Overview

In the decade between 1990 and 2000, the City of Houston enjoyed a healthy population growth accompanied by changes in the demographic make up of the City (race/ethnicity, household size, education, etc.) as well as development and redevelopment in several areas. In the last ten years, the baby boomers have reached 55 and will turn 65 within the next 10 years; and Hispanics, now the largest ethnic group in Houston, will likely constitute the population majority in 10 years. This report examines demographic and development changes and paints a picture of Houston in 2000, and how these changes may affect the quality of life of the City over the long term. Based on growth trends, issues affecting the City in the future have been identified. These trends and issues (such as the need for affordable housing, education, etc.) can be used to focus public policies to ensure that present and future needs are addressed.

By and large, Houston has retained its character as a large, sprawling, multi-ethnic city. Development activity remains strong on the City’s western edges, though undeveloped land is still abundant close to the central business district and on the south and eastern sides. Between 1990 and 2000, Houston had the third largest population growth in the Country behind Phoenix and San Antonio, remaining the fourth largest city in terms of population. After slowing down substantially in the 1980’s, the City’s growth rate picked up to 19.7% in the last decade. (This rate, however, is just over half the rate occurring during the 1960’s and 1970’s.)

Overall, positive changes have occurred in the economic status of Houston’s residents, though the changes have not been substantial. Although the City’s median income has increased by $10,000 over the decade, when adjusted for inflation, the increase in economic benefit is minimal. When income is considered together with the decline in educational attainment, large parts of the City are economically stagnant and their economic stability may be at risk for the future.

Where economic changes have not been overwhelmingly positive, efforts to stimulate growth were initiated by the public sector to varying degrees of success. The most notable example is revitalization occurring in and around Downtown Houston. Similar targeted efforts may offer viable solutions to other areas that have not witnessed new development activity.

Overall, the City’s population is younger than it was in 1990. While the majority of Houstonians are between 18 and 64 years of age, nearly 30% of the total population is in the 0-17 years old category.

Among the top ten most populated cities, Houston has the largest land area. With vacant land accounting for 25% of the City’s total land uses, population density remained relatively
low, though a slight increase in the number of persons per square mile occurred during the last decade.

**Trends**

Between 1990 and 2000, the bulk of Houston’s growth (population and development activity) occurred west of US 59 North and SH 288. Development activity occurred primarily in a wedge-shaped area extending westward from Downtown. Generally, this marked growth towards the west is a continuation of a trend evident in the 1980’s. As construction activity concentrates to the west, stagnant incomes and low educational attainment that characterized the City’s east side during the 1980’s are now extending in a “C”-shape north, east and south of Downtown (see small inset map).

With a few exceptions, the character of these areas, over the decade, falls into two categories: High Growth and Low Growth.

**Areas Characterized by High Growth**

In general, the areas west of US 59 North and SH 288, are characterized by substantial construction activity. Development in this area has been driven by market forces and, particularly inside the Loop west of US 59, has occurred due to public sector policy initiatives.

Interestingly, population growth has not occurred inside the Loop where development is being encouraged (see inset map). Instead, the character of the population here is changing as can be seen by increasing numbers of Whites, growing educational attainment, shrinking household sizes, and increasing household income. Proximity to Downtown, the substantial stock of quality, historic housing and initiatives such as Tax Increment Reinvestment Zones, most likely have attracted developers and homebuyers over the past decade and this trend is likely to continue into the distant future. Since 2000, construction of light rail and several sports and entertainment venues, and the work of the Main Street Corridor Revitalization Project are fueling this momentum.

On the other hand, development farther west and in Kingwood and Clear Lake is accompanied by strong population growth and growing household sizes indicating more families are moving to the edges of the City while smaller households are locating in redeveloped areas close to Downtown. Educational attainment and incomes are also high in these areas though this is a continuation of a trend rather than a shift in populations.

**Areas Characterized by Low Growth**

The second category is characterized by little or no development activity in a “C”-shaped area extending north, east and south of Downtown. With some exceptions, in these areas,
population growth is stagnant or declining, the housing stock is primarily old single-family, educational attainment and incomes are low, and the population is growing older. It appears that younger people are leaving older, predominantly single family neighborhoods. These changes started in the 1980’s and will likely continue in the absence of any strong intervention by public entities.

The exceptions are two primarily Hispanic neighborhoods on the southeast and northeast side (Greater Hobby and Northside/Northline) and some neighborhoods on the far southwest (Alief, Sharpstown, Gulfton). These areas have actually captured the bulk of the City’s population growth between 1990 and 2000 even though little new development has taken place and vacancy rates are very low due to the increasing population absorbing existing housing units. The decreasing educational attainment, slow income growth, high proportion of occupied units, increasing household sizes, and increasing racial and ethnic diversity suggest an influx of immigrant populations. In addition, young population (0 to 18 years old) in these areas is growing and working age population (18-64) is decreasing.

