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IMMIGRANT PLACE ENTREPRENEURS AND URBAN  
DEVELOPMENT IN HOUSTON'S CHINATOWN DISTRICTS

presented by

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degree in

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IMMIGRANT PLACE ENTREPRENEURS AND URBAN DEVELOPMENT IN  
HOUSTON'S CHINATOWN DISTRICTS

By

Anthony Arthur Knapp

A THESIS

Submitted to  
Michigan State University  
in partial fulfillment of the requirements  
for the degree of

MASTER OF SCIENCE

Geography

2009

## **ABSTRACT**

### **IMMIGRANT PLACE ENTREPRENEURS AND URBAN DEVELOPMENT IN HOUSTON'S CHINATOWN DISTRICTS**

By

Anthony Arthur Knapp

Faced with an increasingly competitive global economy, Houston's local government and private interests, which constitute a powerful growth machine, aggressively pursued inner city redevelopment initiatives as a strategy to bolster tourism, attract new residents, and increase revenue. Past scholarship has focused on examples of celebrated ethnic neighborhood redevelopment projects in various cities resulting from the interplay of both private and public actors. In the Houston, Texas context, Chinese immigrant neighborhoods lack support from local government even though Houston uses these neighborhoods to promote its image as a multicultural city. Instead, high-profile individuals serving as local place entrepreneurs from the Chinese community play a major role in shaping these immigrant districts. This lack of public support indicates that such a development was not part of Houston's plan to revitalize the inner city. This study considers the typology of Houston's neighborhoods by analyzing 1980 and 2000 census data and comparing the changing characteristics of neighborhoods targeted for redevelopment by the city's growth machine. Results show that Houston's recent push to revive the inner city and its emphasis on fostering multiculturalism has not translated into economic improvements for its Asian residents. These findings provide insight into the priorities of the local growth machine and identify trends that are relevant to issues of equity within neighborhood-level redevelopment initiatives.

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**For Bill and LaVere**

## ACKNOWLEDGMENTS

I wish to thank Brian Swanland for guiding me through the daunting task of conducting a comprehensive study on Houston's Chinese-American community. His local knowledge of the city was an invaluable resource. I am indebted to Jonathan Archer and Eric Sandberg, two fellow students in geography who instilled in me their GIS and cartographic expertise. The maps found throughout this thesis could not have been completed without their influence. Also, I am grateful for Jieun Lee and Ivan Ramirez for their tremendous impact on me when I first entered the discipline of geography.

I would like to express my gratitude to Dr. Igor Vojnovic for his unceasing dedication and enthusiasm for this project. I also would like to thank my committee members, Professors Bruce Pigozzi and Patricia Machemer for their insightful comments and advice. Many thanks to Professor Antoinette WinklerPrins who initially recruited me to Michigan State and opened the door to so many wonderful opportunities.

Finally, I wish to thank my parents, Greg and Sookie, and also my fiancée Stephanie, for their support and patience as I completed the program here at Michigan State University.



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## **I. Introduction**

There is a Chinese saying, “‘If there’s water, there’s money’ ... water is seen as a symbol of fortune and wealth” (Yip 1993a, p. D18). Houston, Texas, which has benefited from its location next to the Gulf of Mexico and its natural resources, has had a long history of aggressively promoting economic growth centered on petroleum and shipping. An outcome of the city’s strong linkages to overseas trade has been its familiarity to global markets and immigration. Although Houston is most noted for its large Latino presence, the city is also home to a thriving entrepreneurial Asian population, which makes up only 5% of the city’s total population, yet accounts for 25% of local Small Business Administration loans (Kaplan 2002). Since the 1970s, there has been an organized effort among immigrant business interests, most notably the Chinese, in establishing an ethnic business district in the city.

During the creation of Houston’s suburban Chinatown in the mid-1980s, Asian developers had promoted that district both domestically and abroad. “Word is said to be spreading, especially in Taiwan and Hong Kong, that if you’re moving to the U.S., Houston is the place to settle,” exhorts an article from the Wall Street Journal that exemplifies the advantages for Asian immigrants living in Houston (Kaplan 2002, p. A1). That same promotion also highlights Houston’s appeal among foreigners for doing business with its low unemployment, unionization, rent, and real estate costs. These accolades parallel those very values espoused by both the city’s municipal government and entrenched business elite, reflecting a general support of a pro-business environment among both immigrant and non-immigrants groups.

Houston's business friendly atmosphere is underpinned by an approach to urban governance influenced by a long succession of elite business interests and political associates who shared a common goal of promoting economic growth. The economic growth of some U.S. cities has been strongly influenced by an alliance of influential private and public sector coalitions that promoted their respective land holdings for development, thus forming an urban growth machine. The outcome of such coalitions has altered local policies to promote pro-growth initiatives, where local government is tailored to the needs of high-profile businesses and individuals allied with the growth machine. As recognized in the seminal work by Joe Feagin's (1988) *Free Enterprise City*, Houston provides a fitting example of growth machine governance.

While local officials historically supported private projects—through public subsidies and public-private partnerships—Houston's local government has refrained from participating in several aspects of urban management, which are then delegated to private enterprise. For example, neighborhood restrictive covenants, legal associations, and master planned private developments substitute for citywide public zoning laws. Houstonians for Responsible Growth, an organization representing members from the real estate industry and supported by former mayor Bob Lanier, had become a powerful political force in rebuffing popular attempts to regulate development, especially plans to implement zoning (Snyder 2008b). Referring to Houston's future growth plan, one commentator observed that “[i]n a manner typical throughout modern Texas, private interests began to develop the comprehensive vision that public entities had failed to achieve” (Barna 2003b, p. 47).

The city's claim of a minimal government philosophy also influenced immigrant developments. In one example of local immigrant real estate projects, one observer identified the suburban Chinatown as the epitome of Houston-style private development, comprised of "a string of strip centers with air-conditioned stores, built on the most basic of Houston formulas: Develop affordable land in driving range of your target suburban customer and keep expanding" (Kaplan 2002, p. A1). This outcome adds to the perception that in Houston the lack of government structure means the future success of the city rests on the entrepreneurial prowess of private developers, both local and foreign. Nevertheless, the expanse of privately driven development across the urban landscape conceals the fact that local government, as an integral component of the growth machine, maintains an active role in facilitating and hindering urban development in targeted neighborhoods, as well as influencing both the type and scale of development.

During the mid-1980s, Houston was forced to reevaluate its growth strategy as falling worldwide oil prices inflicted heavy losses on the local petroleum industry. The collapse of the city's basic economic sector led to a devastating regional recession at a time when the rest of the country was experiencing positive economic growth. Throughout the 1990s, the city attempted to diversify the local economy and shifted focus towards developing other emerging economic sectors such as health & medical research, education, high-tech industries, specialized services, transportation, tourism, and finance (Vojnovic 2003a, 2003b). One phenomenon of note has been the growth machine's focus on infusing public investment into Houston's downtown and inner city neighborhoods as a means to bring residents and tourists to the city center, shoring up flagging revenues and creating new investment opportunities for private development.



By 2008, this program had led to the creation of twelve distinct urban “districts,” which comprise of neighborhoods that have been recognized by the city and promoted to tourism. Ten of these districts are located in the inner city and several neighborhoods have been targeted by the city for intensive public investment.

Since the 1970s, municipal governments throughout the country and their allies have been hard pressed to redraw urban economic development strategies in the wake of deindustrialization and federal deregulation. Compounding this economic restructuring and reduction in federal support is the erosion of national and international barriers to economic activity, which not only allowed for greater mobility of capital across international borders but also signaled the rise of international competition between geographic regions for this mobile capital. Many regions in Europe and North America diverted their efforts from manufacturing towards ventures that will draw in tourists and a new wave of residents; cities now are engaged in the production of urban “visitability” (Dicks 2003) and “livability” (Ley 1996). More specifically, cities pursue these strategies in order to attract consumer spending that can be confined within the locality (Harvey 1989b); this leads to the creation of initiatives that produce concentrations of upper to middle-class spending in the city.

The emphasis on Houston’s inner city, however, has been a relatively recent phenomenon compared to other North American cities. Though plans to redevelop Houston’s downtown and surrounding inner city neighborhoods existed during the 1980s, tangible results were not realized until the mid-1990s. According to one measure in 1995, Houston’s downtown contained approximately 900 apartment and condominium units but that number would grow to an estimated 2000 units by the end of 1999, and the

area within a two mile radius from downtown recorded growth in new residential units averaging 33 percent per year (Barna 2003a).

In addition to these changing economic conditions, differentiations associated with place became more important for cities to remain competitive for mobile investment, tourism, real estate development, and new residents. Urban development projects, which promote unique local cultures, are often invoked by public and private entities in order to augment a particular locale's advantage when competing in the global market for capital and labor (Harvey 1989a, Zukin 1995). Urban cultural diversity is a vital resource for economic development since potential investors do consider this diversity as one of many determining factors for locating new businesses (Pang and Rath 2007).

In the case of Houston, the celebration of ethnic diversity has become an important component of its new growth agenda, and particularly as it relates to urban reinvestment and redevelopment. Ethnic diversity, historically downplayed in this southern city, had become a new focus of attention by the 1980s. One study asserts, "Houston's public and private leadership has been virtually unanimous in calling for the city to capitalize on its diversity in the new economy" (Klineberg 2005, p. 31). This awareness is also evident among the general populace, where a citywide survey revealed that 61% of white residents polled believed ethnic diversity was good for the city (Klineberg 2007).

Immigration is largely responsible for Houston's rich ethnic diversity. During the latter part of the 20<sup>th</sup> century, Houston became a major gateway city for immigrants. In 1970, Harris County, which includes the City of Houston, recorded 44,515 foreign-born

residents (2.7% of the total county population), which ballooned to 202,011 (8.4%) by 1980, 403,974 (16.7%) by 1990, and 756,548 (22.2%) by 2000 (U.S. Census Bureau 1970, 1980, 1990, 2000). The greater appreciation for diversity has created an opportunity to attract investment into immigrant neighborhoods, many of which are located in the inner city during the 1980s and 1990s. The 2004 Houston Survey identified access to ethnic diversity, in addition to cultural amenities, as an important reason why the inner city is increasingly becoming attractive to Houston's White suburban residents (Klineberg and Fitzmorris 2004).

It has been generally argued that this greater acceptance of ethnic diversity by the local population, combined with the promotion of diversity by the local media and government, has been a boon for Houston's minorities. In his study of Houston's ethnic business interests, Jan Lin (1995) argued that the recent attention placed on inner city redevelopment had given immigrant communities an opportunity to attract attention from the mainstream growth machine. In some cases, certain communities produce a collection of ethnic business elites who have the entrepreneurial skill and market savvy to drive urban developments in these communities at a large scale. Lin's (1995) documentation of Houston's downtown area ethnic communities—such as the African American Freedmen's Town, the Mexican American barrios in the Second Ward, and Houston's downtown Chinatown—provided early Houston examples of how ethnic interests have been shaping the city's landscape. By far, Houston's Chinese have had the most success of all minority groups in creating a vibrant ethnic commercial district in the city.

Given the new celebration of ethnic diversity, one could assume at first glance that the growth machine might welcome the Asian entrepreneurial spirit and aspirations to reshape the city, at least selectively, as had been argued by Lin (1995). In addition, given the experience of ethnic place entrepreneurs in Los Angeles (Light 2002) and Miami (Nijman 1997), and their influence on the growth coalitions in these major urban centers, along with the growing celebration of diversity across large American cities in general, it could be reasonably assumed that Houston's new appreciation of ethnic diversity would benefit ethnic minorities as well as the city at large. Although Houston encourages the creation of distinct neighborhood districts as part of the larger scheme to revive its urban core, the extent to which ethnic neighborhoods are incorporated into the growth agenda is not clear. The role of ethnic groups participating in Houston's urban revival efforts have been especially questionable given the new reinvestment that are taking place in the city since the mid-1990s—after Jan Lin's article was published in 1995. The purpose of this study is to investigate Houston's Chinese immigrant place entrepreneurs, to document the role they played in reshaping Houston's urban environment, and to explore the link between the city's new growth agenda of promoting diversity and any measurable economic benefits that this had on Houston's Chinese population.

### **1.1 Background to the Problem Statement**

In the latter 20<sup>th</sup> century, with municipalities facing increasing pressures to become more entrepreneurial and competitive in the global economy, local governments and private interests have directed extensive investment to bolster certain culturally rich

neighborhoods as an economic development strategy to attract both domestic and international tourism and investment. Elite interest groups and place entrepreneurs play a critical role in promoting and directing these urban development programs in their respective locales. The marketing of neighborhoods to investment by promoting the intrinsic uniqueness of place, displaying cultural resources, and developing tourism in the city, has become a common economic development strategy in the postindustrial urban economies of North America and Western Europe (Harvey 1989a; Sorkin 1992; Philo and Kearns 1993; Dicks 2003). Not only do these places draw tourists and investment, they also attract new, typically affluent, residents to bolster the fiscal reserves in cities.

Urban places, tourism, and immigration are closely intertwined as well. Several immigrant communities played a greater role in rejuvenating certain cultural and economic functions in the urban core of large metropolitan regions (Lin 1995, 1998; Dymski and Li 2004; Li et al 2006). For example, immigrant neighborhoods often serve as sites of major festivals and special events, and are the home to a variety of ethnic businesses, which run the gamut from small corner grocery stores to multinational banks. In some cases, the “Chinatowns, Koreatowns, and Little Havanas of the postindustrial city have rejuvenated warehouse districts, retail corridors, and residential quarters of the zone-in-transition, reversing the obsolescence threatened with the decentralization of jobs and people to the urban periphery” (Lin 1998, p. 314). Consequently, high-profile representatives and business leaders from these immigrant communities have become active in directing the local urban economic development initiatives in these neighborhoods (Wood 1997; Light 2002; Hackworth and Rekers 2005; Li 2006a, 2006b; Lo 2006; Wood 2006; Pang and Rath 2007). These recent events reflect the dynamic

nature of immigrant populations and businesses as well as the host society's changing attitudes toward the presence of immigrant communities and their impacts on the urban landscape.

## **1.2 The Problem Statement**

Although studies have documented immigrants and their connection to urban revitalization in the North American gateway cities, the extent to which immigrant place entrepreneurs, as well as their land holdings in ethnic neighborhoods, are incorporated into the urban growth agenda is not clear. Little has been done to directly measure the subsequent socioeconomic changes occurring in these neighborhoods in the face of urban redevelopment. Also, previous studies have focused primarily on the major immigrant gateway cities along the east and west coasts of North America. However, the level of public involvement and the consequent impacts of immigrant groups on these cities are not necessarily replicated in the newly rising gateway cities in the southern United States. In this research, I examine the marketing of ethnic places by Chinese immigrant place entrepreneurs in Houston, Texas—a city that has experienced an influx of immigrants during the latter half of the 20<sup>th</sup> century, and as of 2000 had the fourth largest foreign-born population in the United States (Bergman 2003).<sup>1 2</sup>

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<sup>1</sup> According to the 2000 U.S. Census, the largest foreign-born populations among U.S. cities in 2000 were in New York City with 2.9 million people, Los Angeles at 1.5 million, Chicago with 629,000, and Houston with 516,000 (Bergman 2003).

<sup>2</sup> A study from the 2002 American Community Survey (ACS) ranks Houston ninth among large U.S. cities (population > 250,000) in terms of the proportion of the population that are foreign-born (Buckner and Gonzalez 2003).



### **1.3 The General Hypothesis**

The general hypothesis is that: *immigrant place entrepreneurs have driven the urban development initiatives in Houston's Chinatown districts, with the public sector providing verbal support, but little in terms of fiscal support to back these initiatives. This lack of financial support effectively reveals the priorities that the city of Houston places in its economic development policies, and that ethnic communities are in fact not a priority in its urban revitalization strategy despite the local public rhetoric of celebrating ethnic diversity. The lack of public fiscal aid in developing the suburban "New" Chinatown also reveals that the ethnic place entrepreneurs, though important in attracting immigrant development projects, continue to fall outside the mainstream growth coalition in Houston.*

### **1.4 Justification**

Reacting to the erosion of the traditional economic base, and the changing preferences of residents and tourists toward urban amenities, many cities and their respective elites have realigned their economic development strategies to include diversity. This trend reflects the influence of the critical urban studies pioneered by Jane Jacobs (1961), who staunchly advocated for the preservation and creation of diverse and mixed-use neighborhoods. Since 2000, several commentators have argued that such diverse and amenity-rich environments are essential in attracting the talented and highly skilled labor force necessary to run the postindustrial urban economy, which has increasingly become service-based (Landry 2000; Florida 2002; Clark 2004). Ethnic places, with their culturally rich offerings, can provide a significant contribution to

building an urban atmosphere based on entertainment that visitors and residents find appealing (Mele 1996). As a result, cities are becoming increasingly aware of the potential benefits of its cultural capital embodied within the various racial and ethnic communities. Business improvement districts and economic/community development organizations, along with a coalition of other stakeholders, are encouraging the assertion of ethnic identity on the urban landscape as a means to enhance neighborhood vitality and ultimately spur investment back into the city. In this light, immigrant businesses in several major cities are finding new avenues of support among co-ethnic financiers as well as local governments (Hohn 2005).

These concepts, especially evident in Richard Florida's writings on the creative-class and creative-city models, have gained greater saliency among public media, policy makers, public administrators, and urban elites. One reason for the attractiveness of these models is that they seek to link the popular notion of "celebrating diversity" (tolerance of different races, ethnicities, genders, and sexual orientations) to enhancing economic growth. Places that have a greater appreciation for residents of differing backgrounds tend to do well in terms of economic growth according to Florida (2002). One glaring omission from that study, however, is the analysis of diversity in terms of economic status. The first edition of Florida's *The Rise of the Creative Class* makes little mention of economic inequality or poverty in cities that attract the creative class. This omission is addressed in his second edition (Florida 2004), which provides a correlation between income inequality and economic growth. Florida's analysis shows a strong positive association between these two measures; cities with high levels of economic growth are also places with high levels of economic inequality. This finding is unsettling since it

suggests that the attractive and economically vibrant cities, which Florida and a growing multitude of policy-makers, public officials, and private interests are aspiring to imitate in their own localities, are places that are tolerant of diverse peoples but show little regard for improving the conditions of its economically disenfranchised citizens.

This situation is elicited in greater detail in Walter Benn Michaels' (2006) book *The Trouble With Diversity: How We Learned to Love Identity and Ignore Inequality*. Michaels explains that during the closing decades of the 20<sup>th</sup> century this growing fascination with appreciating racial/ethnic diversity has preoccupied the public and political discourse while diminishing the urgency to abate income inequality in the United States. The right-wing left-wing sociopolitical divide in which racial diversity was a polarizing topic during the Civil Rights era has become less defined by the close of the 20<sup>th</sup> century. Michaels asserts that both liberals and conservatives are incorporating this idea of celebrating racial diversity into their respective social agendas. The most recent Bush administration had trumpeted its recruitment of racial minorities to its fold. In 2009, the first African American was selected to serve as chairman of the Republican National Committee. In the Texas Supreme Court, which is entirely Republican, three out of the eight total justices consist of racial minorities. Republican Governor Rick Perry appointed Justice David Medina, a Hispanic American, to the Texas Supreme Court. According to one Houston study, "[w]hen being racist and segregationist began to interfere with economic success, many white leaders lost interest in preserving the old system" (Houston Metropolitan Study 1998, p. 34).

In terms of diversity within the city, both liberal and conservative urban governments are appropriating racial and ethnic cultures to promote the locality.

“Indeed, diversity has become virtually a sacred concept in American life today. No one’s really against it; people tend instead to differ only in their degrees of enthusiasm for it and their ingenuity in pursuing it” (Michaels 2006, p. 12). However, there is an important difference between merely appreciating diversity and using diversity to address the rich-poor divide—a divide that is associated closely with race. The “problem with diversity,” as Michaels (2006, p. 172) states, “is not just that it won’t solve the problem of economic inequality; it’s that it makes it hard for us even to see the problem.” The creative-city model encourages policy makers to pursue strategies that take advantage of its local wealth of cultural amenities, especially those that promote diversity, which is a notion that attracts “targeted” tourists and residents into the city but at the same time obfuscates the pressing problems of economic inequality. These initiatives serve to promote the city favorably and show that despite the social ills brought about by the current economic system, the city is doing just fine.

The celebration of ethnic places, therefore, may not necessarily be the solution for sustained urban revitalization. The presence of growth coalitions that have adopted these economic development strategies may yield outcomes that neglect certain residents and businesses in the community, especially those who are most economically vulnerable. Certain ethnic and immigrant groups may be left out of the planning process, and activities from these coalitions may exacerbate already precarious levels of socioeconomic polarization. Urban redevelopment projects initiated by place entrepreneurs may cause property values to skyrocket, which leads to the expulsion of the most economically disenfranchised from the neighborhood.

These outcomes have led some to view the city in a negative light. David Ley (2003) notes that these types of development projects create a somewhat fabricated environment since it is not an accurate recreation of an authentic community and shields high-income earners from those urban lifestyles that burden many citizens living in poverty. As cities attempt to redevelop themselves as viable destinations for consumption and leisure, Ley (2003) argues that in the process of this transformation, today's cities have become "privatized" places of surveillance that maintain certain zones of consumption for those with disposable income, while ensuring that visitors and wealthier residents are not detracted by the homeless and poor, who are excluded from this zone. Other examples markedly show the implications of these types of developments that use theme and imagery to manage the urban environment. In the case of New York City, business improvement districts have spawned a growing collection of carefully constructed and manicured zones in the city, which promote an image of social order and visual consistency to the visitor (Zukin 1995, 1998). Dear and Flusty (1998) observe the extreme disparities in the wealthy and poor zones in Los Angeles, and the markedly different lifestyles between these zones, which are maintained by heavy surveillance and policing.

