south artery that bisects Austin geographically, historically, and socially. West of the line, the fragile, dry, and rocky landscape advances toward the High Plains, while to the east, rolling prairie and bottomlands mark a landscape of deep soils and plentiful water. Cotton and Southern Plantation culture, which included slavery, ran from the Atlantic all the way to Austin's central divide. West of the divide, where ranching predominated, was populated in large part by liberal free-thinkers who had fled the 19th-century revolutions and counter-revolutions in Central Europe. As a result, I-35 has come to represent Austin's political and cultural divide, helping to explain its vacillation between conservative and liberal viewpoints.

It also explains the divisions between multi-cultural and Anglo-dominant communities. Minorities have always been part of Austin's history. African Americans, both slaves and freedmen, had a significant presence in Austin since its founding. Hispanics historically accounted for a much smaller percentage of the population, and when their numbers started increasing in the late 19th century, the city drove them out. Despite several well established freedmen communities in the western part of the city, including Clarksville, which would later become one of Austin's first National Register Districts, in 1928 the city adopted a new Master Plan that segregated public facilities, and which urged that "all undesirables"—meaning both industrial uses and minority citizens—be moved to East Austin. City officials implemented the plan successfully, and most blacks who had been living in the western half of the city were "relocated" back to the former plantation lands, on the other side of I-35—what was then a broad boulevard called East Avenue. Austin became a segregated city, with an eastern half composed of isolated pockets of European settlement, such as Swede Hill, surrounded by growing communities of African Americans and Hispanics.

CLASHING PERSPECTIVES ON NEIGHBORHOOD GROWTH

Fast forward to 2000. Austin is Richard Florida's poster child for the New Creative Class. Its citizens have the 9th highest median income in the country according to 2000 Census figures. In East Austin, Smart Growth has been adopted, a redevelopment agency has been established, and the city airport has been moved ten miles to the southeast while its former East Austin site is master planned as a "New Urbanist" community. At the same time, in just 30 years, Austin has gone from the city with the best housing affordability index in the country to the most expensive housing market in Texas, and one of the most expensive of any large non-coastal U.S. city. East Austin neighborhoods, only a few blocks from a growing downtown and an enormous university, are increasingly seen as hip and funky—the place to go for entertainment, great food, and a cute, affordable house. Crime rates are relatively low, and gang activity is negligible, and although the schools are poor, that doesn't seem to deter musicians, grad students, or young professionals from contemplating a move east. Inadequate local services and a dearth of supermarkets matter little to residents with cars, and improved goods and services are following the new populations to the area anyway.

This widespread and benign public perception of East Austin was soon loudly challenged, however, by People in Defense of the Earth and Her Resources (PODER), a group of local activists. Formed in the mid-1990s to force the removal of a leaking gasoline tank farm endangering the health of East Austin residents, PODER, in an unrelenting drumbeat of press releases, testimony at public hearings, special events, and interviews, painted a completely different picture of East Austin development. PODER described an "influx of wealthy whites" who were "displacing the traditional black and Hispanic communities." East Austin, they claimed, had been "marketed to affluent, largely Anglo, home buyers," and growing real estate values, combined with the historic preservation and Smart Growth policies, had resulted in "gentrification."

PODER's Exhibit A was the wholesale rehabilitation of historic residences, which not only allowed whites and "well-heeled professionals" to play with

bargain-priced attractive homes, but led to a rise in property values that “mess[ed] with everyone’s tax base ... as much as a mile around,” said PODER founder Susana Almanza, in an interview in a Ford Foundation newsletter. This drove out the very working-class population that built East Austin’s neighborhoods. According to PODER, new owners of historic properties also received huge, permanent, historic property tax exemptions, while poor folk surrounding the upgraded homes not only had to pay more for the enhanced value of their own, less attractive, houses, but then had to make up the missing tax revenue lost to the exemption. “That’s the main thing that is displacing people and making them feel that they have no choice but to sell out,” said Almanza.