**Population Shifts**

In 2000, the City’s population was an even mix between Whites, Blacks and Hispanics with a growing Asian population. As a result, Houston is often referred to as one of the most ethnically diverse cities in the Country. Except for Whites, which experienced a significant drop in numbers, all other ethnic groups have experienced growth over the last decade. The proportion of Blacks has remained constant over the past 20 years at a little over 1/4 of the total population. The Asian population increased significantly although it’s proportion of the City’s total population is quite small. The most substantial increase has occurred in the Hispanic population, which has grown at a rate of 60% each decade. This is at least 4 times greater than overall population growth in the City. If this growth continues, Hispanics will be a clear majority in the not too distant future.

Traditional Hispanic neighborhoods on Houston’s east side are absorbing some of this growth, but many Hispanics are moving to communities on the northwest and southwest sides of the City. Areas where no clear ethnic majority existed in 2000 may likely be predominantly Hispanic by 2010.

Contrary to city-wide population trends, Houston’s White population has been decreasing since the 1980’s. The remaining population is concentrating in four general areas: 1) Kingwood, 2) Clear Lake; 3) Inner Loop-west of US-59, and 3) far west side. These areas are characterized by medium to high income, high educational attainment, and high renter population.
Other Demographic Indicator Shifts

As the ethnicity of the City changes, corresponding shifts in other demographic indicators can be seen. For example, the increase in the proportion of Hispanics, including many immigrants, throughout the City seems to correspond to a decrease in the number of Houstonians earning a high school diploma. Nearly all predominantly Hispanic neighborhoods have a higher than average proportion of persons with no high school diploma. In addition, a high ratio of young to working age persons is common of predominantly Hispanic neighborhoods. The large growth in Hispanic population might explain a change in two city-wide characteristics evident in 1990: educational attainment had risen and Houston’s population appeared to be growing older. In 2000, education levels have decreased and the City’s younger population makes up a larger proportion of the total.

Houston’s Black population increased slightly in many areas of the city; however, Blacks continue to be concentrated in several areas characterized by high homeownership and low educational attainment, except in the far southwest. High homeownership may be largely due to ownership of housing stock 30 years or older by adults that are now or are becoming senior citizens. In north and east side neighborhoods, the population appears to be aging. This suggests that young Blacks are moving from older neighborhoods to newer communities in the City’s Southwest side. Study Area 13, in particular, captured a large share of the Black population between 1990 and 2000 and medium to high incomes, increasing educational attainment and low unemployment in this area indicate a stable community.

However, in many predominantly Black and Hispanic Super Neighborhoods, households seem to be larger than the City average and educational attainment is lower.

With some exceptions, high income neighborhoods tend to have high educational attainment, low unemployment rates, high proportions of renters and high working age populations. The notable exceptions are Kingwood, Clear Lake and the far southwest where homeownership is high and young populations are at or above the city-wide proportion. The opposite seems to be true for low income neighborhoods. Surprisingly, homeownership is highest in lower income neighborhoods where growth has been stagnant.

A comparison of household income in 1990 and 2000 indicates that, overall, Houstonians are earning more. This is supported by the slight decreases in poverty rates. Overall, the proportion of persons at or below poverty decreased from 20.4% to 19.2%. The change was most pronounced among those people 65 and older. When the 2000 income figures are adjusted for inflation, however, the overall population may be enjoying only minimal added earning power (see table below). Based on income, the City can generally be split geographically down the middle, with higher income households located west of Downtown (with the exception of Kingwood and Clear Lake) and lower income households located in a “C”-shaped area covering the north, east and south sides of the City.
Table: Median Household Incomes

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<th>1990</th>
<th>2000 Unadjusted</th>
<th>2000 Adjusted</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>$26,261</td>
<td>$36,616</td>
<td>$28,096</td>
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Although many areas of the City have experienced minimal or no population growth, development continues to occur in the form of redevelopment or new development, especially at the City’s edges. By and large, redevelopment is concentrated within the inner city, particularly in Midtown.

On the whole, no major shifts in land use have occurred. Single-family density is increasing slightly in the inner city and will likely continue as land values rise. The density of multi-family units decreased slightly as the trend toward high-priced units gained momentum.

**Growth Trend Implications**

Changing demographic characteristics raise a number of questions and identify opportunities and challenges for the City in future years. Clearly, increasing population will positively impact the City’s tax base and will call for additional City services. The characteristics of this new population and the extent of new development will determine the range of services needed and the quality of life in Houston’s neighborhoods.

Following is a set of implications associated with the demographic and land use changes that occurred in the city between 1990 and 2000. By no means is this list definitive.

**New Investment and Redevelopment**

Large quantities of vacant land in Houston present opportunities for the City to guide future growth and leverage infrastructure investments.