In addition to the appropriation of images to maintain a certain theme in the landscape, these developments also open neighborhoods up to the uncertainties of an increasingly global market. Urban development is much more piecemeal and speculative than before, with greater attention placed on particular projects and places that pose the greatest chance to attract investment rather than city-wide services and investments in health care, education, and housing (Knox 1993). This has led to a proliferation of

spectacular set-piece projects such as upscale shopping centers, festival market places, redeveloped waterfronts and warehouse districts, stadiums, and convention centers. Cities view major convention centers and other similar infrastructure projects as “loss leaders” (Fainstein and Stokes 1998, p. 155), but this notion can be used to justify public expenditures on a variety of megaprojects (Levine 2003). Therefore, cities often spearhead these projects with aplomb with the hopes of improving the image of the city and attract additional forms of development even if these projects themselves are poor economic performers.

More recently, in the summer of 2007, the economic fallout from the poorly regulated subprime lending market negatively impacted every city in the United States, exacerbating the precarious social and economic inequalities in the more vulnerable locales. Thus, the current system effectively makes the city a place on edge, with its leaders constantly engaged in the fight to keep capital from fleeing to other locales while also trying to attract new investment. As an effect of this fight for capital, places of leisure and consumption are relegated to the highly manicured zones of culture and display. The rise in the display of cultural pluralism and diversity in neighborhoods are a common public gesture to promote the image of the city, but marginalization and inequality yet remain a reality (Kahn 1995).

In addition to measuring the corresponding effects of urban redevelopment, especially within ethnic neighborhoods, this thesis considers the regional aspect of this problem. Further research on southern cities is important since the phenomenon of place entrepreneurialism and place marketing may differ from New York City, Los Angeles, and Chicago, which have been discussed by scholars in great detail for decades.

Politically and economically, the southern states have been gaining greater power as they continue to grow in population and increase their economic performance. Public policy at the regional and national levels will be impacted by the growing importance of the southern states. A particularly regional brand of politics that has been unique to Texas for decades finally pervaded the national stage during the dawn of the 21<sup>st</sup> century—which strikingly differs from the relatively progressive administration headed by President Lyndon B. Johnson, who is a native Texan. The LBJ presidency was notably one of the last administrations that promoted a comprehensive urban program to improve the conditions of America’s cities. A greater understanding of this phenomenon of place entrepreneurialism and place marketing, which occurs in increasingly diverse cities, is essential when considering future policies that may yield applicable economic and community development initiatives in other city-regions while also considering the inevitable implications relating to equity, diversity, and growth.

## **1.5 Conceptual Framework**

This thesis adopts growth machine theory as the conceptual model for explaining the shaping of urban places in Houston, Texas. The crux of the growth machine framework is the presence of a well-organized and highly influential coalition of land-based interests (place entrepreneurs), as well as other private and public agents, all striving for a common goal of securing economic growth in their respective localities. The introduction briefly highlighted the structural transformation of urban economies faced by many North American cities, the movement towards deregulation, and the changing tastes and preferences of the new urban class of residents and tourists. This

thesis argues that growth machine—though describing a phenomenon in urban development dating back to the 1800s in the United States—remains relevant within the context of contemporary Houston (Vojnovic 2003a, 2003b). Although the economic transitions from an industrial to a specialized services and high-tech economy affected Houston's traditional economic and political structure, the city's local growth coalitions have adapted accordingly with a new growth agenda, which includes direct reinvestment into neighborhoods that cater to the new urban class of residents and tourists. During the closing decades of the 20<sup>th</sup> century, Houston's growth coalitions have engaged in a variety of new economic pursuits, including the revitalization of its declining urban core.

The central focus in this thesis is the use of culturally distinct neighborhoods, and particularly immigrant business districts, by Houston's growth coalitions as a strategy to attract investment into the city. Important investments include new real estate developments for middle to upper income residents as well as building vibrant urban neighborhoods to attract tourists, which encourages additional new residential developments in the urban core. By promoting neighborhoods that satisfy the needs of this target group, the city may accomplish its growth-oriented objectives—to keep investment and middle to upper income residents within the city. Within the context of Houston, given its history of post-war suburbanization and urban decline, an important strategy was to bring people back into the city and to repopulate the urban core.

Finally, this thesis considers the recent attention of scholars on the role of immigrant communities in supporting, and at least selectively influencing, the objectives of a city's growth machine. This thesis argues that regardless of Houston's recent focus on inner city revival and the potential use of diversity to promote development, the city's



ethnic and racial minorities have not been an important influence on local development, and have not economically benefited from this new appreciation of diversity. This research illustrates that the development and eventual destruction of Houston's downtown Chinatown is partially attributed to competing development projects, both public and private, that have been extensively funded by government, revealing the traditional public support structures of the growth machine, even in a city considered the model of laissez-faire. The collapse of this Chinese business district indicates that this ethnic neighborhoods is not a part of the city's plan for downtown revival and that the Chinese place entrepreneurs, while the most economically influential ethnic group in Houston, are not an influence on the mainstream growth coalitions.

## **1.6 Thesis Outline**

In chapter 2, I present the literature review and theoretical discussion on the urban growth machine. The literature then elicits the notion that the growth machine over time had appropriated culture as a strategy for growth, which replaces the traditional strategy of attracting major employers into the area with neighborhood redevelopment and tourist-based initiatives. Immigrants are considered one of the predominant agents in introducing diverse cultures into the region, which then may be used by a well developed immigrant growth machine or appropriated by the city's mainstream growth machine. Narrowing the geographic scale even further, the literature review focuses on examples that reflect both the historical and current growth coalition strategies in Houston, Texas and how they relate to the Chinese immigrant community in particular.

Chapter 3 presents the research questions, hypothesis, research objectives, and methods for collecting data and analysis. The methods used in this thesis are derived from previous studies examined in the literature review. This thesis will use both primary (interviews) and secondary data (newspaper articles, governmental literature, and census data). This study proposes the use of principal components analysis (PCA), cluster analysis, and t testing, as methods to quantify the changing socioeconomic conditions occurring in Houston's neighborhoods. This analysis also provides a setting in which to compare the economic conditions experienced by the Asian subpopulations with Houston's mainstream white residents as a way to test Houston's celebration of diversity.

In chapter 4, I describe the development of Houston from a growth machine perspective, describing the type of political atmosphere that pervades the governance of this city to this day. Chapter 5 provides a historical narrative based on primary and secondary sources to reveal the relationship the Chinese place entrepreneurs had with the city, and Houston's growth coalitions.

Chapter 6 presents the quantitative dimension to this analysis, which employs census data to measure neighborhood change in Houston. In the final analysis, this study applies PCA, cluster analysis, and t testing on modified census data to compare the economic prosperity of the Asian neighborhoods with those of the White neighborhoods.

Chapter 7 serves as the conclusion for this study and discusses the contribution of the results to the growth machine discourse and implications for public policy. The second section provides additional recommendations for further research in this topic, particularly within Houston, Texas. The final section offers concluding remarks.

## **2. Literature Review and Theory**

### **2.1 Introduction**

This chapter reviews the core components behind growth machine theory and augments it by incorporating immigrant urban elites in neighborhood-level development and redevelopment projects. Challenges to Logan and Molotch's (1987) initial proposition on the limited influence of ethnic place entrepreneurs on the growth machine by Ivan Light (2002) in Los Angeles, Jan Nijman (1997) in Miami, and Jan Lin (1995) in Houston will be examined. In the Houston context, urban governance was, and continues to be, influenced by a strong organization of business and public interests, underpinned by property development initiatives that are facilitated by a strong consensus on maintaining pro-business and pro-growth policies.

This research argues that in recent decades, shifts in municipal management and urban planning practices, forced by widespread economic changes and cultural transitions, have led to a greater tolerance of certain nonconformist neighborhoods. Such neighborhoods include artist quarters, theater districts, gay neighborhoods, historic districts, waterfronts, warehouse districts, and ethnic enclaves. These neighborhoods are recognized by cities due to their innate physical and cultural qualities, which fit into overarching ideal of the "celebration of diversity." Jan Lin (1995) argued that the growing interest in reviving such neighborhoods, many of which are home to inner city minorities, has created an opportunity for enterprising minorities, who were traditionally marginalized, to benefit from the new growth agenda. The urban elite has accepted this cultural turn as a means to increase revenue and revive targeted neighborhoods by attracting tourists, businesses, and new residents back into the city. Both private and

public agents are active in transforming these targeted neighborhoods into attractive districts by packaging certain neighborhood qualities to conform to a distinct theme. Neighborhoods under this condition can be marketed to certain segments of the population, with the aid of an active municipal coalition of growth-oriented interests. In many cases, neighborhoods are specifically packaged and marketed to attract predominately middle to upper income class of tourists and residents. In Houston, government and elite land-based interests, who continue to constitute cohesive growth coalitions—although more diffused in power from the city’s classical growth machine—have adopted the celebration of ethnic diversity as a means to increase the attractiveness and economic competitiveness of the city. However, despite the new marketing and visibility of ethnicity, the city’s new celebration of diversity may not translate into tangible economic improvements among ethnic minorities.

## **2.2 The Growth Machine and the Land-Based Urban Elite**

Harvey Molotch (1976) conceptualized the city’s urban elite as a “growth machine,” where a locality may house a collection of land-based interest groups and individuals whose primary goal is to promote urban economic growth. Their activities would ultimately increase land values and yield higher revenues for these groups and local governments. The growth machine thesis challenged the traditional concept of the city where its urban spatial outcomes were dictated entirely by the constraints of supply and demand, within a leaderless market, and sought to emphasize the role of agency, especially as it relates to a handful of powerful local interest groups and individuals, in the shaping of urban places. The growth machine competed against other cities for

mobile capital by raising funds to build the necessary infrastructure, winning subsidies and tax abatements to attract businesses, and promoting local policies designed to foster a favorable business climate. Members of the growth coalition were also able to take advantage of the pro-growth approach to urban governance and ensure the public subsidization of their own local economic projects, ensuring lower levels of financial risk. For these reasons, Molotch argues that the economic health of cities and spatial distribution of populations should not be attributed solely to chance or to the “invisible hand” of free markets, as underlined by the notion of an unorganized free market that responds to a leaderless and highly-mobile population of “rational” decision-makers. Although the role of the market is important, Molotch stresses the tremendous clout of local growth coalitions in driving development and local economic expansion. Growth coalitions may have a substantial impact on local land markets once government actors become involved, skewing the competitiveness for investment towards certain neighborhoods and economic agents.

The growth machine thesis was modified further in John Logan and Harvey Molotch’s 1987 book *Urban Fortunes: The Political Economy of Place*. In this work, the authors placed additional emphasis on the importance of urban real estate development in shaping urban systems. Borrowing from classical Marxist principles, Logan and Molotch make a distinction between the “use-value” and the “exchange-value” of land. Use-value represents value that people attach to a particular place due to its inherent qualities that facilitate everyday living and uses. In the case of residential properties, a house or apartment unit has use-value to its inhabitants because it serves a particular use, such as providing a home. However, over time, these properties generate rent (exchange-value)

for its owners. Property owners differ with respect to which of these aspects is most important to their own lives. For some owners, properties are merely places for living in, whereas others would view properties as places to invest in through purchasing, accumulating, upgrading, packaging, leasing, and selling.

This use-value/exchange-value duality coincides with a divide between owner preferences. On one extreme, there exist the residents, who utilize place to satisfy an essential need, in most cases providing adequate living arrangements. On the other extreme, “place entrepreneurs” view places as opportunities for investment and financial return. Most people value their land or buildings for the day-to-day uses they generate for the owner but a small group of owners, which have the capability to do so, are organized to tap into the potential financial gains that the land and buildings may generate. The latter type achieves their goal of maximizing the value of their holdings by intensifying land uses on their properties. Logan and Molotch (1987) identify these place entrepreneurs as the primary agents behind the urban development process. Yet, these agents constitute one dimension of the growth machine.

Place entrepreneurs are part of a privileged class of urban landowners who are directly responsible for buying places and collecting rents at a large-scale. They have the task of attracting and trapping certain types of human activity within their accumulation of holdings by altering the conditions that structure the local land markets. This process is accomplished through their active influence on various levels of decision making in the public and private sectors that affect the locational advantages of place. Place entrepreneurs encourage public investment in infrastructure, lobby against development restrictions, advocate for government subsidies towards private businesses and

development projects, as well as promote other programs that will rearrange the relationships between places to their advantage.

However, these agents cannot achieve their goals alone. Place entrepreneurs often lack the expertise and the capacity to establish residential, commercial, and industrial projects without the aid from additional individuals and organizations. Corporations and real estate developers are those organizations that actually modify places for these uses but are increasingly footloose and have several opportunities to locate across space; they are not necessarily bound to a particular place and have the freedom to locate their activities wherever the potential for profit exists. Such organizations are recruited to build these places whereas the property owners take a cut of the financial gain.

The success of the entrepreneurs' investments, however, rides on their ability to attract these necessary agents into their holdings. This is the weakness of place entrepreneurs as a class; they are "place-bound" since their holdings are not mobile and cannot readily be uprooted to follow capital from one place to another. Logan and Molotch (1987) refer to this condition as "parochial capital" in which initial capital has already been fixed into land holdings, motivating the place entrepreneur to remain in place while doing everything in their power to attract additional investment. Another reason why place entrepreneurs are place-based and not readily mobile is their tacit knowledge of the region's political and economic climate as well as familiarity with local business interests, institutions, political officials, and allies. Such intimate networks, which take years to build, would be difficult to reconstruct if the place entrepreneur were to leave for another locality.

The investment offered by corporations, real estate developers, non-local government, and other entities with access to credit, on the other hand, is more mobile and can shift readily from one place to another. Logan and Molotch refer to this mobile capital as “metropolitan capital.” The land-based entrepreneurs strive to attract metropolitan capital into their holdings by either bargaining with local and non-local investors or by pushing local government to create a “business-friendly” environment that will attract investment (metropolitan capital) into their region. Many strategies rely on the use of government subsidies to modify local land markets that encourage high-return developments in certain places. Within the growth machine perspective, place entrepreneurs with the greatest political influence control the places that are receiving government assistance.

Growth machines form through an alliance of place entrepreneurs, government officials, businesses, media organizations, developers, real estate agents, bankers, schools, and others. The methods used to achieve the objectives of the landowners, which is to maximize rents generated from their holdings, are seen by members of the growth machine to benefit their own individual interests. All members of the growth machine share a common commitment to promote economic growth in the face of intense competition for capital across space. Within this competitive spirit, the growth machine is charged with generating and sustaining, in Logan and Molotch’s (1987) words, the “place patriotism of the masses” (p. 60), where growth machine aspirations are tied to local civic pride. In the political realm, public benefits from growth machine projects are accentuated, whereas benefits to private interests are downplayed, and the celebration of local growth compliments the notion ingrained in the American consciousness that



growth signifies success. Such a marketing tactic emboldens the general populace to take ownership of the growth agenda and thus disarms popular resistance against the growth machine.

However, the decision-making system under the growth machine serves to benefit the most powerful while the least powerful are at a disadvantage. The growth machine members' common focus on exchange-value over use-value in urban real estate creates a condition where "in many cases, probably in most, additional local growth under current arrangements is a transfer of wealth and life chances from the general public to the [place entrepreneurs] and their associates," (Logan and Molotch 1987, p. 53). Thus growth achieved by the growth machine is not equal. The costs of such a system "fall disproportionately on low income communities and marginal local businesses, which are often physically displaced by redevelopment strategies," (Harding 1995, p. 43). The growth machine may relocate, rather than generate, economic activity. In fact, in the extreme scenario, aggregate growth in the locality may be negative while certain groups of interest stand to benefit (Vojnovic 2000a, 2000b, 2003a).

Logan and Molotch focused on the activities of the growth machine as implicitly controlled by members of the host society; the growth machine was directed by political officials, business leaders, developers, real estate agents, newspapers, and other high profile individuals and organizations, which the authors considered to be dominated by the White majority in the North American context. Racial minorities, including immigrants, traditionally fell outside the decision-making process of the growth machine and thus were not entitled to the benefits that were enjoyed by the urban elite. Blacks, and Black businesses, especially were curtailed due to institutional racism (Zunz 1982),

as well as the vested economic interests of the majority White society. For instance, there have been several cases where racial minority and ethnic enclave neighborhoods were demolished to make way for urban redevelopment projects (Weaver 1955; Anderson 1964; Wolf and LeBeaux 1967; Allen 1980; Boyd 2000; Podagosi and Vojnovic 2008; Che 2008), which may be attributed to the lack of representation of these community members in the local growth machine.

However, changing preferences among the middle and upper class—segments of the population that the city relies on for economic success—have forced influential members of the growth machine to reassess their development strategies. Subsequent generations of culture-conscious residents and tourists had created a market for urban development initiatives that cater to these sensitivities.<sup>3</sup> Previous growth machine tactics, which emphasized growth at the expense of quality of life, had become obsolete due to the greater emphasis on the urban cultural milieu demanded by this new class of urban residents and tourists. The following sections discuss the growing importance of culturally infused spaces in cities that appear exotic, and thus attractive, to the leisurely class of residents and tourists. Specifically, ethnic and racial minorities, that exude this culture of difference, now have a presence, that some have argued, is increasingly recognized by the growth machine (Light 2002; Nijman 1997; Lin 1995).

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<sup>3</sup> David Ley (1996) describes this change in middle-class sensitivities as a consequence of the widespread counter-culture movements of the 1960s.

### **2.3 Immigration and Ethnic Neighborhoods**

The arrival and departure of immigrants has a definite impact on the urban places they occupy. Immigrants often refill the pool of cheap labor, which is geared towards filling the demands for the lower-order service industries, such as restaurants, maid services, and small shops—many of which serve as an integral component of the tourist industry (Philo and Kearns 1993). Immigrants also have an inherent quality that bolsters the urban tourist industry. As the host society's apprehension towards foreign cultures waned in the latter-20<sup>th</sup> century, and as the tourist industry became the largest sector in many urban economies, the real and imagined cultural expressions of these diverse immigrant groups became a valuable commodity for many cities. In the urban landscape, the cultural expressions of the diverse ethnic groups are evident in local architecture, streetscapes, language, cuisines, and daily rituals.

Growing numbers of tourists gravitate to these culturally rich urban places, bringing with them additional revenue to bolster dwindling city coffers. Not only leisure seekers, but also business travelers and big-time investors increasingly are drawn to this ethno-cultural urban spectacle, where they attend festivals, patronize retailers, and dine in the choice selections of ethnic cafes and restaurants. As these ethnic neighborhoods continue to develop over time they enjoy a greater international reputation; immigrant commercial districts draw a significant amount of investment from overseas. Such places attract the increasingly multinational, footloose, and affluent: the MBAs, the purveyors of international culture, the students, the scientists, the techies, the diplomats, and the artists, which consequently create an energized place of convergence within the global network

of cities. Immigrants, therefore, have the potential to be the catalyzing agents of neighborhood vitality.

In their growth machine thesis, Logan and Molotch (1987) implied that racial and ethnic minorities fell outside of the urban growth machine. However, others have argued that the presence of a large immigrant community has the potential to attract the attention of the mainstream growth machine (Lin 1995; Nijman 1997; Light 2002). The influx of immigrants in these cities can impact neighborhood vitality in two ways. First, the presence of vibrant immigrant communities can draw from their own social capital and also infuse new investment from alternative sources into economically depressed neighborhoods in the city. Second, immigrants create unique communities that contribute to the cultural diversity of the city, which can attract investment from outside tourism and spur economic development.

In addition, Lin (1998) suggests that immigration might improve housing values in the traditionally depressed neighborhoods of the inner city. Saiz (2003) asserts that potentially the biggest impact of immigration on cities is their effect on housing markets as an influx in newly arriving immigrants can contribute to higher prices and rents. Also, immigrants may be more willing to invest in refurbishing residential properties that can result in the revalorization of ethnic neighborhoods (Saiz 2007). These observations contradict the traditional notion of immigrant communities located in perpetually poor neighborhoods (ethnic ghettos) within the zone-in-transition, as espoused by the Chicago School's ecological urban framework (Park and Miller 1921; Burgess 1925). Pamuk (2004) presents evidence that during the past three decades immigrant households became the main demographic driver of housing demand in the major American cities.

From an urban policy standpoint, newly arriving immigrant groups can revitalize the economically depressed neighborhoods in inner cities, thus providing additional tax revenues that have dwindled due to the decline in the traditional base economies and loss of the affluent population to the suburban localities.

A small but growing literature focuses on the impact of ethnically owned formal financial institutions in these immigrant neighborhoods. Increasing investments into these neighborhoods is possible since certain immigrant groups enjoy the benefits of access to foreign capital, unlike other minority groups in the city. Immigrant groups, especially Asians, that maintain close ties to their home countries have access to alternative sources of credit, thus circumventing traditional credit that historically were difficult to access among minorities in the United States. Decades of discriminatory lending practices, especially in the form of redlining, had effectively severed channels of credit to neighborhoods with a large minority and low-income presence, and exacerbated the physical decline of these neighborhoods. However, the Chinese-Americans in Los Angeles not only established ethnically owned banks, which offered alternative streams of credit within these communities, but also had access to Chinese based financial institutions that maintain branch offices in the metropolitan area (Li et al. 2001; Dymski and Li 2004). Li and her colleagues argue that this process was attributed to the mainstream financial institutions' neglect and discrimination against racial minority neighborhoods (Li et al. 2002). Such actions from the host society created an opportunity for ethnic banks to satisfy the growing demand for credit among minority groups in the city. In some cases, ethnic owned banks have given certain immigrant groups the opportunity to sidestep the structural constraints that traditionally inhibited investment

into certain neighborhoods, which had exacerbated the intrametropolitan inequalities and decline of these neighborhoods in previous decades (Smith 1995; Dymski and Mohanty 1999; Li et al 2002; Dymski et al 2006).