PODER’s anti-gentrification, anti-historic preservation campaign got results. Several Austin City Council members took the claims seriously, and the city held a series of public hearings and Council discussions on the topic. Publicly, everyone in City Hall expressed dismay at the situation. Preservation groups and city staff, however, quietly pleaded for a more careful analysis. Mayor Will Wynn, an architecture school graduate and former board member of the Heritage Society of Austin, the city’s main preservation group, listened, as did several other council members. Over the next several years, the city established two citizen task forces and conducted at least two internal staff studies of the matter. They examined gentrification in East Austin, the impact of historic designations and other preservation policies on housing prices and displacement, and whether to rewrite or abandon historic tax exemptions—or even scrap the city’s historic preservation ordinance altogether. A steady stream of articles in the Austin American-Statesman, the weekly Austin Chronicle, and the University of Texas’s Daily Texan kept the issue in the public’s consciousness, and other public and private entities entered the fray, from the Heritage Society, which hosted a public symposium on gentrification, to the Capital Metropolitan Transit Authority, which issued a large report in 2005 on “best practices” to combat gentrification.

UPON CLOSER EXAMINATION

Many of PODER’s alarms seemed real at first. East Austin’s African-American population had dropped by over 25 percent since 1980, while the white population in at least one neighborhood near downtown increased by 30 percent. Property values—and property taxes—doubled in East Austin between 1990 and 2003, with the values of historic homes in East Austin increasing even more. Over the next several years, however, as the city staff studies analyzed the meaning of these numbers and their relationship to gentrification, a different picture began to emerge.

The African-American population in Austin had actually been in decline for years, marked by a steady flight to surrounding suburbs. This exodus began well before 1990 and had actually resulted in scattered areas of vacant houses throughout East Austin. In a perverse way, the effective end of segregation in the 1960s and ’70s made many of the community’s cultural institutions, from jazz clubs to black colleges, both less necessary and less viable. At the same time, neither true integration nor a new set of institutions rose in their stead, leaving the community adrift. As one ex-resident said in a radio interview, “There’s nothing here for us.”

Meanwhile, the supposed white influx into East Austin was actually an overall decline during the 1990s, from 24 to 17 percent of area population. East Austin did experience a significant increase in Hispanic population, however, from 30 to over 50 percent of area residents, doubling in actual numbers. Property values did skyrocket, but they still lagged behind increases in the rest of the city, and East Austin homes, at a 2005 median price of \$103,000, remained considerably cheaper than the city’s median home price of \$155,000. Despite increases in property values and taxes, East Austin homeownership levels remained roughly constant at 44 percent throughout the boom, a proportion that still leads the city.

Most importantly from the point of view of the preservation community, historic homes turned out to be irrelevant either as a factor in tax assessments or as a drain on the public weal. In fact, only 28 properties in East Austin were designated as landmarks and eligible for a tax exemption, out of a total of 13,823 parcels.

Overall, the various city staff studies suggested that historic preservation played a relatively minor role in East Austin’s evolution. One study even concluded that preservation could help in conserving ethnic communities and their institutions, and in maintaining affordable housing. Evidence of this phenomenon came from property value assessments in two East Austin National Register Historic Districts. National Register districts in Austin adhere to voluntary design guidelines and oversight from the city’s Landmarks Commission, but the properties do not get tax breaks. Even though residents of the two districts pulled a higher number of building permits than the rest of East Austin, home prices actually rose slightly less than the area average. In fact, the historic district status mitigated market pressures because it disallows the high-density construction that their proximity to downtown would suggest as the “highest and best use” for the land.

The protection from skyrocketing housing prices has not been lost on other inhabitants of East Austin. Since the adoption of Austin’s new Neighborhood Planning framework, all of the five plans produced by East Austin neighborhoods have called for updated historic resources surveys, increased designations of individual buildings and local districts as historic, rehabilitation incentives, and preservation education. One plan explicitly identifies districts as powerful mechanisms for maintaining affordable housing, because they prevent indiscriminate demolitions and unsympathetic or out-of-scale additions and infill construction. An East Austin community leader has stated that historic districts may also halt the influx of sub-standard housing built by absentee landlords.

TURNING A TASKFORCE TO BETTER ENDS

Despite early results from the studies revealing little connection between gentrification and historic preservation, in 2003, the City Council decided to form a “Historic Preservation Taskforce” to further investigate the matter. In fact, the new taskforce had a clearly broader charge than East Austin gentrification. It included, explicitly and implicitly, reviewing how much the city was losing by granting preservation tax abatements, and finding ways to change the Landmarks Commission to make them less obstreperous and more sympathetic to developers. For almost a year, the taskforce, primarily made up of city commissioners, developers, and lawyers, examined every aspect of historic preservation in Austin and seemingly came extremely close to recommending an end to preservation as a city policy. Several taskforce members were not terribly subtle about seeing their job as putting a halt to a string of recent preservation victories. Only an enormous effort by a handful of preservation advocates and professionals, working nights and weekends, holding meetings, writing letters and white papers, and attending public hearings, influenced the taskforce enough to keep preservation policies in Austin alive.