Continued redevelopment inside and just outside Loop 610, will help the city to leverage existing infrastructure investments and will attract a larger share of the regional growth, particularly those who now commute from the suburbs each day. However, redevelopment may drive out lower-income populations in those areas due to housing costs that will price them out of the market.

Revitalized eastside neighborhoods may present an opportunity to capture future population growth allowing for more efficient use of existing infrastructure and public services.
Some inner-city neighborhoods may benefit from redevelopment efforts in immediately adjacent areas such as the Main Street Corridor revitalization. However, to do so, public sector assistance will be needed.

Continued new development on the west side and redevelopment elsewhere will increase storm water runoff in area watersheds, impairing the City’s already inadequate storm drainage system. Mitigation measures for all new development and redevelopment may be required in the near future.

Continued decline in south central Houston (south of Loop 610 South and east of SH 288) in terms of decreasing population, increasing youth and elderly populations, lower incomes and educational attainment will challenge current efforts of the City and non-profit organizations to revitalize the area.

Lack of new investment in northeast and eastside communities may result in accelerated deterioration of already stagnant neighborhoods and commercial corridors. A comprehensive and proactive approach to revitalizing residential areas and commercial corridors on the east side may be needed.

**Services**

Increasing population throughout the City will result in increased demand for parks and open space, fire and police services, libraries, improved transportation infrastructure, additional transit options, and a wide variety of social services.

Increasing young populations (under 18) on the east, south, and southwest sides of the City suggest a need for additional recreation programs, educational, child care and health care services.

**Housing**

Decreasing vacancy rates in areas experiencing high population growth coupled with low incomes will lead to over crowding in the near future. A need for additional affordable housing is needed in the southwest side.

Property values will remain low on the east side unless new incentives for economic development occurs.

Data indicates that homeownership is high in study areas with higher than average elderly populations (Acres Homes, Trinity Gardens, Sunnyside). Also, incomes in these areas are generally low and stagnant. Solutions for maintaining aging housing stock will be needed as well as additional publicly funded health care and other social services.
Although the City gained 54,000 new housing units, many of these units are not affordable for a large segment of the population have extremely low incomes. Providing opportunities in the form of home ownership for this segment of the population make need to take the form of deep subsidies either to the buyer, the developer or both.

**Education and Jobs**

A dramatic increase in the number of persons 25 and over with no high school diploma has implications for decreased earning potential among this mostly Hispanic and Black population. In addition, children in low educational attainment households may be at a greater risk of not completing high school and may perpetuate this trend into the future.

If educational attainment continues to decline, Houston may be at a disadvantage when competing with other cities for hi-tech and professional jobs.

If low educational levels begin to impact earning power, the City’s tax base will likely be affected and, therefore, the ability to provide social services and incentives for revitalization will be reduced.

**Where do we go from here?**

Planning for the future is now, more than ever, a necessity. Over the next twenty years regional (8 county CMSA*) population is expected to grow 50% to 75%. The City can help guide this future growth to take advantage of opportunities and address quality of life challenges. Perhaps with incentives, some of the investment that would likely occur in the west side can be attracted to east side communities.

Several recently implemented projects underscore the potential existing in traditionally overlooked and underserved areas. For example, a regional grocery chain operates one of its highest grossing stores along Old Spanish Trail. Also, a rebuilt and revitalized Gulf Gate Mall is serving a growing, low income, Hispanic population. These success stories show that economic vitality is possible in areas where Census data indicate low incomes and low educational attainment.

Targeted infrastructure investments to improve accessibility and economic corridors might go a long way towards attracting people to areas that have been losing population over the past 10 – 20 years. Clearly these areas with high vacancy rates and land available for infill development can help accommodate future population growth.

Also, by planning for roadway, water and wastewater improvements in undeveloped areas, as outlined in Southern Houston Sector Study (Planning and Development Department, 2003),
the City can lower development costs and attract private investment that might otherwise locate outside city limits or serve higher income groups.

Market forces and public sector initiatives have been taking the lead in some centrally located neighborhoods that were in decline such as the Heights, Washington Avenue, Fourth Ward and Midtown. Tax Increment Reinvestment Zones, management districts, light rail and other infrastructure investments and strong civic/business associations have helped to jump start redevelopment efforts and are attracting people who seek an urban lifestyle.

If immigrant communities continue to grow, as expected, affordable housing, quality education, employment opportunities and social services will be much in demand particularly in low growth areas (in terms of development) such as Northside/Northline, Alief, Sharpstown, and Greater Hobby Super Neighborhoods. Public sector intervention will probably be needed to provide services and incentives for new housing and other development for low to moderate income population.

Overall Houston is healthy, vibrant and growing. Many of the City's communities continue to prosper; and those that are struggling can learn from the successful revitalization efforts already underway. With an emphasis on planning, consensus building and setting priorities, Houston can enhance the quality of life in all its neighborhoods.

*Consolidated Metropolitan Statistical Area: Harris County and 7 other surrounding counties.