These financial organizations offer a means for minorities to overcome the structural constraints of the market for credit and also for land. However, minority owned banks and financial institutions are part of a larger and more complex level of organization within immigrant groups that can bring investment into inner city neighborhoods. In the larger immigrant gateway cities, the urban landscape is being shaped by a large and influential immigrant presence. Consequently, there exists a situation whereby “immigrant” place entrepreneurs, who may operate outside of the local growth machine coalitions, are engaged in speculative activities in the immigrant neighborhoods. Similar to their counterparts who are part of the mainstream growth machine, immigrant place entrepreneurs’ holdings are restricted by geography and must recruit the help of financial institutions as well as other organizations and individuals that will benefit from the development of immigrant neighborhoods. The following section discusses the immigrant place entrepreneurs.

## **2.4 Immigrant Place Entrepreneurs**

In the gateway cities, immigrant communities have had a significant role in shaping the urban landscape. However, much of the literature does not elaborate on the creation of immigrant districts. In one early example, Robert Park (1915) left the responsibility for immigrant housing, in addition to other residential and industrial districts, to the realm of “private enterprise without paying attention to how private

enterprise actually produced it” (Light 2002, p. 215). This section provides a review on the role of both elite political and business groups originating from the host society and the various immigrant communities in the supply of immigrant housing and creation of immigrant districts. In addition, I integrate the literature on immigrant ethnic place-marketing and place-branding. This transition not only incorporates the role of the elites on selling housing to newly arriving immigrants, it also addresses the additional step of designing specific themed-neighborhoods that are marketed towards immigrant and non immigrant groups. The Little Italys, Greektowns, Chinatowns, and Little Saigons, which are common tourist destinations in many North American cities, are some examples of ethnic “themed” neighborhoods.

Ivan Light (2002) argues that certain immigrant groups during the closing decades of the 20<sup>th</sup> century became more active in the urban growth machine. In the case of Los Angeles, he asserts that leaders within the Asian immigrant communities and co-ethnics abroad not only became more active but also replaced the previous leadership of the city’s mainstream growth machine. Drawing primarily from newspaper articles, various print media, and archival documents from the L.A. region’s plethora of local planning agencies, Light traces the historical development of two neighborhood projects in Los Angeles that were directed by Asian immigrant place entrepreneurs: Koreatown and Monterrey Park. Light argues that these two developments did not occur spontaneously, contrary to the traditional histories of these neighborhoods, but follows an intentionally planned development initiative orchestrated by a highly organized coalition of immigrant business leaders and politicians that had “acquired a financial interest in promoting growth in the locality” (Light 2002, p. 223). These articles and documents also

identified the major stakeholders in the local growth machine, which Light labeled as “immigrant place entrepreneurs,” who are actively involved in the creation and selling of urban places to co-ethnic immigrants.

In the case of Koreatown, Korean real estate speculators with access to overseas capital were able to purchase parcels of land in the inner city and sell these properties to recently arriving Korean immigrants. These activities are analogous to the intense boosterism and land speculation that ran rampant in the American frontier during the 19<sup>th</sup> century, where pioneering entrepreneurs, driven by the potential “exchange-value” of their holdings, marketed open land to their cohorts back in the eastern United States and Europe. The outcome of this activity led to the creation of a distinctly Korean district, which served as an alternative downtown to Los Angeles’ downtown. This district included major Korean banks, strip malls, condominiums, and large-scale indoor malls.

In the City of Monterrey Park, a coalition of Chinese business interests established an all Chinese Chamber of Commerce whose goals often conflicted with those of the previously established Chamber of Commerce, which served the non-Chinese businesses. Monterrey Park would eventually be redeveloped with an Asian theme and aggressively marketed to overseas Chinese as the “Chinese Beverly Hills” (Fong 1994, p. 29). These examples help explain why certain immigrant neighborhoods persistently maintain their ethnic image, such as the ethnic enclaves and “ethnoburbs” described by Li (1998, 2005, 2006a, 2006b). However, Light concedes that these case studies do not necessarily support the assumption that immigrant entrepreneurs will always integrate into the local growth machine. Of all the recent immigrants in the L.A.



region, the East Asian populations have been the most successful whereas the Latino populations have noticeably lagged behind.

The two case studies highlighted by Light primarily focus on the creation of affluent places of residence by immigrants primarily for coethnics. Another example of the immigrant growth machine illustrates the recent transformation of Miami, Florida into a global city. Jan Nijman (1997) argues that the presence of a large, entrepreneurial, and highly motivated Latino population effectively meshed with the city's growth agenda, centered on developing Miami into international business center. The local growth machine enrolled Latino, particularly exiled Cuban, interests as part of its plan to transform Miami into a center for international trade. Miami's urban elite crafted the local growth rhetoric in such a way that accentuated the city's multicultural and multilingual tradition as a means to improve the attractiveness of the region to foreign finance.

Initially, the city's reaction towards an increasing wave of immigration, beginning in the 1960s, was tepid. However, over time, this sentiment changed as the city transformed into a major international trading center, and as a new growth machine was being assembled by various high-profile individuals and organizations. Nijman viewed the local newspaper, *Miami Herald*, as effectively fulfilling the media role of the urban growth machine. This newspaper originally took a critical stance towards the influx of Hispanics in Miami, but by the mid-1980s it became a "a strong advocate of multiculturalism and visibly the most important force in forging a stable community in this city, emphasizing the link between growth goals and better lives for Miami residents" Nijman (1997, p. 169).

Though the city of Miami had experienced white flight during the latter part of the 20<sup>th</sup> century, non-Hispanic whites still dominate local decision-making. Nijman not only based this assertion on the proportionally greater representation by non-Hispanic whites serving in local public office, but also on economic dominance, which questions the popular notion of Miami as a strictly Latino city. Nijman also attributes the underrated white dominance in the Miami establishment to the existence of behind-the-scenes politicking by influential non-Hispanic business interests forming, in Nijman's words, the "Non Group" (1997, p. 171), a classic entity found in urban growth machines. What makes this organization particularly elusive is that "[d]espite the fact that this group consists of the most influential businesspeople in Miami, not many locals have ever heard of it" (Nijman 1997, p. 171).

Although the core of the growth machine is dominated by non-Hispanic interests—which is remarkable given the minority status of non-Hispanics in the city—its growth goals of developing Miami into an international metropolis is promoted by various ethnic interest groups. Hispanics, particularly the Cuban elites, take advantage of the constructed image of the Latino City in order to cement their own claims to the future growth of the city as well as market Miami to Latin America to bolster their own interests. According to 1990 labor data, Hispanics were well represented in the producer services sector—a rapidly expanding economic sector heavily tied to international networks and closely attuned to Miami's growth machine interests.

Nijman cautions that the Latino success story still overshadows the less fortunate Hispanic groups as well as Miami's black populations, both native and foreign. He considers that globalization and growing transnationalism has created a situation, in

which ethnic communities are self-reliant and less likely to rely on mainstream support structures as they pursue their own growth agendas. In Miami, this situation has led to the creation of several cohesive ethnic communities that rarely interact with each other, and in fact are quite suspicious of others who don't belong in their group. Thus, according to Nijman, although the growth machine has promoted a growth agenda that benefited certain Latino interests, Miami failed to maintain a unified civic community, which betrays any notion of a social celebration of multiculturalism.

Another line of research focuses on the creation of ethnic places to bolster tourism in certain areas of the city. During the final two decades of the 20<sup>th</sup> century, many cities struggled with the erosion of their tax base due to the collapse of the traditional economic sectors, especially heavy industry (Bluestone and Harrison 1982). A growing number of cities considered tourism and culture-based enterprises as viable options to ameliorate declining revenues. Economic development initiatives often make use of local immigrant communities, which are laden with unique cultural assets, to fulfill this role. Jan Lin (1995) observes the "revalorization" of ethnic places by those "place entrepreneurs" whose projects are complementing the initiatives of the local growth machine. Lin relies on the interpretation of place-based symbols such as signage, literary texts, landmarks, and artifacts (such as statues, parks, buildings) to trace the historical development of the Chinese, and other ethnic neighborhoods in Houston, during the 1980s and early 1990s, and to identify the growing influence of ethnic place entrepreneurs in the growth machine.

Areas that have experienced an increase in the Chinese population have also experienced a physical upgrading of the existing buildings. Clearly in the Houston

example, Asian themed neighborhoods dominate many of these new immigrant housing projects. Lin concluded that reinvestment projects initiated by the Chinese community had caught the attention of the local growth machine, whose members began selectively incorporating the efforts of ethnic place entrepreneurs in downtown redevelopment. Based on interviews of local community leaders, he concludes that such projects that infused ethnic culture onto place was motivated by a unifying goal to stimulate neighborhood revitalization, which translates into economic growth for the locality. As Lin (1995) maintains “[i]n the wake of a postmodern architectural building episode, which crowned the severe regional recession of the mid-1980s, ethnic ‘place entrepreneurs’ have emerged to gain the attention of a municipal ‘growth machine’ that selectively incorporates their efforts into central city redevelopment projects and urban tourism” (p. 629).

Although devoted primarily to gentrification research, Ley et al (2002) is one of the few articles that attempt to quantify the impacts of immigrants on demographic change and property values in neighborhoods across space. However, Ley’s article operates outside of the growth machine paradigm as established by Molotch (1976). Instead, he relies on the urban factorial ecology framework, which focuses primarily on the demand-side aspect of the housing dynamics while excluding how such places of residence are supplied. It should be noted that within this discourse, Light (2002) argues that immigrants largely are responsible for supplying housing to their newly arriving co-ethnics. Ley identifies census tracts where immigrants, professionals, and affluent citizens are located and measures these groups’ impact on the percent change in the average housing and dwelling prices for Vancouver between 1971-1986 and 1986-1996.

Using principal components analysis (PCA) on a dataset compiled from the Canadian census, which includes migrant status, ethnic status, housing age, socioeconomic status, and family status variables, Ley identified four dimensions (socioeconomic status, family status, immigrant status, and gentrification) that accounted for most of the variation in the data. Ley found a significantly positive correlation between the immigrant status dimension, which includes the Chinese population, and the percentage change in housing and dwelling values in Vancouver. This finding suggests that the presence of Chinese in several Vancouver tracts is associated with increasing housing and dwelling values.

Ley's article presents one of the few works that have attempted to use spatial data to measure and assess the impacts of immigrants in the city. His study serves as an exercise in assessing the applicability of principal components analysis (PCA) for this type of research. Ley's method can potentially be used to corroborate the findings from Light (2002), Nijman (1997), and Lin (1995), who exclusively relied on qualitative research methods to gauge the demographic, socioeconomic, and physical changes in the immigrant neighborhoods. While Molotch's concept of the growth machine and Light, Nijman, and Lin's research on the immigrant/ethnic place entrepreneurs can be used to highlight some of the reasons why immigrants are located in particular areas of the city, Ley's method may be used to measure socioeconomic changes within immigrant neighborhoods.

## **2.5 Conclusion**

Recent trends identified by the literature show a greater integration between the elites from immigrant communities and the major players from the mainstream public

and private realms within certain gateway cities. This notion complements that of greater private-public cooperation in the reshaping of neighborhoods. However, this close relationship between elites from the immigrant communities and elites from the host society may not be universal. For example, in Houston, Texas, the concentration of power is held by a cohesive organization of local business interests and politicians who devote considerable resources toward specific projects to promote economic development within the locality—a fundamental dimension to growth machine tactics (Vojnovic 2003a). Much of the public support has been geared towards reducing taxes and subsidizing business concerns, such as the shipping, space, oil industries, transportation infrastructure, and places of entertainment and leisure. Lin (1995) asserts that the proposed ethnic enclave development projects spearheaded by immigrant place entrepreneurs gained the attention of the city's local growth machine due to the severe local economic recession that occurred during the mid-1980s as a result of the bust in the petroleum industry. However, given that the city has traditionally neglected the lower-income class and racial/ethnic minorities, as evident in the recent physical and social transformations in Houston (Vojnovic 2003a; Vojnovic 2003b, Podagrosi and Vojnovic 2008), government support for ethnic neighborhoods may be deficient compared to other cities.

Houston has a suburban 'New' Chinatown, as well as areas of Korean business development, and a Vietnamese 'Little Saigon.' Although in 1995 Lin described the original downtown Chinatown ('Old' Chinatown) development project as being "augmented rather than diminished by this other activity ... since the warehouses in this district are of great use to Asian food and restaurant product wholesalers" (1995, p. 639),

the overall development project never came to fruition. The early and advantageous land holdings that the Chinese community had in downtown Houston had been lost, and downtown Chinatown is in the process of being erased from Houston's urban landscape. Most of the remaining Chinese businesses moved to 'New' Chinatown in suburban Houston. The failure to realize a Chinese ethnic district in Houston's downtown suggests the local Chinese immigrant place entrepreneurs' lack of influence over the city's mainstream growth coalitions. This lack of influence can also be found among Houston's other minorities. Some examples include: the displacement of the Vietnamese 'Little Saigon' district from its original location in Houston's Midtown to the edge of the city, the failure of the Hispanic-themed El Mercado del Sol commercial center and lack of spillover into the surrounding mainly Hispanic neighborhoods, and the destruction Freedmen's Town, Houston's historical Black neighborhood.

### **3. Methods**

#### **3.1 Research Questions**

The problem statement indicates that a gap exists in the research on the link between city government and the ethnic community in Houston. Also, little has been done to measure population and housing changes. In order to fill these gaps, this thesis considers the following research questions:

1. Has Houston's municipal government financially supported urban development initiatives in Houston's 'Old' and 'New' Chinatowns?
2. Given, the city's active promotion of multiculturalism and ethnic/racial diversity, has such rhetoric translated into improving economic conditions within the Chinatown districts and the city's Chinese community at large? More specifically, how do these neighborhoods, which were redeveloped by immigrant place entrepreneurs, differ economically from those themed neighborhoods where the city has devoted considerable resources to promote development? How has the overall economic status of Houston's Asian groups changed over time? Are changes in incomes among Asian groups comparable to the White population?

#### **3.2 Hypothesis**

In the latter 20<sup>th</sup> century, with municipalities facing increasing pressures to become more entrepreneurial and competitive in the global economy, local governments have guided extensive resources towards ethnic communities as a viable economic development strategy to attract tourism and investment. Research has shown that



Houston, Texas—despite its claim as the paradigm laissez-faire city in the United States—has historically devoted considerable public resources toward supporting local business interests and extensively promoting select neighborhood developments (Feagin 1988; Vojnovic 2003a; 2003b; Podagrosi and Vojnovic 2008). This study considers the following two hypotheses:

- 1. Despite the rhetoric of celebrating diversity exhibited by the city of Houston, the Chinese business community has not received financial support from Houston's municipal government. As a result, much of the development projects contributing to the Asian-theme of the Chinatown districts are attributed to a local class of immigrant entrepreneurs operating outside of the local growth coalitions.*
- 2. Since the city of Houston began encouraging the redevelopment and promotion of inner city neighborhoods in late-1980s—including ethnic districts—these initiatives have benefited the affluent and the highly educated professionals who are increasingly concentrating in the urban core, whereas members of the local Chinese community have not enjoyed similar levels of improvement in economic well-being.*

The existence of multiple Chinatown districts during the course of Houston's history indicates the presence of an active association of Chinese immigrant place entrepreneurs who have had a role in shaping Houston's urban landscape. However, a

question that remains is whether public fiscal support, which the city has a history of granting for local development initiatives, is also evident with the urban development projects driven by local Chinese place entrepreneurs. The presence or absence of the public financial support will give some insight into the degree of clout that Houston's immigrant place entrepreneurs have in city hall and among the city's coalition allies in the private sector. Also, to test the first hypothesis, a comparison will be made between the public financial support that ethnic immigrant neighborhoods (specifically the 'Old' and 'New' Chinatowns) receive and other urban development initiatives in the downtown and surrounding neighborhoods. In addition, although the city has actively marketed itself as a place that acknowledges, as well as embraces and supports, its multicultural diversity, this research will explore whether improvements in economic prosperity are evident among ethnic and racial minorities residing within the city, or whether this new celebration of ethnic diversity is merely political rhetoric.

### **3.3 Research Objectives**

This study proposes two primary research objectives. This first objective is to determine the city government's involvement with the historical development of Houston's two Chinatown districts. More specifically, this study will provide insight into the city's financial support of the development projects in Old and New Chinatowns compared to its financial support of development projects in the other districts.

The second objective is to analyze socioeconomic changes as well as changes in housing values in the districts marketed by Houston's municipal government. This study will compare neighborhood change that occurred in the two Chinatown districts with the

other various districts in Houston between 1980 and 2000. This analysis will show the specific districts that attracted certain subgroups of the population and changing housing values and income levels in these districts. The latter part of this analysis will determine whether or not the Chinese community has experienced an increase in income levels in comparison to the majority White population in Houston during this twenty year period.

### **3.4 Data & Methods**

This research proposes using both qualitative and quantitative methods to address the two hypotheses. To complete the first objective, this study will use a qualitative approach—similar to the methods utilized by comparable studies described in the literature review—that provides insight to the historical development of the Chinese district from both the perspective of the local Chinese community of place entrepreneurs and the local (municipal and county) government. Data derived from development plans and building cost reports will also be collected for a quantitative analysis, in order to explore the scale of government financial investment in Houston’s urban revitalization initiatives. This portion of the research consists of the following data collection methods:

1. Conduct informal open-ended interviews of local Chinese entrepreneurs and city officials.
2. Collect official print media published by the Houston Chinese Chamber of Commerce and official print media published by the Houston city government. Examples will include city-planning reports, materials produced by the Greater

Houston Convention and Tourists Bureau, and the local Chinese business and tourist magazines retrieved from business organizations and city archives.

3. Collect information from interviews conducted by local newspapers and collect anecdotal stories and news concerning Chinatown.
4. Build an inventory of public investment and public subsidies (including in private development projects) that have been part of Houston's downtown urban revival initiative since the mid-1980s. This will also include an inventory of public art, which is one proxy indicator of where government has invested in public spaces in the city. This inventory will be derived from city of Houston and Harris County's public documents and listings of civic art.

The data collected and analyzed for this first objective serves to substantiate the first hypothesis. The results will also help inform the interpretation of results for the second objective.

For the second objective, a quantitative approach will be adopted. The second objective will primarily focus on socioeconomic change occurring within Houston's neighborhoods. This study will use decennial census data reported by the U.S. Census Bureau at the census tract level of aggregation for 1980 and 2000, which will allow for the analysis of neighborhood-level characteristics and change.

The wave of Asian immigrants moving into the Houston region did not commence until the mid-1970s and early 1980s. Also, the immigrant place entrepreneurial activities in Houston began to occur during the mid-1980s. Therefore, I feel that 1980 is a suitable starting year for analyzing immigrant populations in Houston.

The study eschews from using data from the 1990 census. There are two reasons for this omission. The first reason relates to the unique economic environment Houston and the surrounding region were experiencing during the 1980s. The regional recession, induced by the decline of Houston's petroleum-based economy during the mid-1980s, affected the entire population and had a detrimental impact on local housing markets. Second, majority of the Houston growth machine's projects were being completed during the 1990s. Thus, any measurable impacts from these redevelopment projects would not be noticed until the end of that decade. In addition, the economy would have had ample time to recover from the recession by 2000.

Census data collected at the census tract level of aggregation will serve as a proxy for neighborhoods. Ideally, neighborhood-level characteristics can be compared across the racial and ethnic makeup of the residential population. However, a major limitation of using this data is that several variables are not stratified by race/ethnicity at the neighborhood level. For example, housing values are not reported by the race or ethnicity of the property owner at the neighborhood level. One method to rectify this problem is to create a typology of neighborhoods based on racial and ethnic make-up. Thus, one census tract can be categorized as an Asian neighborhood whereas a neighboring tract can be categorized as a Black neighborhood. The characteristics of these neighborhoods can then be assumed to represent the characteristics of the predominant population group.

There exist a handful of options to create this neighborhood typology. This study proposes the following three-part method:

1. Data Reduction: Principal Components Analysis (PCA)

## 2. Categorization: K-Means Cluster Analysis

## 3. Inferential Statistical Analysis: Two-Sample Difference of Means T-Test

First, the Principal Components Analysis (PCA) will be conducted on a list of neighborhood variables derived from census data. The PCA is a data reduction method that utilizes a correlation matrix to determine which variables in the data set have a strong relationship with each other. Highly related variables are combined to create a set of new variables called factors or components. This technique reduces the number of redundant variables in the data set, creating a list of new combined variables that reflect the conditions occurring in the census tracts. Given that these components are essentially variables, standardized factor scores can be extracted from them and assigned to each census tract based on how well the census tract is described by a particular component. Ideally, the individual race/ethnicity variables should be loaded separately from each other across the various components. For example, Asian subpopulations, Hispanics, Blacks, and Whites would be highly loaded in their own separate components.

Assuming that  $m > n$ , a dataset with 'm' number of variables can be reduced to 'n' number of components using the PCA. This analysis can be used to extract 'n' sets of factor scores (one set for each component). A cluster analysis will be invoked to group similar census tracts based on their respective factor scores. Assuming that the race and ethnicity variables are highly loaded on separate components, the cluster analysis can create census tract groups associated with race and ethnicity. For example, census tracts that receive high factor scores for a Hispanic component may be grouped together by the cluster analysis. The PCA and cluster analysis provides an objective way to categorize census tracts.