The taskforce made several significant changes to Austin's preservation regulations; however, the degree to which the resulting changes in the preservation ordinance have weakened preservationists remains to be seen. The city greatly reduced the automatic tax exemption granted to all new historically designated properties. (Interestingly, the 1981 Austin Preservation Plan had predicted this change, identifying the practice of tax exemptions as divisive and a disincentive for the city to designate properties.) The taskforce also recommended reducing the number of members and eliminating seats reserved for specific professional representatives on the Landmarks Commission. More importantly, the city significantly tightened the criteria by which a property could become an Austin landmark.

While PODER, developers, and most elected officials were trying to weaken preservation in Austin, many neighborhood associations and community groups used the taskforce as an opportunity to expand preservation protections considerably. Austin's fourteen National Register districts bestow prestige on the city and a measure of protection from federally funded projects, but what Austin had always lacked was a local historic district designation, which is the only real protection for a neighborhood on a day-to-day basis. Local designation can be enforced where it counts: at the building department where demolition and alteration permits are issued. The head of the taskforce had long opposed local districts, however, so it was a bit of sweet irony for Austin preservationists that there was near unanimous support for these districts on the taskforce; they were both recommended and implemented.

Now all existing Austin National Register districts can become local historic districts once they fulfill the new regulatory requirements, such as preparing design standards for new construction and alterations in concert with the city's historic preservation officer. The local ordinance thus provides a much greater incentive for neighborhoods to create their own districts. In East Austin, these districts could potentially include a dozen or more individual neighborhoods. A sampling of potential local district resources include areas of larger, well established homes dating back to the 1870s; shotgun houses or simple craftsman-style workers cottages from the early 20th century; the campus of historically black Huston-Tillotson College; the old Oakwood cemetery; 19th century commercial buildings lining the old railroad tracks; and a variety of tranquil streetscapes where winding roads line wild creeks.

ADDRESSING GENTRIFICATION ONE NEIGHBORHOOD AT A TIME

In the end, the taskforce's final report reflected the preservation community's active campaign of education and lobbying, and reemphasized three points made by the other studies. First, preservation can be of assistance to communities facing gentrification by saving community institutions and cultural practices, stabilizing property values, valuing and protecting affordable working-class housing, and providing financial and technical support to low-income owners of historic properties. Second, significant structural issues still impact East Austin, making it vulnerable to gentrification. Ignoring them in order to attack preservation has served no one well—least of all the vanishing African-American community. Thirty years ago, just when Austin was described as “most affordable,” the city changed its zoning regulations so that only uses specifically permitted in an area could be constructed. Consequently, housing could only be built in areas specifically zoned as residential. That helped subdivision developers, but not the cause of affordable housing. The final major issue is the clouded legal title of much East Austin real estate, a legacy of Mexican land grants, the Civil War, and poverty. Legal questions make homeowners ineligible for regular mortgages, and even more importantly, for the myriad property tax exemptions offered by city and state. While preservation can provide a powerful set of tools and design approaches for urban design and economic development, it is still only one relatively modest part of the kind of comprehensive, multi-pronged strategy needed to combat gentrification.

Today, although both PODER and the preservationists remain polarized, they share a common desire to save communities: their physical character, traditions, institutions, and inhabitants. The mere mention of gentrification has so inflamed the discussion in Austin, however, as in other cities around the country, that stereotypes and political grandstanding have obscured the facts and tangible impacts on real people. Austin succeeded, at least in part, in detaching itself from much of the hyperbole by conducting a set of separate, relatively rigorous studies on the intersection of gentrification and preservation. The city's efforts have suggested that the answer to gentrification is not found in broad-brush generalizations, but rather in analyzing each neighborhood's specific economic and social concerns, understanding them as inextricably tied to a complex local history, and devising appropriate solutions and strategies responsive to the community's needs and aspirations.

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