A comparative analysis can be achieved once the cluster analysis generates categorical groupings of census tracts by race. The third step begins with the first use of an inferential statistical analysis. For the second objective, this study singularly focuses on differences in economic prosperity between Houston's Asian and White neighborhoods. Thus, Asian and White neighborhoods will be extracted from the cluster analysis. This binary arrangement will facilitate the use of a two-sample difference of means t-test. The two-sample difference of means test compares two samples of census tracts to determine whether the two groups are statistically different from one another based on a particular variable. Economic prosperity is defined as increasing income, increasing residential property values, and declining poverty. This study will observe both the dynamic and static nature of these measures—that is, changes in these variables over time in addition to the level of these variables for the most recent year.

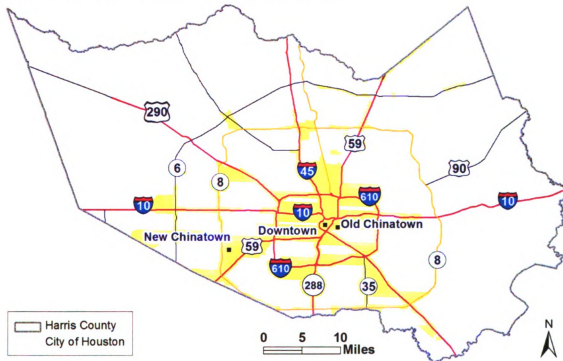
### **3.5 Study Region and Unit of Analysis**

This study will focus on Harris County, which contains the City of Houston. The study region includes 649 census tracts and encompasses a diverse collection of neighborhoods experiencing extreme changes in population and housing characteristics. Currently, Houston's suburban Sharpstown neighborhood is the home to a large Chinese business district, which has neither a definite boundary nor an official name but is often referred to as Chinatown in many official city materials and tourist brochures.

The Alief neighborhood is adjacent to Sharpstown and is home to a sizeable Vietnamese district in addition to Chinese businesses that spillover from the neighboring suburban Chinatown district. In this study, I refer to the Chinese portion of these two

business districts as 'suburban' or 'New' Chinatown, in order to distinguish it from the original Chinatown district, which I will refer to as 'downtown' or 'Old' Chinatown (see figure 3.5.1). 'Old' Chinatown is an older Chinese-Vietnamese district located just to the east of downtown Houston. The previous Asian and African-American populations are abandoning Old Chinatown as a result of increasing property values and extensive physical upgrading. NOTE: Images in this thesis are presented in color.

**Figure 3.5.1: Map of Houston and Chinatown Districts**

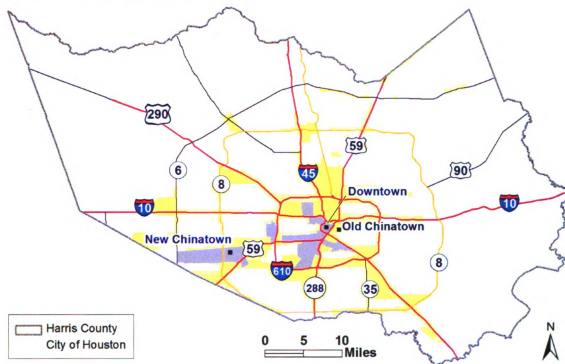


This thesis also focuses on the emergence of Houston's urban "districts." I define these districts as urban places that may contain a single or multiple neighborhoods whose physical appearances and development conform to a unifying theme and are promoted by the city of Houston. Figure 3.5.2 shows the spatial footprint of the combined districts. Most of the affected neighborhoods are in the inner city. For this study, neighborhoods



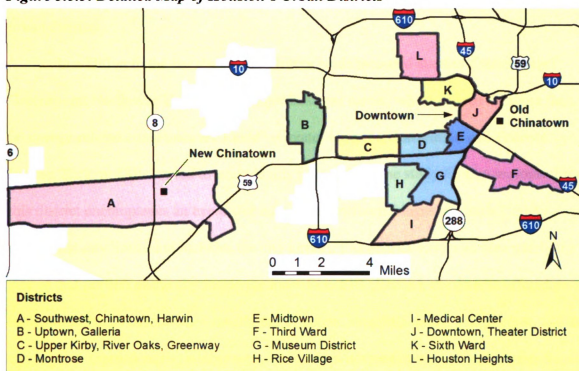
are represented as census tracts. Thus a district is a spatial entity that encompasses an area larger than a neighborhood (census tract). The districts are derived from what the official city of Houston literature defines as “City Explorer” destinations. I use the maps provided in the 2008 edition of the official Houston visitor’s guide, *Official Visitors Guide: Houston*, issued by the Greater Houston Convention and Visitor’s Bureau (GHCVB).<sup>4</sup> I merged the census tracts that overlapped the individual city explorer destinations demarcated by the GHCVB to create the district boundaries to be used for this study.

**Figure 3.5.2: City of Houston and District Areas**



<sup>4</sup> The GHCVB serves as the sales and marketing arm of the city of Houston and Harris County. The mission of the GHCVB is to improve the economy of Greater Houston by attracting conventions, tourists and international government officials. (Greater Houston Convention and Visitor’s Bureau 2009). The City of Houston provides \$10 million towards the bureau’s \$12 million operating budget (Mack 2006).

**Figure 3.5.3: Detailed Map of Houston's Urban Districts<sup>5</sup>**



I identified twelve prominent urban districts that are defined and promoted by the GHCVB (see figure 3.5.3). These districts include: (A) Southwest (Chinatown & Harwin), which includes the suburban New Chinatown; (B) Uptown Galleria; (C) Upper Kirby, River Oaks, Greenway; (D) Montrose; (E) Midtown; (F) Third Ward; (G) Museum District; (H) Rice Village; (I) Medical Center; (J) Downtown Theater District; (K) Sixth Ward; (L) Houston Heights.<sup>6</sup> Although these districts are demarcated and named based on the descriptions found in the GHCVB literature, local residents and businesses often use these designations and place names as well. Old Chinatown was noticeably absent from the GHCVB literature. I included the approximate center of this

<sup>5</sup> Derived from maps in Greater Houston Convention and Visitor's Bureau (2008)

<sup>6</sup> I assigned the alphabetic ID code as a way to match the district names to their respective boundaries in the maps and figures.

immigrant business district to show its relative proximity to downtown and the other urban districts.

In addition to the list above, the visitors guide included another district called Greenspoint Northwest Houston, “a major business center, where offices for more than 80 energy-related companies are found” (Greater Houston Convention and Tourists Bureau 2008, p. 18). I opted to exclude this district from the study for two reasons. First, this district encompasses an expansive area in the northern fringes of Harris County outside the city limits and includes the city airport; this district covers an area nearly the size of that portion of the city inside the inner loop 610. Second, the district offered a limited number of attractions—mostly major hotels, shopping malls, golf courses, and the city airport—spread across a large area, which does not particularly reflect a cohesive urban district in the traditional sense.

Most of the districts were separated precisely into their own census tracts but there were a few discrepancies. In some cases, multiple districts fell within a single census tract. I retained all district names when identifying these tracts. Examples include the Upper Kirby, River Oaks, Greenway districts and the Downtown and Theater District. These five entities are already grouped into the two respective districts by the GHCVB. Some districts were split into different census tracts that happen to be dominated by other districts. For example, the Medical Center is split between districts ‘G’ and ‘I.’ I designated district ‘G’ as the Museum district because museums and parks dominated much of its area. The Medical Center is then grouped with the Reliant Stadium complex in district ‘I.’ Unfortunately the 2000 census tract boundaries, in this case, preclude a precise demarcation between these two districts.

Finally, the GHCVB defines district 'A' as Southwest (Chinatown | Harwin).

There has been controversy over the naming of this district, which houses various ethnic communities in addition to the Chinese. The GHCVB, and by extension the city, views much of the area as constituting Houston's Chinatown district. However, this area is also home to a sizeable Vietnamese district as well as a small South Asian business enclave, making the term Chinatown somewhat of a misnomer. Some argue that "Asia Town" is a more appropriate designation for the district encompassing these diverse neighborhoods (Rodriguez 2007). I adopt the term 'New' Chinatown as this has become a popular nomenclature in Houston and appropriately distinguishes this area from 'Old' Chinatown near downtown.

The boundaries of the Chinese and Vietnamese sections are quite fluid with much overlap. Also, Asian ethnic activities are dispersed throughout district 'A.' I include the approximate center of New Chinatown just east of Hwy 8 as a reference for the reader in figure 3.5.3. This reference point represents the census tract that has the highest concentration of ethnic Chinese business developments and also registers the largest number of Chinese residents in Harris County based on 2000 census data. Hong Kong Mall, which was developed by a Chinese-Vietnamese entrepreneur, houses the iconic Asian gateway arch, which serves as the symbol of New Chinatown. However this development is located on the west side of Hwy 8 in the predominately Vietnamese section of the district. This circumstance reveals the general lack of borders between the two Asian sections as well as the expansive nature of the district.

## 4. City of Houston and Historical Context

### 4.1 The Houston Growth Machine

The growth machine in Houston is founded upon principles that sustain a “business friendly” climate in the city. While considerable effort in Houston is directed at promoting and celebrating its minimal government approach, past studies have, in fact, challenged the city’s claims of laissez-faire governance. Joe Feagin’s study of Houston, *Free Enterprise City: Houston in Political-Economic Perspective* (1988), details the extensive role of government intervention in the private sector as a form of corporate welfare. State and city governments traditionally maintained strong links with Houston’s business community and actively responded to the needs of business interests. Every major economic transition in Houston was facilitated with an extensive infusion of public money into the local economy to support the new changes in the private sector investment focus.

Research has shown that the growth machine framework is effective in reflecting the Houston governance strategy due to the strong cooperation between the city’s urban elite, both political and economic, and continued consensus of the pro-growth philosophy, which advocates a government that caters to business interests (Feagin 1988; Lin 1995; Vojnovic 2003a; 2003b). Whereas many cities have experienced fragmentation and competition between its urban elite, Houston has been relatively unified in this regard throughout much of its history. Feagin (1988) traces a succession of urban elites that carried the growth machine during particular periods of Houston’s development (see table 4.1.1), and while their business interests might have been very different, they all shared similar growth philosophies. In addition, Houston’s pro-growth

rhetoric has met little resistance. Factors such as anti-growth coalitions, advocates from environmental and labor interests, as well as violent racial conflict and civil strife, which derailed pro-growth initiatives in other major cities, have not seriously challenged Houston's growth machine during the 20<sup>th</sup> century.

***Table 4.1.1: Succession of Houston's Business Elites<sup>7</sup>***

Emerging Economic Sector	Decades of Prominence	Members of the Urban Elite
Agricultural production, marketing	1840s – 1880s	Allen brothers, W. M. Rice, T.W. House
Transportation; railroad; shipping	1880s – 1910s	J.A. Baker, W. Baker, H. Rice, J.H. Kirby, J. Jones, O. Holcombe
Primary commodity production; oil tools; banking	1920s – 1960s	Suite 8F crowd, J. Jones, W.S. Farish
Medical services; space- related industry	1970s –	Chamber of Commerce (Greater Houston Partnership), other business groups, public- private organizations

## **4.2 Entrepreneurial Spirit Behind Houston's Growth since 1836**

Following its newly won independence from Mexico in 1836, the Republic of Texas<sup>8</sup> became the owner of a vast expanse of land ready for settlement and development. The transition from a Mexican state to an independent nation provided the

<sup>7</sup> Table derived from Feagin (1988, p. 108), modified by Author.

<sup>8</sup> Prior to the Texas War of Independence, Texas was a political department within the Mexican state of Coahuila y Tejas. After seceding from Mexico, Texas existed as an independent republic from 1836 until its annexation by the U.S. in 1845.

impetus for intense speculative activities among residents and enterprising people.

Attracted by the opportunity to found a new capital city of Texas, John and Augustus Allen, two land developers based in New York City, established Houston in the spring of 1836 by the head on navigation of Buffalo Bayou. The Allen brothers were not the only developers in the area. Enterprising speculators were platting competing settlements such as Lynchburg, Harrisburg, New Washington, Powhattan, Scottsburg, Louisville, San Jacinto, Buffalo, Hamilton, and a collection of other speculated cities with great expectations of grandeur but few inhabitants to show for it (Sibley 1968).

The Allen brothers, however, excelled in marketing tactics and effectively promoted their land assets to their audience (newly arriving immigrants to Texas and government officials). John Allen won a seat in Congress and argued his cause for his proposed city before that body. The Allen brothers advertised the planned city in several newspapers. Though advertising the founding of new cities were common in newspapers back in the eastern United States, this advertisement submitted by the Allen brothers was the only one of its kind in Texas at the time (Sibley 1968). In addition, the Allen brothers strategically named their planned city after General Sam Houston, the future president of the Republic of Texas, then at the height of his popularity for his role in the Texas War of Independence.

The Allen brothers convinced Congress to establish Houston as the national capital with the condition that construction be financed at the developers' expense (Sibley 1968). This promise effectively made the deal more attractive to legislators by offering the government free lots and buildings to be rented on credit. However, this act of Congress was not without controversy. Rival entrepreneurs, who had vested interests in

other speculated cities in the region, complained that the Allens won favor from Congress because of their tenacity for behind the scenes dealings with legislators and the use of questionable methods to influence the president's office (Sibley 1968). Anson Jones, a congressman and a former president of Texas who oversaw the republic's annexation to the United States in 1845, lambasted the choice of Houston for the new capital as one of the most corrupt acts of Congress. In his memoirs, Jones recalled that "Houston and Galveston were pretty respectable speculations by members of legislature," but these actions constituted "a perfect selling out of Texas to a few individuals" (Jones 1859, p. 18-19).

Despite the location's inherent shortfalls and the bitter outcry from rival interests, the decision to locate the capital to Houston provided the additional stability required to support the nascent city. This act by the Texas Congress, and the faith that the newly elected President Sam Houston would use all means in his authority to protect his eponymous city from other competing place entrepreneurs, provided a stimulus that attracted politicians and businesses to the area. It also assured newly arriving residents and future enterprising individuals that the city would be a sure win for investments. Although the seat of government eventually would abandon Houston in favor of the newly founded city of Austin in the interior of Texas, the city's base trade and manufacturing economies was firmly established. One historian would conclude that "the selection of the site, the naming of the place, the presentation of the advantages of the place, the success in securing the temporary location of the seat of government, constitute a high testimonial to the shrewdness, sagacity and enterprise of the promoters of the City of Houston... it marks the beginning of one of the few successful speculations



of the kind, so numerous in that day” (Winkler 1906, p. 168-169). Johnston (1991) adds that “[n]o twentieth-century marketing expert could have promoted a city more shrewdly” (p. 9).

Beginning in the late-19th century, Houston business delegations lobbied U.S. Congress and won extensive public funds to develop its transportation infrastructure, the port, and rail network (Rose 1965). In 1909, after decades of securing federal funding, a delegation of boosters went to Washington D.C. to secure new funds through a cost-sharing arrangement. In 1911, Congress approved the plan, setting two precedents: (1) the \$1.25 million (about \$27.5 million in 2007 dollars) grant was the largest sum that Congress had approved for a local project; (2) this marked Congress’ first foray in cost-sharing with a municipality. This seminal arrangement became known as the Houston Plan (Sibley 1968). Hundreds of millions of dollars from the federal government would continue to be directed at developing Houston’s port over the next century. These strong ties between local government actors and economic elites would continue throughout the 20<sup>th</sup> century. Although Houston’s growth machine is composed of a diverse set of private and public interests, they were united by the mutual need to promote economic growth as the focus of local public policy.

### **4.3 The 8F Suite Group 1920 - 1970**

During the following decades, Houston saw a highly centralized and powerful elite who shaped the course of local public policy. The power elite consisted of “wildcatter industrialists” and “society tycoons” who ran a variety of ventures in oil, real estate, construction, and banking (Feagin 1988). They were referred to as the “8F suite

group,” named after the downtown Lamar Hotel suite where they often held meetings. Prominent members of the 8F group included George and Herman Brown, both involved in construction and shipbuilding, Jesse H. Jones, a lumber magnate and politician; Samuel Rayburn, chairman of the Federal Interstate and Foreign Commerce Committee; Gus Wortham and William Vinson, both insurance entrepreneurs and founders of major insurance companies; William Hobby, governor of Texas and owner of the Houston Post; and James Abercrombie, Hugh R. Cullen, and Morgan J. Davis, who were all oil magnates. Other prominent individuals at the local, state, and national levels, who were not necessarily active members, were still influenced by the 8F group. This group represented the most cohesive power structure in Houston for much of the 20<sup>th</sup> century.

Several building projects in Houston, in response to the oil boom, were directed by members of this power elite. The Houston Cotton Exchange and Board of Trade Building (1924), the Petroleum Building (1927), and the Niels Esperson Building (1927) are some examples of buildings constructed under the direction of the 8F group. Jesse H. Jones, the lumber magnate and eventual banker and financier, constructed the Houston Chronicle Building and the 36-story Gulf Building – the tallest in Houston at the time. Jones was also chair of the New Deal-era Reconstruction Finance Corporation, who successfully funneled federal funding into local Works Progress Administration (WPA) civic projects (Feagin 1988).

Public policy under the 8F group era centered on enhancing transportation infrastructure and developing the Houston oil industry. The 8F group successfully lobbied the federal government to protect these local initiatives. Sam Rayburn and President Lyndon Johnson, a Texas native, played an important role in allocating

investments into local infrastructure projects. With respect to the oil industry, these individuals were instrumental in securing the oil depletion allowance, which allowed oil companies to exempt 27.5% of their income from taxes (Vojnovic 2003b). These initiatives worked well for a “pro-growth” regime in city hall whose public servants were either former-businessmen or were closely tied to Houston’s business community. Thus, this system perpetuated the notion of whatever is good for business is good for the city, but the uncontrolled boosterism contributed to Houston’s poor urban quality of life standards.

The marriage of public policy and private development led to the creation of the Houston Ship channel, which not only became one of the busiest waterways in the world but also one of the most polluted. In addition, the unregulated growth of the city’s major industries (primarily petrochemical) endangered public health—especially among the low-income and predominantly minority residents who lived near these facilities along Buffalo Bayou (Melosi and Pratt 2007).

The monopoly of power wielded by the 8F group, which represented Houston’s traditional elite, began to wane during the 1970s. Vojnovic (2003b) indicated that the Houston business community had extensively evolved from the days of the 8F group by the closing decades of the 20<sup>th</sup> century—in part due to international immigration, an increase in transnational service providers, the expansion of the Houston economy, and a diversifying economic base. New economic elites emerged in the city, diluting the traditional power structures of the 8F group. The new local business leaders, however, still maintained close ties to the city’s political leadership, and local government continued to preserve a strong pro-business agenda, as evident with ongoing financial

support—in terms of subsidies and public-private partnerships—of selected private development projects.

#### **4.4 Houston Chamber of Commerce 1970s – present**

The Houston Chamber of Commerce<sup>9</sup> continued the pro-growth tradition of its predecessor, the 8F group. The chamber of commerce provided an opportunity for high-level business leaders to enter the public sector (Thomas and Murray 1991). In addition to advocating policies that would benefit its closest business interests, the chamber of commerce also challenged programs that conflicted with its pro-business philosophy and power. For instance, in the late 1970s, the chamber of commerce impeded the incorporation of Houston United, an “enterprise designed to bring business leaders together with ethnic, religious, labor, and civic leaders” (Thomas & Murray 1991, p. 95). The Greater Houston Partnership is the current incarnation of the chamber of commerce, which merged with the Houston Economic Development Council. This association is less united in its organization compared to its predecessors. The continuous entry of national and international corporate elites, as well as the increasing diversity in the local ethnic place entrepreneurs, has led to a new growth coalition very much different from

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<sup>9</sup> The Chamber of Commerce was renamed the Greater Houston Partnership after its merger with the Houston Economic Development Council and Houston Foreign Trade. The partnership serves as an advocate for business-focused public policy towards economic development. It also facilitates corporate relocations and expansions in the region, promotes international outreach, and participates in strategic planning for the city. The Partnership’s membership includes the city of Houston, Harris County, the Houston Port Authority, and several high profile businesses.

the traditional Anglo-based elite, but still carrying the pro-growth initiatives of its predecessor.

Chapters 4 and 5 will show that despite the growing immigrant population, the emergence of ethnic place entrepreneurs, and the city of Houston's active celebration of ethnicity and diversity, which emerged during the 1980s and 1990s, ethnic communities and immigrant place entrepreneurs investing in Houston did not receive the public financial aid that was granted to members of the mainstream growth coalitions. This is clearly apparent with Houston's Chinese entrepreneurs and their development projects in the city's two Chinatowns. Without the public fiscal aid, ethnic place entrepreneurs were simply not as competitive as their publicly funded rivals, and ethnic communities and neighborhoods were slowly squeezed out of the Houston urban core.

#### **4.5 A New Growth Agenda**

Since the 1970s, Houston has become one of the most ethnically and racially diverse cities in the U.S. This transition in demographics impacted the city's changing political leadership. In 1971, citizens elected the first non-Anglo candidates into city hall. Fred Hofheinz, who won the 1973 mayoral election, served as a city official who relatively was sensitive towards the needs of the traditionally marginalized populations (Vojnovic 2003a). More recently, in 1997 the city elected Lee Brown as its first African American mayor. The current city council of 13 occupied seats includes four Blacks, one Asian, and one Hispanic representative.

Houston is a major gateway city receiving a sizeable immigrant population. Asians and Hispanics notably increased during the latter 20<sup>th</sup> century. From the 1970s to

the present, Asians—particularly the Chinese—developed a growing business elite, forming the foundation of Houston’s new class of *ethnic place entrepreneurs*<sup>10</sup> (Lin 1995, 1998). The recent entry of a market savvy immigrant entrepreneurial class along with increasing tolerance towards racial and ethnic diversity contributed to changes in Houston’s pro-growth economic and political environment. Whereas before, racial and ethnic diversity had no place in the growth machine’s plans to develop Houston, since the 1980s there has been some evidence that city officials and local economic leaders view immigrant communities, and the diversity that they bring to the city, as important amenities that contribute to attracting tourism and investment.

These ethnic enclaves tie into the city’s cultural amenities. During the mid-1990s, Imagine Houston<sup>11</sup>, a steering committee established by the city, submitted a report proposing a plan “to celebrate and promote Houston as a vibrant, multi-cultural and international center for the arts, urban design and historic resources” (Imagine Houston 1995a, p. 1). One of the proposed methods to accomplish this is to create a cultural guidebook of the city. Specifically, the committee sought to:

Promote the City through the arts and the Greater Houston Convention and Visitors’ Bureau (GHCVB), especially outside of Houston (including internationally) in order to promote a cosmopolitan, positive image for the City. [And] create a cultural guide which includes a map, and information about services and historic resources (Imagine Houston 1995a, p. 6).

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<sup>10</sup> The terms *ethnic* and *immigrant* place entrepreneur are used interchangeably in this thesis.

<sup>11</sup> In 1994, Mayor Bob Lanier appointed lawyer David Berg to head Imagine Houston, a steering committee organized by the Mayor’s Office and City Council to create a community vision plan for the future. The steering committee formulated initiatives relating to education, economy, diversity, neighborhoods, safety and beautification (Mason 1995a). The cost of the committee amounted to \$300,000 in public money to be used to finance a proposal to transform Houston into a “city of urban villages,” which would be implemented by the city’s Department of Planning and Development (Mason 1995b, p. A13).

Funding for this guidebook would come from the GHCVB<sup>12</sup>, the Greater Houston Partnership, and the hotel occupancy taxes. Houston's Department of Planning and Development<sup>13</sup> also realized the importance of cultural amenities in promoting the city. A report by the city's planning and development department stated:

Cultural attractions can stimulate tourism and add to the City's tax and business revenues ... Cultural tourism can bring visitors to a city and can keep visitors coming to the city for other reasons such as business, conventions, shopping, medical treatment, or mild winter climate. Cultural resources can attract corporate relocations and stimulate initiation and growth of community-friendly industries and service professional firms (City of Houston 1992, p. 25).

Another report from Imagine Houston listed the following "pathways to progress," which specifically incorporates ethnic communities into Houston's development plan:

Ensure that Houstonians have access to a multilingual network of information, education, and other services to encourage participation in community life, promote greater involvement by Houston's ethnic communities in economic development initiatives, particularly international trade, [and] hold inter-ethnic forums to identify and explore issues affecting our success as a multicultural community (Imagine Houston 1995b, p. 11).

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<sup>12</sup> The GHCVB serves as the sales and marketing arm of the city of Houston and Harris County. The mission of the GHCVB is to improve the economy of Greater Houston by attracting conventions, tourists and international government officials. (Greater Houston Convention and Visitor's Bureau 2009). The City of Houston provides \$10 million towards the Bureau's \$12 million operating budget (Mack 2006).

<sup>13</sup> This department is responsible for the implementation of city ordinances, policies, contracts, programs, and studies. The department oversees the historic preservation division, as well as the neighborhood planning division, which promotes "programs and initiatives designed to encourage the stabilization or revitalization of neighborhoods" (City of Houston 2009c, n.p.).

As argued by Vojnovic, “[t]he ability to capitalize on the Hispanic culture, already proven successful in San Antonio and developing Chinatowns around the growing Asian community, became new elements of the pro-growth agenda as Houston began celebrating ethnic diversity” (Vojnovic 2003a, p. 615). The culmination of these reports led to the recognition of the twelve distinct urban districts in the city (recall figure 3.5.3 on page 51).

During the mid-1980s and 1990s, Houston’s new growth agenda also shifted towards an interest in inner-city revitalization. Houston’s downtown, though a commercial success given its collection of major corporate offices and headquarters, lacked a strong residential presence. Houston’s downtown had a population of about 7,000 residents in 1990 (U.S. Census 1990) but market studies conducted during the mid-1990s showed that nearly 100,000 residents would consider living in the downtown area (Williams 1997b). Most of Houston’s population resided in the suburbs but recent changes in consumer preferences for inner city living, as exemplified in increasing gentrification and New Urbanist inspired developments, along with the availability of vacant and relatively inexpensive properties created an opportunity to redevelop Houston’s urban core. In addition, this recent attention towards Houston’s downtown and surrounding areas was partially attributed to an activist mayoral administration during the 1990s, a rebounding national economy, and the end of the sewer moratorium, which restricted new developments in the city center (Barna 2003a). Such change in interests created a potential for large-scale residential development projects in the neighborhoods in and around downtown.



The city used its influence through public organizations, extensive tax credits and public subsidies to selectively entice development projects in the area. Bob Lanier, who served as Houston's mayor from 1992 to 1998, was a former suburban developer whose opposition towards mass transit rail was one of the rallying points during his election campaign. However, after being elected he played a significant role in the redevelopment of the city center. According to the then acting director for the Houston Downtown Management District<sup>14</sup>, Mayor Lanier was the first mayor to use city resources for inner-city redevelopment (Barna 2003a). Mayor Lanier selected Michael Stevens to head the Houston Housing Finance Corporation (HHFC)<sup>15</sup>, which is a city agency established to manage federal funds to be used for constructing affordable housing. Federal funding was used by the HHFC to buy and rehabilitate abandoned apartment units around the city and sell them to private developers for a profit; restrictions kept 30% of the sold apartment units affordable but these were not stringently enforced, and some questioned if the city had become too committed as a public real estate developer (Barna 2003a). The city had focused on generating profits for itself and for developers who benefited from these land sales at the expense of providing affordable housing.

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<sup>14</sup> Formed by an act of the Texas Legislature in 1995 with the authority to assess taxes on downtown businesses, the management district promotes new downtown revitalization projects by leveraging public funding with private resources. Since 1996, the management district has been involved in over 110 public and private construction projects amounting to over \$4 billion, in addition to receiving \$500 million in infrastructure improvements from the city of Houston, and from state and local transportation authorities (Houston Downtown Management District 2006).

<sup>15</sup> The HHFC is a public non-profit corporation established by the city of Houston in 1979. The HHFC was formed to provide affordable housing in the city by issuing over \$600 million in mortgage bonds, providing assistance towards home ownership, and directing loans to redevelop residential properties (Houston Housing Finance Corporation 2007). The HHFC is most known for its participation in renovating the Rice Hotel and its activities in redeveloping Houston's Fourth Ward.

Local development initiatives in Houston also involved public-private partnerships. One such partnership is evident in the \$800 million proposed development of Buffalo Bayou, a currently ongoing project. Buffalo Bayou is Houston's historic waterway that runs through the city's downtown. The focus of public resources on this project reflects the spirit and goals of Houston's broader economic development initiatives. As noted in the Buffalo Bayou Master Plan<sup>16</sup>:

Successful 21st century cities will be those that attract and retain creative entrepreneurial people who drive knowledge-based industries—the new global economy. As this global economy shifts from moving goods to generating ideas, great cities are renewing themselves along their waterfronts—New York's Harbor, Chicago's Lakefront, Baltimore's Inner Harbor, Barcelona's seafront. Because of these global shifts in the competitive value system, it is the moment to reevaluate ecological and urban goals, to rejoin land and water, and to establish an identity for Houston extolling the harmony of its built and natural environment. This 21st century outlook establishes the Buffalo Bayou Master Plan's theme—Balancing Conservation and Development. (Thompson Design Group Inc. 2002, p. 3)

Another example of a public-private initiative promoting redevelopment in Houston is Discovery Green<sup>17</sup>, a 12 acre, \$122 million park in downtown Houston, which opened in 2008. Discovery Green is located close to the George R. Brown's Convention Center, Minute Maid Park, and Toyota Center. In addition to natural green areas and a

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<sup>16</sup> In 1984, Mayor Kathy Whitmore appointed a task force to study the feasibility of redeveloping the Buffalo Bayou waterfront. The outcome has been the creation of the Buffalo Bayou Partnership, a non-profit authority composed of government and business representatives and a director who is confirmed by the Houston mayor and Harris County judge. The partnership has raised \$45 million for the development (Buffalo Bayou Partnership n.d.).

<sup>17</sup> Discovery Green Conservancy is the primary developer of the Discovery Green project. The city of Houston with support from Mayor Bill White, initiated the conservancy as a public-private partnership to develop and operate Discovery Green. Downtown Park Corporation, a public local government corporation that owns the park, was responsible for acquiring private land for the project.

lake, the park has children's playgrounds, art displays, an amphitheatre, a restaurant, and an ice rink (Discovery Green 2008). The city of Houston has provided \$41 million for the development costs of the park (Snyder 2008), and is also promoting similar development and redevelopment projects of other parks throughout the city.

Urban revitalization in Houston is also facilitated through direct public investment focused on manicuring the urban environment and improving access to amenities in the urban core. This public investment was meant to complement the private and the private-public redevelopment initiatives in the downtown. The string of large-scale projects commenced in 1987 with the opening of the George R. Brown's Convention Center<sup>18</sup>, a \$104.9 million project built and operated by the City of Houston. In 2001, a \$165 million addition was added to the Convention Center, which included the 1,200-room Hilton-Americas Hotel, increasing the overall size of the Center to 1.8 million square feet (George R. Brown Convention Center 2009). In the context of its minimal government ethic, one might question the city of Houston running a 1,200-room hotel.<sup>19</sup>

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<sup>18</sup> The convention center is managed by the Houston Convention and Entertainment Facilities (CEF) Department, which also operates several theaters and cultural centers in the Houston Theater District. The CEF has an operating budget of \$80 million which is mostly paid for through local hotel tax and parking fees. The CEF also administers contracts for the Greater Houston Convention and Visitor's Bureau (City of Houston 2009b)

<sup>19</sup> Houston Convention Center Hotel Corporation (HCCHC) is a non-profit corporation created February 2, 2000, by the Houston City Council. HCCHC funded, developed, constructed, and now operates and maintains the Hilton-Americas Hotel. In 2007, the Hotel recorded \$77.5 million in revenues and \$23.5 million in operating profits, of which HCCHC allotted \$92 million to the city to pay off public bonds issued for the construction of the hotel (Houston Convention Center Hotel Corporation 2007).

*Figure 4.5.1: Downtown View From George R. Brown Convention Center – Discovery Green in Foreground (source: Author)*



*Figure 4.5.2: Discovery Green – George R. Brown Convention Center in Background (source: Author)*



*Figure 4.5.3: George R. Brown Convention Center (source: Author)*



*Figure 4.5.4: Hilton-Americas Convention Center Hotel (source: Author)*



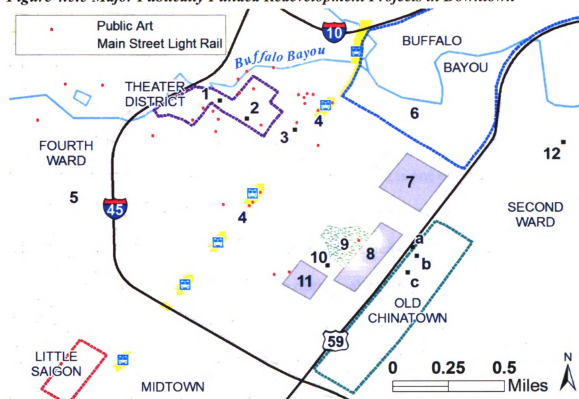
**Table 4.5.1: Selected Inner City Redevelopment Projects Receiving Public Funding**

<b>Project Name</b>	<b>Year</b>	<b>Primary Developer(s)</b>	<b>Public Funding (millions)</b>
Buffalo Bayou Waterfront	1986 – present	City of Houston, Buffalo Bayou Partnership	\$ 331.1 - 580.6 <sup>20</sup>
Main Street Redevelopment	2004	Metropolitan Transit Authority	326.9
Convention Center Hotel	2003	City of Houston	285
Reliant Stadium	2002	Harris County Sports & Convention Corp	284
Toyota Center	2003	Harris County Sports & Convention Corp	182
Minute Maid Park	2000	Harris County Sports & Convention Corp	180
Convention Center Expansion	2001	City of Houston	165
George R. Brown Convention Center	1987	City of Houston	104.9
Cotswold Project	2006	City of Houston, Downtown Management District	68
Discovery Green	2008	City of Houston, Downtown Park Corp, Discovery Green Conservancy	41
Bayou Place Phase 1A	1997	City of Houston, The Cordish Company	23
Rice Lofts	1998	The Randall Davis Company	12
Club Quarters Hotel	2004	City of Houston, Downtown Management District	10
Fourth Ward Redevelopment	1994 – present	City of Houston, Renaissance Inc, HHFC	10
Southeast Quadrant Streetscape	2004	City of Houston, Downtown Management District	8
Jones Plaza	2001	City of Houston	6
<b>Total:</b>			<b>2036.9 – 2286.4</b>

Sources: Williams (1997a); Brewer (2001); and Dawson (2002); CDS Market Research (2005); Houston Downtown Management District (2009)

<sup>20</sup> Projected Costs

**Figure 4.5.5 Major Publically Funded Redevelopment Projects in Downtown**



**Projects Receiving Public Aid**

- |                                  |   |
|----------------------------------|---|
| 1) Bayou Place                   | 7) Minute Maid Park (Baseball Stadium)      |
| 2) Jones Plaza                   | 8) George R. Brown Convention Center        |
| 3) Rice Lofts                    | 9) Discovery Green                          |
| 4) Main Street Revitalization    | 10) Hilton-Americas Convention Center Hotel |
| 5) Freedmen's Town Redevelopment | 11) Toyota Center (Arena)                   |
| 6) Buffalo Bayou Redevelopment   | 12) Mercado Del Sol                         |

**Old Chinatown Projects (privately funded):**

- |                      |                            |   |
|----------------------|----------------------------|---|
| a) On Leong Building | b) Chinese Cultural Center | c) Former Site of Proposed Chinatown Gate |
|----------------------|----------------------------|---|

The renovation of the Rice Hotel and its conversion into loft apartments had a \$32 million price tag, which was partially paid for through historical preservation tax credits and incremental tax revenues (Williams 1997b). In addition, extensive public subsidies were used to build the two sports projects in downtown and the new football stadium (Reliant Stadium) in south Houston. Minute Maid Park (formerly known as Enron Field), which serves as home for the Houston Astros—the city's major league baseball franchise, and the Toyota Center, which houses the NBA's Houston Rockets franchise,

are the two major stadium projects located downtown. According to one source, “nearly \$1 billion will be spent on local stadiums between 1997 and 2002, the fastest buildup in modern times of three major-league sports facilities in any U.S. city... At least two-thirds of the money spent or earmarked for Enron Field, Reliant Stadium and the arena (Toyota Center) is public money” (Berger 2000, p. A1).

The downtown Main Street redevelopment program is one of the more ambitious initiatives to take place in Houston’s city center. Public and private interests have formed the Houston Main Street Commission, a partnership created to advance and implement proposals to redevelop Houston’s inner city districts along the Main Street corridor. Some goals of the Main Street Commission include: to “revitalize and transform the Main Street Corridor through the strategic integration of land use and transportation/transit;” and to “[s]timulate and intensify development, including inner-city residential housing, new businesses, and urban beautification,” (Federal Highway Administration 2009, n.p.).<sup>21</sup> The city received \$3.4 million in federal funds between 1999 and 2001 to fund the pilot study coordinated by the Main Street Commission. The Main Street Coalition includes the city of Houston, Harris County, the Metropolitan Transit Authority, the Houston-Galveston Area Council—the metropolitan planning organization serving the region, the Texas Department of Transportation, institutions such as the Texas Medical Center and the Museum of Fine Arts, and various civic groups and nonprofit and businesses, including Central Houston, Inc.<sup>22</sup>

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<sup>21</sup> N.P. - No page number provided

<sup>22</sup> Central Houston, Inc. is a private non-profit civic improvement organization funded by downtown businesses. Bob Eury, its current president, also serves as executive director of Houston Downtown Management District. Central Houston is involved with marketing downtown to businesses, streetscape beautification projects, and business advocacy.



This program prescribes connecting several urban districts (Downtown, Theater District, Midtown, Museum District, Rice University, and Medical Center) by constructing a \$300 million light-rail system<sup>23</sup> along the Main Street right-of-way. This plan also encourages the redesign of certain districts through improved streetscapes and new construction projects. The railway traverses through downtown, midtown, the museum district, medical center, and terminates at the sports complex in south Houston. The plan focuses on certain zones within these districts that attract high levels of activity such as historical buildings, the convention center, museums, and public spaces. It also proposes creating new attractions such as the construction of a new cathedral and adjacent square as well as the creation of a new public school for performing arts next to Main Street. The plan also recommends augmenting preexisting attractions such as the flower market and museums in and around Midtown. The plan maintains that “the concepts for each district are market-driven—with uses and scale to be determined by market forces” (Ehrenkrantz Eckstut & Kuhn Architects 2000, p. 6).<sup>24</sup> However, the city plays a significant role in guiding these developments, the most notable being the public subsidization of the sports arenas and the building of the convention center—which will serve as major anchors incorporated within this plan.

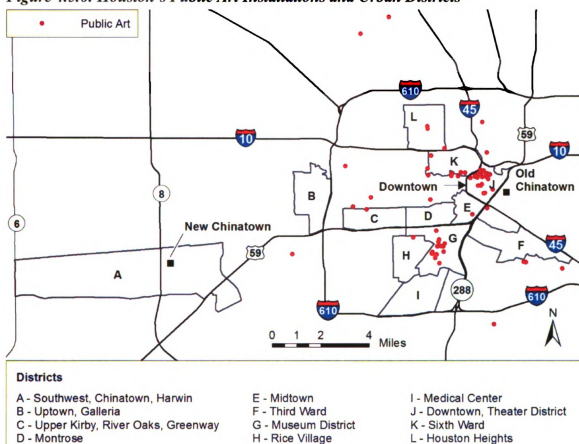
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Central Houston was also active in relocating professional sports franchises downtown through initiating market research; site selection of stadium projects and voter advocacy drives to approve stadium construction.

<sup>23</sup> The initial 7.5 mile light-rail track was completed in December 2003. Voters have authorized a \$640 million bond to fund an additional 22 miles of track, which is scheduled to be completed in 2012 (Wall 2003).

<sup>24</sup> Ehrenkrantz Eckstut & Kuhn Architects prepared the Main Street Corridor Master Plan in August 2000 for the Houston Department of Planning & Development and the Main Street Coalition - an organization created by the mayor’s office to direct the revitalization of the Main Street Corridor.

**Figure 4.5.6: Houston's Public Art Installations and Urban Districts<sup>25</sup>**



The city's planning and development department received federal grants of over \$5 million to help fund Main Street and related projects between 1999 and 2002 (City of Houston n.d.). In addition, the master plan asserts that there exist "many opportunities for art to enhance the Main Street Corridor and to contribute to the creation of unique civic spaces, as well as 'wayfinding' and cultural identity" (Ehrenkrantz Eckstut & Kuhn Architects 2000, p. 48) such as **plazas** and squares, street furniture, bayou crossings<sup>26</sup>, gateways, developing green spaces and incorporated artwork along overhead freeways,

<sup>25</sup> Locations derived from the City of Houston's (2009a) municipal art inventory.

<sup>26</sup> Art can be an important tool for reconnecting Houston to its bayous. Vertical elements can be designed to denote a bayou crossing for automobiles and pedestrians, and can be given a night-time character through special lighting (Ehrenkrantz Eckstut & Kuhn Architects 2000, p. 48)

using artists to design light-rail transit stops, and providing public spaces to showcase art. Recently, the city actively placed civic art along the Main Street Corridor in order to provide attractive public spaces and to promote increasing pedestrian traffic downtown. Figure 4.5.2 shows that the majority of the city's public art are located in downtown and in the Museum District, two important anchors along the newly built light-rail line.

These projects that bolstered Houston's downtown amenities, facilitated a new demand for downtown living and created new opportunities for developers to build additional residential development projects. However, such projects placed additional burdens on minorities and lower income residents. The announcement of the major construction projects, such as the new stadiums, led speculators and landowners to demand excessively higher prices for their holdings (Bivens 1996), effectively restricting development to high-return projects that cater to the affluent.

During this time, the city of Houston also became involved in directly subsidizing the redevelopment of riskier urban projects. In addition to the subsidization of private redevelopment projects, the city began supporting land clearing and land assembly, and this was all evident in the redevelopment of the city's traditional African American neighborhood, Freedmen's Town (Podagrosi and Vojnovic, 2008). The city of Houston assisted in developing innovative institutional structures to facilitate land acquisition and assembly in the Fourth Ward, a historic African-American neighborhood adjacent to Houston's downtown. There was a long history of land struggle and attempted displacement of the traditional Black population dating back to the 1920s. In recent history, this struggle was effectively illustrated in 1995 when the Houston Housing

Authority<sup>27</sup> submitted a request to the Department of Housing and Urban Development to demolish the Allen Parkway Village (APV), a predominantly African-American housing project. In June of 1996, 250 armed officers forcibly evicted APV residents from their units. By September 1996, demolition had been approved and a redevelopment project was put in place that reduced the original number of units in half and pursued a mixed-income housing initiative (Podagrosi and Vojnovic, 2008).

In 1994, the land struggle in the Fourth Ward was further exacerbated by the entry of a nonprofit agency, the Houston Renaissance Inc.<sup>28</sup> The Renaissance was created by local developers and city of Houston officials with the task of purchasing and assembling property in the Fourth Ward for redevelopment. The original plan involved building 80 blocks of moderately priced single family housing units. Approximately \$10 million was granted to the Houston Renaissance by the city of Houston and the Houston Housing Finance Corporation to purchase properties in the Fourth Ward (Federal Reserve Bank of Dallas 2002). The city originally planned to subsidize the construction of 350 affordable housing units through Renaissance, but Mayor Bob Lanier's housing officials made allowances scaling the project back to 150 units (Verhovek 1998). Consequently, Houston Renaissance adopted block-busting tactics, extensively recorded by the Houston Chronicle and other local journalists (Podagrosi and Vojnovic 2008).

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<sup>27</sup> The city established the Houston Housing Authority in response to the U.S Housing Act of 1937, which subsidized improving low-income housing. This agency is funded and overseen by the U.S. Department of Housing and Urban Development and does not have connections to city hall (Mason 1997)

<sup>28</sup> Renaissance is a private non-profit organization established by Julio Laguarta, a prominent real estate developer who also served in Houston's planning department. The purpose of the organization was to raise money and redevelop Houston's Fourth Ward.

In 1999, however, after exhausting public funds to purchase and assemble extensive tracts of land for redevelopment in the Fourth Ward, and after not being able to raise funds to build moderate priced housing, the Renaissance filed for bankruptcy. The Houston Housing Finance Corporation then took over ownership of the properties. Approximately 20 parcels were transferred to the Housing Authority of the City of Houston to be used for affordable housing, and the remaining properties were sold to private developers at \$16 per square foot (Sarnoff 2000). The low prices at which the properties were sold (particularly when compared to adjacent parcels in the downtown averaging \$100 to \$125 per square foot) in combination with the fact that the community was cleansed from the original resident and the properties already assembled, made private redevelopment in this once-risky community much more attractive.

#### **4.6 Conclusions**

While local residents and public officials are proud to market and celebrate Houston's minimal government philosophy, Houston's existence and historical development into a major city is a testament to the effective lobbying by the city's business elite to get public funding for private local development projects and complementary public amenity investments. Houston's recent downtown revival efforts are a reflection, once again, of the role of government in facilitating local economic development. By attracting public investment and subsidies, the local business elite manipulates the attractiveness of certain places and industries within the city, minimizing the risk of new investment. For instance, in the city's recent urban revival efforts, by removing obstacles to development, from unwanted populations to urban blight, the city

made new investments considerably more attractive. This process has facilitated investment synergies, as the billion-plus dollars in government investment in the downtown has facilitated new scales of redevelopment. Public monetary intervention, such as the initiatives above, alter local prices for investors and change the relative attractiveness of place, encouraging private development in locations targeted by the public investment or public subsidies. It is not just the money, though, but the government involvement in politically sensitive redevelopment efforts—for instance, ‘domesticating’ neighborhoods such as the Fourth Ward—that plays a critical role in ensuring increased security and stability for private investors. Given the city’s new celebration of historic and ethnic neighborhoods, tearing down the historically and culturally significant Freedmen’s Town would have been difficult for private developers without the extraordinary political, administrative, and fiscal impacts of government.

Recent developments have become more piece-meal, but the pro-growth philosophy, which has pervaded throughout Houston’s history, remains entrenched in the local culture. Recent development projects in and around the downtown area—with extensive support from government in the form of compatible public investment or the direct subsidization of private projects—ultimately have benefited corporations, developers, sports team owners, tourists, conventioners, and residents who are able to reside in these redeveloped neighborhoods and districts (Vojnovic 2003a, 2003b; Podagrosi and Vojnovic 2008).

The next chapter provides evidence that individuals and organizations from Houston’s lower income groups, and ethnic and racial minorities, have not been as successful in getting financial support from the local government for their development

projects. While Houston's local government and the media extensively celebrate the city's diversity, this verbal support has not been translated into public aid that has been granted by the city to many ethnic business elites involved in local urban redevelopment, including upscale projects. By not receiving public assistance, it not only reveals that ethnic place entrepreneurs are not part of the mainstream growth coalition, but without this public funding, ethnic place entrepreneurs simply could not compete against other developers that were receiving public financial support. In the Chinatown case study, the Chinese entrepreneurs were displaced from their downtown holdings at various times over the last two decades as a result of inner-city redevelopment initiatives orchestrated by the mainstream growth coalition and financed by government.

## **5. Chinese-Americans in Houston**

### **5.1 Chinese Immigration**

Houston's Chinese immigration can be divided into two waves: the first wave spanning a century from 1870 - 1970 was of primarily Cantonese origin. The second wave occurred from the 1970s onwards. However, for much of the 20<sup>th</sup> century, the Chinese comprised a small portion of the city's population. Houston did not contain a sizeable and visible Chinese enclave, unlike the major American cities on the Pacific Coast and in the Northeast. In addition, several mining and frontier communities in the American West had Chinese communities more developed than Houston's. In the case of Texas, during the turn of the 20<sup>th</sup> century, places such as El Paso and San Antonio registered larger Chinese populations than Houston (see table 5.1.1).

These Chinese laborers were highly transitory given the nature of the work in which they were employed. However, a few enterprising individuals were able to escape from a life of menial labor and earn enough savings to support their own businesses. The Houston Chronicle describes that not too long after the arrival of the first group of Chinese, an unidentified laundry whose owner "was probably Houston's first Chinese businessman and his was probably Houston's first laundry" because for many residents in and around Houston, the "family washing and ironing problems had until then been taken care of by the family slaves; but those days were past and the time was ripe for an energetic 'Yankee of the Orient' to set himself up in the business" (Hendricks 1942, n.p.). The first Chinese residents in the City of Houston were enumerated in the 1880 citywide census. They included a family of three comprised of a Mr. and Mrs. Wah Yeun and their six-month-old son, Lincoln Yeun (Swanland 1995). The family operated a laundry



in Downtown Houston. Four other Chinese residents enumerated in the 1880 census comprised of isolated males who were employed in the laundry business (Swanland 1995). The Chinese residential population remained small for the rest of the 19th century.

***Table 5.1.1: Chinese Population in Texas Cities (1880 – 2000)***

<b>Year</b>		<b>Houston</b>	<b>Galveston</b>	<b>Dallas</b>	<b>San Antonio</b>	<b>El Paso</b>
1880	Chinese % Pop	7 0.04	15 0.07	6 0.06	0 0.00	0 0.00
1890	Chinese % Pop	8 0.03	42 0.14	63 0.17	46 0.12	210 2.03
1900	Chinese % Pop	43 0.10	68 0.18	24 0.06	62 0.12	299 1.88
1910	Chinese % Pop	10 0.01	46 0.12	16 0.02	62 0.06	228 0.58
1920	Chinese % Pop	13 0.01	.	11 0.01	193 0.12	426 0.55
1930	Chinese % Pop	179 0.06	.	112 0.04	454 0.20	310 0.30
1940	Chinese % Pop	119 0.03	.	21 0.01	471 0.19	.
1950	Chinese % Pop					
1960	Chinese % Pop	765 0.08	.	72 0.01	399 0.07	.
1970	Chinese % Pop	3,046 0.25	.	525 0.12	903 0.14	.
1980	Chinese % Pop	8,703 0.55	.	1,557 0.17	1,169 0.15	.
1990	Chinese % Pop	17,317 1.06	.	4,105 0.41	2,094 0.22	.
2000	Chinese % Pop	24,001 1.23	.	5,762 0.48	3,271 0.29	.

Data Source: U.S. Census Bureau

**Table 5.1.2: Chinese Population in Major US Gateway Cities (1870 – 2000)**

<b>Year</b>		<b>Houston</b>	<b>New York City</b>	<b>Chicago</b>	<b>San Francisco</b>	<b>Los Angeles</b>
1870	Chinese % Pop	0 0.00	12 0.00	0 0.00	12,030 8.05	172 3.00
1880	Chinese % Pop	7 0.04	747 0.06	173 0.03	21,790 9.31	605 5.41
1890	Chinese % Pop	8 0.03	1,970 0.13	567 0.05	25,833 8.64	1,871 3.71
1900	Chinese % Pop	43 0.10	6,321 0.18	1,209 0.07	13,954 4.07	2,111 2.06
1910	Chinese % Pop	10 0.01	4,614 0.10	1,778 0.08	10,582 2.54	1,954 0.61
1920	Chinese % Pop	13 0.01	5,042 0.09	2,353 0.09	7,744 1.53	2,062 0.36
1930	Chinese % Pop	179 0.06	13,363 0.19	5,442 0.16	27,700 4.37	28,454 2.30
1940	Chinese % Pop	119 0.03	12,753 0.17	2,013 0.06	17,782 2.80	4,736 0.31
1950	Chinese % Pop					
1960	Chinese % Pop	765 0.08	12,173 0.16	1,915 0.05	15,821 2.14	6,734 0.27
1970	Chinese % Pop	3,046 0.25	69,324 0.88	9,357 0.28	58,696 8.20	27,345 0.10
1980	Chinese % Pop	8,703 0.55	24,764 0.35	13,638 0.45	82,480 12.15	44,353 1.49
1990	Chinese % Pop	17,317 1.06	238,919 3.26	22,295 0.80	127,140 17.56	67,196 1.93
2000	Chinese % Pop	24,001 1.23	361,531 4.51	31,813 1.10	152,620 19.65	63,075 1.71

Data Source: U.S. Census Bureau

The repeal of the Chinese Exclusionary Acts in 1943<sup>29</sup>, the loss of Mainland China to communism in 1949, and the increasing legal quotas for newly arriving Chinese professionals, culminating in the passage of the Hart-Cellar Immigration Act of 1965<sup>30</sup>, which abolished racial discrimination in American immigration laws, would have a dramatic impact on the size of the Chinese community in Houston as well as the United States. Prior to the Hart-Cellar Act, the United States had 236,084 ethnic Chinese according the 1960 U.S. Census. The Chinese accounted for about a tenth of 1 percent of the national population. Since then, the Chinese population would nearly double in size for each decade (Chang 2003). In 1960, the city of Houston had 765 Chinese residents—roughly 0.08 percent of the city population. In 1980, this grew to 8,703 Chinese, accounting for half of 1 percent of the city’s population. By 2000, Houston registered 24,001 Chinese residents, which is about 1.2 percent of the city’s population. For the greater Houston area (the Primary Metropolitan Statistical Area or PMSA), the census recorded 46,841 Chinese residents, which comprises 1.1 percent of the PMSA population.

During the second half of the 20<sup>th</sup> century, many of these Chinese immigrants came to Houston to secure jobs different from those of their predecessors. Whereas the earlier immigrants were generally uneducated and took low-paying jobs in construction and farm labor in addition to menial work in laundries, restaurants, and grocery stores, many of the newer generation of immigrants had higher levels of education and worked

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<sup>29</sup> The Magnuson Act (a.k.a. the Chinese Exclusion Repeal Act of 1943) allowed Chinese immigration into the U.S. and permitted citizenship to Chinese already residing in the country. This occurred during World War II when China was an ally to the U.S..

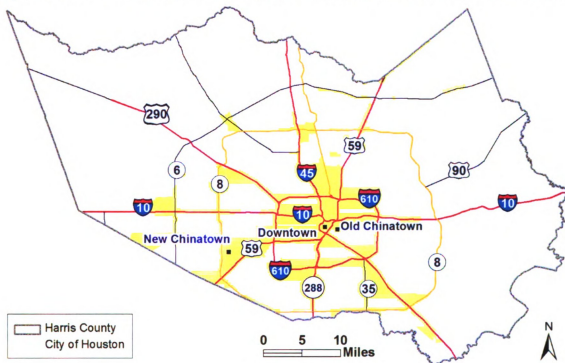
<sup>30</sup> Also known as the Immigration and Nationality Act of 1965. This act effectively ended immigration quotas mandated by the Immigration Act of 1924, which had prohibited immigration of East Asians and Asian Indians.

as scientists and engineers for Houston's growing petroleum and energy industry (Interview with Don Wang April 2009). Others were hired as medical specialists for Houston's newly constructed Medical Center. In addition, most of the Chinese up to the mid-20<sup>th</sup> century were of Cantonese origin, but during the later decades this composition became more diversified as Houston experienced the arrival of Chinese immigrants originating from Taiwan, Singapore, Hong Kong, other provinces of Mainland China, as well as overseas Chinese living in a variety of states and foreign countries prior to their arrival in Houston.

These changing characteristics in addition to the disintegrating barriers to property ownership contributed to changes in Houston's Chinese residential patterns. During the 1960s and 1970s, many of the Chinese residents who originally lived on the eastside of downtown Houston moved towards the southwest periphery of the city and in neighboring affluent Fort Bend County. In addition, a few professionals moved to the southeast, which houses a high concentration of oil refineries and is also the location of NASA's Johnson Space Center. However, the Alief and Sharpstown neighborhoods in southwest suburban Houston experienced the greatest level of growth in Chinese residents. Between 1980 and 2000, the census tract comprising the center of the New Chinatown, which has Houston's highest concentration of Chinese, experienced an increase in the number of Chinese residents from 64 in 1980 to 2,331 in 2000 (US Census 1980; US Census 2000). Chinese residents comprised of 4.2 percent of the total population in this tract in 1980 and by 2000 this value increased to 16.1 percent (US Census 1980; US Census 2000). In addition, this single tract is the home to 10 percent of the city's total Chinese population (US Census 2000). The growing Chinese, as well as

growing pan-Asian populations, has contributed to a distinctly Asian presence in these neighborhoods. Likewise, the growing Asian populations have attracted a developing ethnic business district in the Alief and Sharpstown neighborhoods. This district has become Houston's New Chinatown replacing the downtown location as the cultural, social, and economic center of an increasingly diverse Chinese community.

**Figure 5.1.1: Harris County and the City of Houston with Downtown and Chinatowns**



## 5.2 Chinese Place Entrepreneurs

Immigrant Chinese place entrepreneurs played a significant role in the promotion of Houston neighborhoods to coethnics. Houston's first Chinese neighborhood was located in the northern section of downtown. It comprised a loose collection of Chinese-owned business, primarily laundries and restaurants, with locations scattered across several city blocks (see figure 5.2.1). An early example of an organized and deliberate

creation of a Chinese-themed district by the Chinese business community occurred during World War II. The New York Chinese Merchant's Association, in collaboration with Houston's Chinese leaders, announced plans to create a Chinese business and community center on the 400 block of Smith Street (near the intersection with Texas Street) in downtown Houston; the center would include spaces for restaurants, novelty shops, and other business houses (Houston Chronicle 1944). The purpose of this building project was not only to provide a central place to house Houston's Chinese businesses, but to also build up the businesses' visibility to attract non-Chinese and visitors into the area. Jimmie Lin, a local restaurant operator and chairman of the Chinese Merchants Association affirmed that the entrepreneurs "will give the people of Houston and visitors to the city a real and colorful Chinese center" (Houston Chronicle 1944).

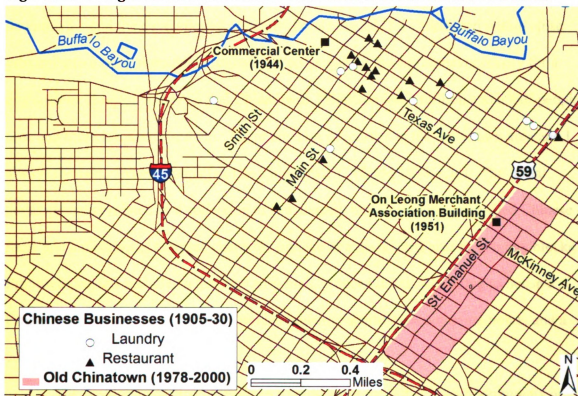
However, this attempt was short lived as the booming Houston economy sparked a skyscraper binge in the downtown, forcing the Chinese business community to relocate outside of the downtown. The second Chinese business district was centered within a predominately African American neighborhood just to the east of downtown in the Second Ward. Several businesses were established along St. Emanuel Street, which served as the de facto main strip of the Chinatown district. During the 1950s, the On Leong Merchants Association<sup>31</sup> erected their meetinghouse on the boundary between downtown Houston and Chinatown (see figure 5.2.2 on pg. 91). However, during later decades, the Chinese population continued to expand outward towards the suburbs. The

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<sup>31</sup> The On Leong Merchant's Association began as a tong society established in New York City's Chinatown in 1893 by immigrant Cantonese-Chinese. The purpose of the On Leong Merchant's Associations was to offer services to newly arriving immigrants, provide a financial support network for local Chinese businesses. The Houston chapter was active in hosting a variety of Chinese social and cultural events in the city.

Chinatown district would be relegated to catering to weekend visitors as well as weekday lunch crowds that strolled in from company offices located in the neighboring CBD.

**Figure 5.2.1: Original Downtown Chinese Businesses and Old Chinatown District<sup>32</sup>**



During the 1970s, Lang Yee “Bo Bo” Woo, who was born in Guangdong, China was one of the primary leaders responsible for marketing Old Chinatown to a broader audience. Woo was president of the Chinese Economic Development firm who aggressively built up the necessary infrastructure to develop the Old Chinatown district. Woo envisioned a location for people to come together, “not only for the tourists, but for

<sup>32</sup> Source: U.S. Asian News (April 25, 1986), derived from Swanland (1995)

the Chinese American community” (Lee 1978, n.p.).<sup>33</sup> The neighborhood was also located in a strategic area that had the potential to draw large numbers of visitors as Houston’s oil-economy continued to boom. The completion of the first phase of the Houston Center—a master planned high-rise shopping and office complex in downtown—and the development of nearby hotels placed Old Chinatown within close proximity to a pool of potential tourists. Woo explained the additional necessity for a city such as Houston to have a real Chinatown: “Houston has a million and a half people now and there is a need for them. There are a lot of tourists in the downtown area and I always thought, ‘Where gonna [sic] be Chinatown’?” (Budd 1978, n.p.). The initial development consisted of a collection of low-density buildings with green-tiled Chinese roofs and a plethora of Chinese character signage in a designated area of two city blocks. Proposed projects included a low-rise strip mall, grocery stores, a building to house a Chinese savings and loan, federally funded housing, apartments, a nursing home, and a cultural center.

The development project received interest from the non-Chinese community as well. The then-active governor of Texas, Dolph Briscoe, presided over the red ribbon-cutting ceremony for the newly constructed Chinese Cultural Center (Ewing 1978) and Houston’s mainstream newspapers, the *Houston Post* and *Houston Chronicle* often published stories promoting the district. The Chinese Cultural Center was a 308-seat movie theater that had a green-tiled Chinese style pagoda roof and matching accents (see figure 5.2.3). It’s main façade, with its red columns and distinctly Chinese architecture,

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<sup>33</sup> Note: newspaper articles prior to 1985 were stored in the Houston archives as clippings. Unfortunately, the page numbers were not preserved. The term ‘n.p.’ stands for no page number.



was to serve as the central focal point for Chinatown. During its completion, ground was already broken to make way for a Chinese strip mall on the adjacent block. The cultural center was built on land that Woo purchased from the On Leong Merchants Association out of pocket; Woo had personally purchased about 40,000 square feet from the On Leong Merchant's Association, the Houston Independent School District and individual homeowners in the area (Budd 1978). By the early 1980s, Woo invested about \$2.5 million in Chinatown, "a good reason for his opposition to Chinatown's move to another area such as southwest Houston, as has been suggested by some" (Karkabi 1982, n.p.).

However, one drawback of the neighborhood was that the image the promoters were trying to convey was not completely apparent to the outside audience. Unlike established Chinatown districts in other North American cities, this neighborhood overall had few visual elements that would suggest that this was in fact an Asian-themed neighborhood. One newspaper article accounts the status of the neighborhood during the late 1970s:

There's an uneasy sense of shifting identity to the several blocks just east of downtown Houston, where the skyscrapers cast shadows on an elevated freeway and ragtag wooden houses vie for space with drab industrial buildings. The area can't seem to decide if it's an inner-city ghetto, an open-air home for transients, an industrial park or perhaps the first Chinatown in Texas (Bryant 1979, n.p.).

Another problem was that most of the Chinese living in the greater Houston area and "many maintain their Oriental identities in homes scattered in the best and worst parts of town" (Bryant 1979, n.p.).

**Figure 5.2.2: On Leong Merchants Association Building (abandoned) (source: Author)**



**Figure 5.2.3: Former Chinese Cultural Center in Old Chinatown. Original Movie Theater converted into an Asian Grocery Store. Convention Center and Elevated Freeway at left (source: Author)**



**Figure 5.2.4: Asian Wholesaler Warehouse – Old Chinatown. Convention Center and Downtown in Background (source: Author)**



**Figure 5.2.5: Asian Food and Restaurant Supply Wholesaler – Old Chinatown (source: Author)**



### Response to the New Convention Center

In 1981, the Houston Center Improvement Committee submitted a report promoting the benefits of constructing a world-class convention center on the eastside of downtown. In addition to boasting easy accessibility, unlimited parking, opportunity to acquire free land, room for future expansion, and overall cost effectiveness of the proposed site, the committee also indicated “the development would enhance the development of Chinatown, the planned Mexican-American Mercado (Mercado del Sol) and business in general” (Convention Center Improvement Committee 1981, n.p.). This is evidence that the city was aware of the Chinese business presence on the eastside.

In 1981, Woo secured \$1.5 million in private funding from the DMA World Corporation to expand the Chinatown development project; this project included a 900-seat movie theater and added a two-story retail complex, which would house a variety of retail shops, a bank, a beauty salon, and a meat market (Houston Post 1981). This expansion was pursued with the hopes of revitalizing the area and, according to Woo, provide a “variety of shops and services [that] will represent another retail and entertainment asset for the attraction of convention groups to the proposed downtown Convention Center” (Houston Post 1981, n.p.). Jan Lin surmised, “the construction of the Brown Convention Center on the downtown’s southeastern periphery near Chinatown [had] given the Asian community interests an opening” (Lin 1995, p. 636). This sentiment was also shared by Woo more than a decade earlier who considered that “the growing [Chinatown] development will also act as a catalyst in the revitalization of the eastside area ... and the variety of shops and services will represent another retail and

entertainment asset for the attraction of convention groups to the proposed downtown Convention Center” (Houston Post 1981, n.p.).

### Funding the Development of Chinatown

Over time, the proposed Chinatown development projects became larger in scale. Whereas Woo developed low-density strip malls during the initial stages of the Chinatown project, later plans would call for high-rise projects that would complement the developments occurring in Houston’s downtown. The Continental King Lung Group, which is a Hong Kong-based conglomerate dealing with a variety of ventures ranging from real estate to precious metals, acquired land in the Chinatown district in order to construct a condominium tower, bank, restaurant, and nightclub. Woo noted that this operation was “funded mainly by Chinese money from Hong Kong, Singapore, Manila, and elsewhere (Hooper 1981, n.p.). One of the more ambitious proposals was to construct a seven-story 200-room luxury hotel near the convention center, directed by Woo’s Chinatown Development firm and Hong Kong-based Y.S.Y Credit Investment (Hooper 1981). This hotel would be called the Mandarin Plaza International and its architectural features were to be modeled after the Forbidden City in Beijing.

In addition to relying on contributions from private enterprises, downtown Chinatown’s major entrepreneurs also attempted to attract investment from both local and foreign government entities. For the Mandarin Plaza International project, which would have broken ground by mid-1986, developers planned to use the city of Houston’s industrial bonds to finance the project (Longeway 1985). In addition, Chinatown received a 30-foot high traditional Chinese-style gate as a gift from the city of Taipei,

Taiwan (Kennedy 1989). The gate would have been located at the intersection of McKinney and St. Emanuel Streets, the center of Chinatown.

Woo's Chinatown Development firm established a branch office in Mainland China to spur investment into Chinatown in response to the real estate recession affecting Houston at the time. Sonny Woo, vice president of Chinatown Development stated that historically "Chinese-Americans haven't been real receptive to courting the PRC (People's Republic of China) because they're communists ... but now they're seeing it as a way to bring investment to the Chinese community" (Longeway 1985, p. D1). In addition, his firm's Hong Kong office was trying to convince the China Shop, the official state-run department store for the PRC, to open a location in Houston's Chinatown.

In the meantime, the City of Houston was realizing the potential of this ethnic neighborhood adjacent to downtown. The 1981 Convention Center Improvement Committee proposal implied that steps were taken to get feedback from the businesses adjacent to the building site and that the majority favored the construction of the convention center; these included the Chinese entrepreneurs. In addition, the Chinese development would have contributed to the "support amenities" necessary for the viability of the convention center (Convention Center Improvement Committee 1981).

Chinatown was also incorporated in the 1987 Civic Improvement Plan, which had specified these three goals of downtown redevelopment: "maintain and improve the downtown as the transportation hub of the region," "ensure the success of Houston's expanding convention and tourist business," and "provide an exciting 'core' to downtown" (Central Houston Civic Improvement 1987, p. 8). In addition, the plan specifically stated that:

[N]ew visitors, including children, in the downtown must be offered activities, entertainment, and fun in a secure and attractive environment ... Visitors, shoppers, workers, and residents need a place which is appealing, innovative, understandable, and economically productive. Retail facilities, offices, and hotels in a revitalized street environment should also provide a dynamic new image for the downtown (Central Houston Civic Improvement 1987, p. 8)

In order to achieve this type of environment, the plan proposed the development of an east side civic complex anchored by the George R. Brown Convention Center. The plan also states that in addition to the convention center, "Chinatown has the potential for an excellent visitor attraction" (Central Houston Civic Improvement 1987, p. 20). Also, "street improvements within the area, such as ornamental gates or special street lights, could easily reinforce the oriental character" (Central Houston Civic Improvement 1987, p. 22) (see figure 5.2.6). Chinatown is seen as a "support facility," along with the Theater District, Warehouse District, Houston Center, and Main Street, which can be used to attract visitors, especially businessmen and conventioners into the area.

The Chinese entrepreneurs worked with the city's planning department to collaborate on a future 20-acre expansion to the east of the Chinatown district (Longeway 1985). However, the Department of Planning and Development, in its 1986 report of the Second Ward, devoted only two brief paragraphs on Chinatown and it did not mention any details about the city's involvement with the project:

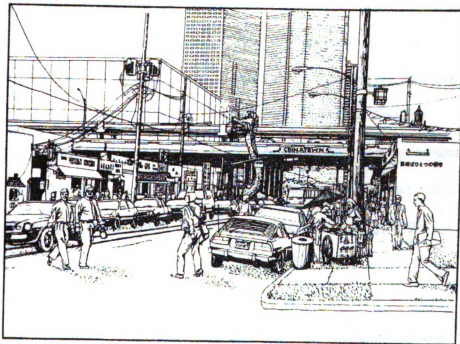
Houston's small, yet expanding Chinatown is located immediately southwest of the Second Ward. Chinatown has developed along Chartres and St. Emanuel streets, from Rusk Street on the north to McKinney Street on the south.

The development of Chinatown is being led by the Chinatown Development Company, which has constructed the existing shopping center, bank, and theater. Chinatown Development Company has announced plans to develop a seven-story, 200-room luxury hotel. The site of the proposed hotel is at the intersection of St. Emanuel and

McKinney streets. The ultimate goal of the company is for Chinatown to contain commercial development, and entertainment center, and residential development (City of Houston 1986, p. 28)

During the late 1980s, little progress had occurred. By 1989, the Mandarin Plaza project was still on hold, and the Asian-themed developments were still restricted within the few blocks along St. Emanuel and McKinney Streets.

*Figure 5.2.6: Artist rendering of the Proposed Streetscape for Old Chinatown (source: Central Houston Civic Improvement 1987, p. 22)*



*Sketch of oriental ornament for Chinatown's power poles, roads and sidewalks.*

#### Obstacles Against Chinatown Development

Several problems had plagued the location of downtown Chinatown, such as parking, highly inflated land values, and limited infrastructural capacity. By



the early 1980s, real estate prices already hindered further expansion of the district. George W. Jones, a local realtor who operates a brokerage firm in the area offered cautious criticism of the Chinatown project: “Bobo [Woo] wants to build one- and two- story shops and cafes but can’t do it if the land is too expensive for anything but high-rises” (Hooper 1981, n.p.). This concern relates to another factor, which is that the majority of these developments were privately financed, many of which were funded out of pocket by Woo. This condition severely limited the ability to purchase additional land if prices inflate. Such is the case in the eastside of downtown where the city’s announcement to build the new convention center adjacent to Chinatown caused many owners in that neighborhood to demand a higher selling price for their properties (Hooper 1981), thus hindering future growth of the Chinatown project. Compounding this problem was the lack of city services. Joh Liu, a local business operator lamented that “if [the entrepreneurs] don’t get some kind of communication going with City Hall, the property taxes will go up, city services will go down and prohibit expansion. Then we might be in danger of losing Chinatown” (Karkabi 1982, n.p.).

The 1986 Houston Department of Planning and Development report devotes several pages to discussing the predicted success of the nearby Mercado del Sol site and surrounding Hispanic neighborhoods, whereas only a couple brief paragraphs referring to the Chinatown site. The report described the conditions of Chinatown but did not incorporate it, or promote it, into the local economic development strategy. The report also contains a brief outline of a Historical Preservation plan for the Second Ward. The

passage of Ordinance 81-625 allowed the City of Houston to partially exempt historically significant properties from ad-valorem taxes. The report recommended neighborhood churches, industrial buildings, and the Mercado del Sol site as potential recipients of aid. Properties within Chinatown were notably excluded from this report even though it contains the historically and culturally significant On Leong Merchant's Association Building.

The 1986 report also discusses the possibility for public expenditures for capital improvement campaigns in the Second Ward. Again, the Mercado del Sol project is listed as the primary beneficiary of public investment. The 1985-1989 Capital Improvements Plan allocated funds for street improvements for the site. The report states: "the scheduled construction of El Mercado del Sol Park on the site is an additional public expenditure benefit to Second Ward residents ... and the leveraging of public funds, as in the development of El Mercado del Sol will provide incentive for additional reinvestment" (City of Houston 1986, p. 39).

The aging sewer lines especially prohibited Chinatown to be developed in places owned by the Chinese entrepreneurs. The 1986 Planning and Development Report admitted that the "lack of sewer capacity has been a deterrent to development" (City of Houston 1986, p. 35). This lack of sewer capacity was attributed to a moratorium placed on the construction of new sewer lines in certain areas east of downtown, which precluded any new development of wastewater-intensive projects. In the case of Chinatown, these restrictions confounded any major development projects. Although the moratorium was lifted with the opening of a new wastewater treatment facility, sewage limits were still in place. Developers who planned to develop major projects in the

vicinity needed to petition for additional sewer capacity through procedures established by the Capital Recovery Ordinance, which assessed charges on developments in order to contribute to the cost of the new wastewater treatment facility. According to one local entrepreneur, “growth screeched to a halt in the mid-1980s, partly because of a lack of sewerage capacity ... if someone wants to open a restaurant in Chinatown, he or she would have to buy existing sewerage rights at \$8 to \$10 a gallon” (Yip 1993c, p. D1).

The convention center, which the Chinese place entrepreneurs saw as a boon to their goals of establishing a downtown Chinatown, turned out to have lasting effects, limiting the success of the development. The announcement to build the convention center along the downtown’s eastside caused land prices to skyrocket, limiting the ability of the Chinese place entrepreneurs to expand their current holdings. In addition, the convention center’s design contributed to the failure of Chinatown to attract visitors. During its completion, the convention center covered three city blocks along the Eastex Freeway (U.S. 59). Following its most recent expansion, the convention center now occupies five blocks with its main entrances facing towards Discovery Green and downtown. Its service entrances and fenced-in parking lot faces the elevated freeway pillars and Chinatown beyond. The design along with the elevated freeway effectively created a physical barricade between Chinatown and downtown (see figure 5.2.7). The convention center itself cut off traffic from cross streets that had once connected the eastside to downtown. The anticipated results from the construction of the convention center, which was “expected to increase business, as conventioners could walk under U.S. 59 in search of a Chinese meal or Oriental gift,” according to one observer, “have been disappointing...as few conventioners remain downtown after hours” (Baird 1990,

p. D1). Also, the journey from the main entrance of the convention center underneath the freeway was not pedestrian friendly and the appearance of the backside of the convention center and the poor appearance of the neighborhood would hardly inspire many visitors to hazard the trek to Chinatown.

***Figure 5.2.7: Eastex Freeway (U.S. 59) Causeway and George R. Brown Convention Center as seen from Old Chinatown (source: Author)***



Finally, during the mid-1980s, rival Chinese entrepreneurs were developing two competing “suburban-style” Chinatowns in the outskirts of Houston. Calvin M. Leung, a Hong Kong-born California businessman acquired 200-acres of open land in neighboring Fort Bend County to develop a suburban self-contained Chinatown, which was named Tang City<sup>34</sup>. The \$300 million master-planned community would be the largest Chinese development in North America and would boast a 10-acre shopping complex with a

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<sup>34</sup> Named after the Tang Dynasty (618 – 907 CE), an imperial reign that is regarded by Chinese to be a golden age in their civilization’s history

28,000 square foot Chinese department store, a 12,000 square foot upscale restaurant, and a 65-foot high Chinese-style arch—the largest of its kind in the U.S. (Houston Business Journal 1986). This Chinatown project would resemble typical American-style suburban developments, which was purposefully designed to improve the poor images of other typical Chinatowns. According to Leung, “[Tang City] identifies the needs of the people living in the neighborhood and incorporates them in coordinated, realistic planning to avoid a ‘helter-skelter’ appearance as with most Chinese communities” (Houston Business Journal 1986, p. 19).

The other Chinatown was developing around a Chinese grocery store and strip mall, established by a Taiwan-born developer who recently arrived in Houston from Los Angeles. This development was growing along Bellaire Blvd, the main thoroughfare through the Sharpstown neighborhood in southwest Houston. These two developments offered a low-density suburban-style alternative that was not limited by high land values and restricted sewer allowances faced by the downtown Chinatown. More importantly these sites, due to their location away from the rapidly redeveloping downtown, were not threatened by the imminent danger of being displaced by other development projects more suitable to the objectives of the city’s entrenched political and economic elite, the mainstream growth machine.

#### Downtown Chinatown During the Post-Bobo Woo Era (1990 – present)

Dan Nip acquired Lang Yee “Bo Bo” Woo’s role as the primary booster for the district following his death. Woo’s Chinatown Development firm was replaced by the Houston Chinatown Council, of which Dan Nip was the executive director. Whereas Woo envisioned a primarily Chinese-themed district that would attract Chinese and non-

Chinese visitors in addition to conventioners, Nip would propose a Chinatown that mainly catered to downtown office workers for lunch hour businesses, which was already the district's principal market. The repackaged Chinatown would house a collection of Chinese, Vietnamese, Korean, Thai, Mexican, Italian, and Texan barbeque restaurants while the architecture and streetscape would remain distinctly Chinese. Private investment, which the entrepreneurs heavily relied on to develop Chinatown was leaving the district, leading Nip to assert "if private investors cannot do it, the only way is to get the public involved" (Baird 1990, p. D1).

However, as the new place entrepreneurs tried to reestablish Chinatown as a viable destination in Houston, public investment was channeled to urban redevelopment programs in downtown and other surrounding neighborhoods. One of the more notable developments was the expansion of the convention center in 2001, which permanently blocked off McKinney Street. This was a primary road that connected central Chinatown's St. Emanuel Street with downtown. Chinatown's boosters planned to erect the main Chinese gate at the intersection of McKinney and St. Emanuel. "We wanted to break ground [on the gate] three years ago," Dan Nip recalls. "But then the convention center said, 'We're going to have an expansion, blocking off two more streets between Old Chinatown and downtown.' One of those streets was McKinney, which is what we'd picked as the center of Old Chinatown ... they knew that we were supposed to build the gate there. But the convention center had more money and was seen as more important than Chinatown" (Chow 2002).

**Figure 5.2.8: St. Emanuel & McKinney Intersection. Former Site of the Proposed Chinese Gateway Arch and Mandarin International Hotel. Minute Maid Park and Convention Center in Background (source: Author)**



**Figure 5.2.9: View of Convention Center from Abandoned Old Chinatown Building along Eastex (U.S 59) Frontage Road. (source: Author)**



In 1996, the city of Houston announced plans to build a retractable roof baseball stadium on the site of Union Station next to Chinatown. The Harris County-Houston Sports Authority, a governmental agency authorized by the city council and Harris County Commissioners Court to oversee the stadium project, proposed that up to \$180 million of the \$250 million project to be publically financed (Williams 1997a). The failure of the convention center project to attract tourists into Chinatown as well as a decade of setbacks hardened feelings toward the new stadium project. "The only thing it would bring to Chinatown is traffic," Nip said, "No one knows there is a Chinatown behind the convention center ... No one knows there is good food behind the convention center. The same will be true for the ballpark" (Bivens 1996, p. A1). At this time, many of the Chinese and Vietnamese businesses that were in downtown Chinatown relocated to New Chinatown in southwest Houston. The On Leong Merchant's Association, one of the earliest Chinese entities to move into downtown Chinatown relocated to the New Chinatown.

Currently, the neighborhood that once housed the downtown Chinatown district is in the process of being rebranded as East Downtown (EaDo). The East Downtown Management District<sup>35</sup> was established in 1999 in order to enhance security in the neighborhood, coordinate with city offices to attract investment, and promote a positive image of the neighborhood. According to Tina Araujo, Consulting General Manager of the management district, efforts are being made to convert the area into a mixed-use district that does not follow any particular theme. Dan Nip's projects were cancelled since there simply is no market for a downtown Chinatown in Houston (interview Tina

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<sup>35</sup> A management district is a neighborhood-level authority that allows private businesses to self-assess taxes to help fund street and landscape improvements.



Araujo July 31, 2008). The East Downtown Management District and the tax increment refinance zone had usurped the role once carried by the Chinatown Council. Whereas the council sought out investment and allied itself with developers who shared the common goal of creating a Chinese-themed district, the current management district has targeted any development that seeks to redevelop the eastside neighborhoods. Focus has shifted towards attracting professionals who desire an urban living environment next to downtown.

The district currently is in the process of redevelopment with new projects primarily consisting of high-density condominiums, postmodern style lofts, and townhouses similar to those found in other redeveloping neighborhoods surrounding downtown. St. Emanuel Street, once the main boulevard through downtown Chinatown, houses a small collection of newly established nightclubs and bars adjacent to rows of abandoned Asian businesses. The construction of Minute Maid Park (formerly known as Enron Field), home of Houston's major league baseball team, sits across the freeway from the original boundaries of downtown Chinatown. These nightclubs and bars have benefited from the presence of crowds during game days. The few remaining Asian businesses primarily consist of various food and restaurant supply warehouses, a large Vietnamese restaurant, which caters to the lunch-crowd, a Vietnamese grocery store, which is located within the original Chinese Cultural Center's theater, and a collection of Chinese and Vietnamese retail stores. One entrepreneur stated the success of downtown Chinatown rested on the tact of the original Chinese business community controlled by the original "Old Cantonese" but this district fell apart as the Old Cantonese passed away (interview with Kenneth Li, April 2009).

**Figure 5.2.10: Import Export Firm and Warehouse – Old Chinatown (Notice traditional Chinese entryways) New row houses at right (source: Author)**



**Figure 5.2.11: Advertising for New Townhomes in Old Chinatown. Convention Center and Lang Yee Woo's Original Shopping Center in Background (source: Author)**



***Figure 5.2.12: Empty Building with Chinese-style rooftop along St. Emanuel Street. Lion statue at right in front of an abandoned Asian restaurant (source: Author)***



***Figure 5.2.13: Abandoned Vietnamese Restaurant – Old Chinatown (source: Author)***



**Figure 5.2.14: Chinatown Plaza Mall – Old Chinatown. Notice traditional Chinese-style green tile roofing and red columns. New townhouses at right (source: Author)**



**Figure 5.2.15: Kim Son Vietnamese Restaurant, one of the remaining Asian restaurants in Old Chinatown (source: Author)**



**Figure 5.2.16: Tien Hou Temple and new housing developments across the street.**  
(source: Author)



**Figure 5.2.17: Encroaching townhouse developments surrounding Tien Hou Temple**  
(source: Author)



### **5.3 New Chinatown**

Houston's New Chinatown is located along Bellaire Blvd in the southwest neighborhood of Sharpstown. This development began during the early 1980s as Chinese investors recognized that Houston's high-tech and energy economy had attracted a large Asian immigrant population. The sizeable Asian presence in the region created a potential market for large-scale ethnic businesses. Chinese entrepreneurs assessed the retail potential of the region and responded accordingly by purchasing real estate along Bellaire Blvd, a strategic location for Asian ethnic businesses.

Decades before, Sharpstown was created from a project directed by major place entrepreneurs and the city's growth machine. Sharpstown was established in the mid-1950s as the first and one of the largest master-planned communities in Houston. Jack Sharp<sup>36</sup> was the primary developer of the project. He donated a 300-ft wide strip of land running through his property to the State of Texas to construct the Southwest Freeway (U.S. 59). This ensured a direct link between his planned community and downtown. It also provided a major route linking the greater Houston region to the proposed Sharpstown Center – Houston's first indoor air-conditioned shopping mall. Unusual for

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<sup>36</sup> Sharp is most notably known for his role in the Sharpstown Scandal. This scandal involved stock fraud instigated among Sharpstown developers and bribery of leading political figures during the early 1970s. Jack Sharp loaned money to state-level politicians to encourage them to buy stock issued from his Sharpstown State Bank and National Bankers Life Insurance Corporation. The lending also provided leverage to sponsor bills in the state legislature that would indirectly inflate the value of these stocks. The scandal implicated over two-dozen state officials including the attorney general and the governor of Texas.

its time, Sharpstown also boasted a high-rise residential building and several apartment complexes.

By the early 1970s, Sharpstown was completely built up and was considered one of Houston's premier neighborhoods. However, during the 1980s Sharpstown began its steady decline. White flight occurred in these neighborhoods as newer subdivisions were built farther from the urban core and the White population followed the newer developments into the outer suburbs. During this time, immigrants arriving from Asia and Latin America moved into these neighborhoods. Also, Houston's Black residents who were either displaced from the traditionally Black neighborhoods around downtown or relocated out from other areas moved into Sharpstown during this White flight. Thus, these neighborhoods have a diverse racial and ethnic composition.

In 1983, Di Ho Supermarket, a Chinese grocery store chain headquartered in Monterrey Park, California, expanded into the Houston market. At the time Sharpstown was in decline as its original residents were moving out. Bellaire Boulevard was lined with dilapidated buildings and vacant lots (CIRE 2003). Kenneth Li, a Taiwanese-born commercial real estate entrepreneur, and a family relative entered a joint venture with a Houston landowner to develop Di Ho Plaza—a Chinese shopping center—near the intersection of Bellaire Blvd and Beltway 8. This would be the first major investment in the new Chinatown by a Chinese ethnic enterprise. Di Ho Supermarket, its primary anchor, leased 12,000 square feet of the 40,000 square foot shopping center while its developers attracted other Chinese businesses into the shopping center, which has had a 100 percent occupancy rate ever since (CIRE 2003). This location was selected due to its accessibility to the freeway and also proximity to Houston's middle class Asians

(interview with Kenneth Li, April 2009). In addition, the Sharpstown offered apartments and a “well-established subdivision at median rent and sales price ranges” (CIRE 2003, n.p.). Unlike downtown Chinatown, the new Chinatown served primarily middle-class immigrants that recently arrived into the city. Many Chinese immigrants that lived in Sharpstown and Houston’s suburbs spoke Mandarin Chinese and came from regions outside of Guangdong, especially Taiwan (Swanland 1995).

**Figure 5.3.1: Diho Plaza Supermarket, the first successful Asian business in New Chinatown (source: Author)**



Soon after the completion of Di Ho Plaza, Li and his associates entered a second joint venture to acquire a preexisting 90,000 square foot shopping center along Bellaire Blvd, which was redeveloped into Di Ho Square. This shopping center was 80 percent occupied when purchased in 1985, but occupancy rates soon declined to 10 percent as Houston’s oil-economy crashed (CIRE 2003). Yet, due to the success of Di Ho Square, a



consortium of investors from Taiwan, Hong Kong, and Singapore purchased commercial properties along Bellaire Blvd (Swanland 1995). Determined to hold Di Ho Square as a long-term investment, Li rode out the recession by directing investors from New York, California, and overseas into the area and injected more capital into Di Ho Square (CIRE 2003). The entrepreneurs renovated the shopping center's preexisting 32,000-square foot grocery store into an Asian-themed supermarket to attract other tenants into the complex and to serve Houston's growing Asian-American population (CIRE 2003). In addition, the local entrepreneurs attracted more attention to these developments by sponsoring several community events and festivals such as Chinese New Years.

#### Investment from Private Sources

During this time, both domestic and foreign Asian enterprises became important sources of investment into the district. Chinese business interests, especially those with ties to Hong Kong and Taiwan, grew concerned about the future political and economic relationship with Mainland China (Swanland 1995). Anticipating Britain's expiring lease over Hong Kong back and plans to cede that land back to China—as well as the potential effects on Taiwan's political status and economic dominance in the Pacific Rim—many overseas Chinese investors looked to the United States for new investment opportunities. The 1980s was a time of exponential economic growth for many Pacific Rim economies. In order to take advantage of these investment channels, the New Chinatown's place entrepreneurs established offices in Hong Kong and Taipei, Taiwan to market Houston's commercial real estate opportunities to investors (Swanland 1995). Tsang Dat Wong, who ran the Di Ho supermarket chain, invited an associate from Singapore to develop the 120,000 square foot Dynasty Mall at the corner of Bellaire Boulevard and Corporate

Drive. "When Dynasty Mall was being developed in 1986, 1987, it was the worst time, but Mr. Wong saw it was a good time for outsiders to come in because of cheap land and foreclosures," Li said (Yip 1993a, p. D18). With the market for ethnic businesses established, this consortium of investors sought to create a larger Chinese business district. Whereas the Cantonese Lang Yee Woo envisioned an inner city Chinatown in the mold of San Francisco, Los Angeles, and New York, the new class of entrepreneurs sought to create a suburban Chinatown similar to Monterrey Park, California.

In addition to international investment, funding also came from various ethnic banks located in the neighborhood. MetroCorp Bank, which is an Asian-American owned bank that caters mainly to Asian immigrants, financed the construction of Hong Kong Market (see figure 5.3.2)—managed by a Chinese-Vietnamese developer—as well as the iconic Chinese-style gateway arch (see figure 5.3.3), which is the symbolic center of Houston's New Chinatown (interview with Don Wang April 2009).

*Figure 5.3.2: Ocean Palace Restaurant – Hong Kong Mall (source: Author)*



*Figure 5.3.3: New Chinatown Gate – Hong Kong Mall (source: Author)*



*Figure 5.3.4: Asian American Banks along Bellaire Blvd, New Chinatown (source: Author)*



*Figure 5.3.5: American First National Bank – Office Tower in New Chinatown (source: Author)*



Chinese commercial development continued throughout the late 1980s despite Houston's economic downturn. Several industrial buildings, business parks, and apartments north of Bellaire Boulevard were bought by Chinese investors (Houston Taiwanese Chamber of Commerce 1993). The corner of Bellaire Boulevard and Corporate Drive, near the heart of New Chinatown, contains several banks, many of which are Asian American owned (see figures 5.3.4 and 5.3.5). Businesses also began to diversify. New Chinatown contains a large collection of the typical Asian grocery stores and restaurants, but also boasts realtors, newspapers, legal firms, accountants, wholesalers, and medical practitioners. Figures 5.3.6 through 5.3.9 provide some architectural examples of various Chinese and Chinese-Vietnamese developments housing many of New Chinatown's retailers and professional services firms. Following the past successes of the two Di Ho market projects, Li developed two residential subdivisions consisting of 440 homes, an office condominium building, and a medical office property in the district (CIRE 2003). David Wu, a Taiwanese developer, announced plans to build a \$300 million high-rise luxury condominium project consisting of three 23-story towers, with units selling between \$185,000 - \$500,000 (Patel 2007, p. D1).

*Figure 5.3.6: Dun Huang Shopping Center (source: Author)*



*Figure 5.3.7: Lee Ho Townhouses – built to suit Asian residents (source: Author)*



*Figure 5.3.8: Asian-style Commercial Park (source: Author)*



*Figure 5.3.9: Bellaire Blvd Shopping Center with Asian-style Accents (source: Author)*



### Support from the City of Houston

Development in New Chinatown, similar to Old Chinatown, is primarily funded through private sources. Kenneth Li stated that all the developments were due to market research and the presence of various private ethnic developers interested in turning a profit (interview with Kenneth Li, April 2008). The City of Houston has not financially contributed to these developments, and traditionally the Chinese business community had been distant from the city in this regard (interview with Kenneth Li, April 2008). He attributes this to the local government's culture that condones the idea that these enterprises must go at it alone, but if the Chinatown project continues to be successful, it may attract additional attention from city hall.

Map 4.5.1 from chapter 4 shows the locations of the major development projects subsidized by the government or fully funded by the government. In addition, map 4.5.2, also from the previous chapter, shows the distribution of public art in Houston. Complementing the direct public funding of development projects, the location of public art may be used as an indicator of government assistance in developing public spaces and improving the overall image of the neighborhood districts. The majority of art are located in and around downtown, particularly along the CBD and Museum District nodes of the light-rail system. This is indicative of the city's urban revival efforts and its Main Street Corridor project, which has received considerable guidance and investment from the city. The extensive scale of local and state government subsidies provided to new development, along with public investment in infrastructure, within this downtown area has been evident in a number of recent publications (Vojnovic 2003a; Vojnovic 2003b, Podagrosi and Vojnovic 2008). However, the New Chinatown lacks such public spaces



and public artwork from the city. This is also true with Old Chinatown, which exclusively relied on private developers and local entrepreneurs to supply the necessary cultural amenities for the district. As with many Chinatowns throughout the world, Houston's New Chinatown boasts an Asian-style gateway arch. However, unlike other Chinatowns where the gateway is prominently positioned across a major thoroughfare or in a public space, this arch is relegated within a private parking lot serving Hong Kong Mall. This gateway arch is essentially an extension of this retail complex, and serves as a marquee to attract motorists to its shops and restaurants. In the case of New Chinatown, Hong Kong Mall generally is viewed by tourists and businesses as the visual center of the district. Street signs throughout the district use both English and traditional Chinese. However, most of the Asian-themes are exhibited by architectural elements incorporated into private shopping centers and restaurants.

The reality that New Chinatown is predominantly private and has little to offer in terms of public spaces is a pressing concern for entrepreneurs. A public meeting hosted by the Sharpstown Management District in the summer of 2008 discussed the problem associated with the lack of public spaces in New Chinatown. Proposed solutions to enhance the district included the following: managing high-speed traffic along Bellaire Blvd (the main thoroughfare through New Chinatown), improving safety, addressing the poor condition of sidewalks and lack of pedestrian friendly spaces, and developing multi-use public spaces. In order to improve pedestrian foot traffic, the management district encouraged private commercial landowners to allocate property to be used to expand walkable spaces along the major right of ways. These spaces would receive improved landscaping, signage, walkways, and crosswalks. Various members of the Chinese

business community were receptive to the idea of creating more public and walkable spaces around their developments since it would be a good investment, increase property values, attract more tourists, and increase sales (Sharpstown Management District Meeting 2008). The management district also sought additional assistance from the city of Houston in order to allow such developments to occur along the public right of way easements and to create additional public spaces. The district also wanted to work with the city to improve the roadways, which were in various states of disrepair. The management district used examples of city-funded projects such as Jones Plaza and Discovery Green in downtown Houston as models to bolster the development of New Chinatown.

A board member of the Houston Greater Partnership since 1991 stated that the City of Houston actively places minorities in high-level government positions. However those who chose to accept must have money to support oneself during the course of their appointment and must be willing to donate money to and raise money for the city. With respect to ethnic business communities, the city does not have a good reputation. This is partially due to various business organizations representing Houston's diverse ethnic communities fighting with the city's chamber of commerce and with one another (interview with Don Wang, April 2009).

According to John Kim, a business leader from the Korean community and former president of the Houston Asian Chamber of Commerce, "one of the biggest complaints I hear from other Asians is that we have too many small groups and not enough cohesiveness under one umbrella" (Yip 1993b, p. D1). The disunity not only is evident between Asians but also within single ethnic groups. The Chinese in particular,

with their diverse backgrounds, have had difficulty in establishing a cohesive growth agenda. "The diversity is just mind-boggling," notes Michael Chou, co-founder of the Council of Asian American Organizations. "We have Chinese from Hong Kong. We have Chinese from Taiwan, and Chinese who are American-born ... In Asian communities everyone has their own agenda, their own way of doing things. The only thing that sometimes brings people together is politics" (Yip 1993b, p. D1).

When it comes to economic development, Houston has historically targeted major employers into the region while circumventing the ethnic business organizations, which is a cause for much distress (interview with Don Wang, April 2009). Houston's mainstream business councils have engaged in such tactics before. As mentioned earlier, in the late 1970s, the Houston Chamber of Commerce, which was the predecessor of the Greater Houston Partnership, was considered responsible for obstructing the incorporation of Houston United, an organization that would have brought together various business leaders with religious, labor, civic, and ethnic leaders (Thomas and Murray 1991).

Immigrant entrepreneurs in various cities face obstacles ranging from language barriers to restrictions in lending. Yet, according to one report that analyzes the public support of immigrant groups within various cities, "one drawback more unique to Houston is that it doesn't have nearly as extensive a network of business assistance services available to entrepreneurs—offered by either nonprofits or the local government—as cities like New York and Los Angeles" (Center for an Urban Future 2007, p. 54).

However, the city uses the Chinatown presence to promote its image to visitors and new residents. The 2008 official visitors guide prominently lists “Southwest Chinatown” along with the Theater District, Galleria, and the upscale Montrose, Kirby, and Rice Village neighborhoods as one of its “city explorer” destinations (Greater Houston Convention and Visitors Bureau 2008). These are the destinations, from Chapter 4, that this study identifies as urban districts. In addition, the Chinese business community, with help from the city and local economic development authorities, published a bilingual map of the New Chinatown district (CIRE 2003). That is the greatest extent to which the Chinese entrepreneurs worked with the city (interviewed Kenneth Li, April 2009). What is more relevant to the local Chinese entrepreneurs, however, is that Sharpstown still remains underserved in infrastructure while services are higher standard and provision in the Galleria and other upper-income areas (interviewed Kenneth Li, April 2009).

#### **5.4 Conclusion**

In reviewing the Chinatowns’ historical development, the dissonance between the local growth coalition and Houston’s immigrant place entrepreneurs emerged as one of the primary reasons behind the current spatial outcomes of the Chinese business districts. Houston’s Chinese economic and cultural centers continued to move around downtown as a response to the encroaching inner-city redevelopment projects before finally relocating to the suburbs. The convention center project and the sports center projects pushed property values beyond what the local Chinese entrepreneurs could afford, effectively precluding any future expansion of the district. Yet, the emergence of the

downtown Chinese business district during the 1980s, and its potential to open new channels of foreign investment into Houston, had attracted the interest of city hall (Lin 1995), at least at a time that the city was facing an economic downturn. In addition, Chinatown's main boosters "ha[d] garnered considerable investment capital" (Lin 1995 p. 639) but the project remained in hiatus during the wait for badly needed infrastructure improvements in the neighborhood. However, as the oil economy recovered and the economic fortunes improved during the 1990s, Chinatown failed to attract sustained attention from the city.

Kenneth Li, however, remarked that Lang Yee Woo, one of the primary boosters for the downtown Chinatown, was able to break into Houston's city council during the 1970s, something that his predecessors were never able to do. One reason for this is that before the current term restrictions, the city council amounted to an old boys group, whose members were well entrenched in city hall and had accepted Woo as an important business leader. Now the current term limits for the city council created a high turnover with little time to establish rapport with its members (interview with Kenneth Li, April 2009). After Woo had died, his predecessors were never able to build a consensus with the main power brokers in Houston. In addition, the nascent Chinese business district fell apart when the remaining high-profile "Old Cantonese" boosters passed away and supporting organizations and businesses moved out, in the face of the new government financed developments in the downtown area.

This transition in the city council also parallels the emergence of a reorganized growth coalition structure in Houston during the 1970s and 1980s, where power is no longer concentrated within a single well known organization of influential urban elites

(such as the 8F Suite Group), but has become more complex and fluid due to increasing international immigration, growing number of transnational service firms, the expansion of the Houston economy, and a diversifying economic base. As new industries and economic elites emerged in the city, the Houston business community extensively evolved from the days of the 8F group. However, the new local business leaders still maintain close ties to the city's political leadership, and local government continues to preserve a strong and unchallenged pro-business agenda, as evident with ongoing financial support of select private development projects in Houston's urban revival efforts.

The Chinese ethnic place entrepreneurs had lost their initial influence and advantages land holdings, and Old Chinatown has been almost completely erased from Houston's urban core. Despite the city's celebration of ethnicity and diversity, ethnic communities and immigrant place entrepreneurs investing in Houston's downtown and surrounding areas did not receive the public financial aid enjoyed by other developers and competing private development projects. Without the public aid, ethnic place entrepreneurs were simply not as competitive as their publicly funded rivals, and ethnic communities and neighborhoods were slowly squeezed out of Houston urban core.

## **6. Data and Analysis**

### **6.1 Introduction**

This chapter provides an analysis of neighborhood change occurring within Houston and its suburbs in Harris County. According to the discussion from the previous chapters, the new Chinese community was able to attract some degree of recognition from the city, culminating in the inclusion of the New Chinatown district in the city's official tourist guide. However, this Chinese district received little in terms of financial support from the city council or other local public agencies. The Old Chinatown district, though located adjacent to the several important development projects in the city center—including the George R. Brown Convention Center, Minute Maid Park, and Toyota Center—failed to be incorporated into the city's urban revitalization plans. The majority of these developments in the past and present Chinatowns were privately financed and directed by a collection of immigrant place entrepreneurs who operated outside of the mainstream growth machine. The exclusion of the downtown Chinese district from the city's set piece Main Street Corridor project, the expansion of the convention center, and the lack of investment from the city into local public spaces within Old and New Chinatown indicates that the Chinese immigrant neighborhoods were not part of Houston's overarching plan for its urban revival strategy. However, the importance of Chinatown and the Chinese presence in Houston's diversity-related materials and tourist guide published over the last decade indicates that the city bolsters the acceptance of this community and uses it to promote the overall image of the city to visitors and residents.

This chapter provides an additional layer of analysis using quantitative data. This section of the analysis utilizes census data to trace neighborhood changes occurring in the

redeveloped inner city neighborhoods. This analysis also reveals the changes occurring within New Chinatown as well as those neighborhoods that once housed Old Chinatown. In addition, given that the local government has used Chinatown as a strategy to attract favorable attention to the city, a statistical test should be run to determine if a growing acceptance of ethnic and cultural diversity by the city has translated into improving economic conditions for this immigrant community. Based on historical and anecdotal evidence, the previous chapter infers that the city has done little to facilitate the development of the two Chinese districts. Whereas the previous chapter highlights the little support that the Chinese immigrant entrepreneurs' received from the city, particularly in light of the extensive public subsidies that competing downtown development projects received, this chapter focuses on the lack of economic improvement of the overall immigrant community compared to Houston's mainstream community.

The rationale behind this analysis is to reveal the fundamentally flawed disconnect between the City of Houston's claims to fostering a multicultural community—through its celebration of diversity—and the measurable economic improvements of its ethnic groups. Analyzing the Chinese communities as well other Asian subgroups may reveal the extent of this dilemma; Asians immigrants are expected to be successful; politicians and the media for decades touted these groups as America's "model minority."<sup>37</sup> However, the lack of economic improvement among these groups in Houston will indicate that regardless of the rhetoric espoused by the city, the economic

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<sup>37</sup> The model minority is a term popularly applied to Asian groups such as the Japanese, Koreans, and Chinese, whose status is earned due to high educational achievement levels, large numbers employed in the professional sectors, low incidents of crime, and low poverty levels.



fortunes of even the most admired immigrant communities are not at levels akin to the mainstream population.<sup>38</sup>

## **6.2 Data Selection**

The first part of this chapter will focus on the principal components analysis (PCA). The PCA will be conducted on a list of neighborhood (census tract) variables derived from U.S. census data. The PCA is a data reduction method that utilizes a correlation matrix to determine which variables in the data set have a strong relationship with each other. Highly related variables are combined to create a set of new variables called factors or components. This technique reduces the number of redundant variables in the data set, creating a list of new combined variables that reflect the conditions occurring in the census tracts. I adopt the PCA as a method to track population and socioeconomic changes occurring in Houston's neighborhoods over time.

Discussions of methods and results from the previous literature and studies, which utilized PCA analysis, were used to inform the census variable selection process for this study. Podagrosi's (2006) study on social and physical upgrading in Houston, TX used U.S. census data from the following categories: population, socioeconomic status, and housing. Podagrosi segmented the population data into different racial categories. David Ley's study on the association of immigrant neighborhoods on inner-city housing prices conducted a correlation analysis and PCA analysis using Canadian census data from 1971-1986 and 1986-1996 (Ley et al 2002). He categorized the census data

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<sup>38</sup> Evidence of such a disparity in economic fortunes between the majority White and these immigrant subpopulations would also challenge the myth of the "model minority."

according to the following five categories: migrant status, ethnic status, housing age, socioeconomic status, and family status. Socioeconomic status consists of census data measuring household incomes, employment in the professional-managerial occupations, attainment of a college degree, and housing values.

This study will organize U.S. census data according to the following seven categories: (1) population, (2) race/ethnicity status, (3) race/ethnicity change, (4) family structure, (5) immigrant, (6) socioeconomic change, and (7) housing. The population variable will measure percent change in the census tract population between 1980 and 2000. This measure will indicate which neighborhoods in the city have attracted high levels of growth of new residents.

Next, the race/ethnicity category is divided into two parts: status in 1980 and change from 1980-2000. The first part indicates the majority racial/ethnic group for a census tract in the year 1980. The second part reveals the changes in the racial/ethnic share for a census tract over time. This framework allows the researcher to track the changing population characteristics for a census tract over time and reveals which population groups are being replaced by other population groups since 1980. The race/ethnicity category includes variables that measure the status and change of non-Hispanic White, non-Hispanic Black, Hispanic, and Asian residents.

Keeping in line with the focus of this thesis, this analysis further segments Asians into Chinese and Vietnamese. The Vietnamese, though not discussed in detail in previous sections, is included as a separate population group since Houston's Vietnamese populations historically overlaps Chinese residential and business patterns across space. In addition, many Chinese and Vietnamese residents share similar historical experiences

and cultural heritages. In the case of Houston, Chinese and Vietnamese businesses often locate within close proximity to each other. Old and New Chinatowns, though initiated by ethnic Chinese private interests, also attracted Vietnamese businesses. New Chinatown is located adjacent to a growing Vietnamese business district and is in a neighborhood with growing Chinese and Vietnamese populations.

The family structure category measures the share of the census tract population of families that are defined according to a particular type. This category includes female-headed families with children, which are family types that especially are vulnerable to economic uncertainty. Socioeconomic Change contains a variety of measures accounting for income levels, share of college graduates, and occupation.

The immigrant category lists variables that account for certain characteristics of Houston's immigrant population that were not accommodated in the previous data categories. These variables measure the following: the change in the number of people over 17 years old who are not fluent in English; and change in the share of the census tract population who were born outside the United States and U.S. territories.

The next category accounts for socioeconomic change in census tracts between 1980 and 2000. This category includes variables that measure changes in college graduates, professionals, poverty, and incomes. The income subcategory is subdivided into two measures: income per household and income per family. These variables will reveal which neighborhoods house a class of middle and upper class residents.

The housing category accounts for changing characteristics of housing within the census tract. This category includes the percent change in owner-occupied housing values. This variable should reveal particular tracts that experienced increasing and

decreasing residential property values. For this analysis, I assume that rising property values indicate highly desirable and increasingly affluent neighborhoods. The opposite of which indicate deteriorating neighborhoods in economically depressed regions of the city. All income and property values are adjusted for inflation.

***Table 6.2.1: Variable Names and Definitions***

**1. Population**

PC\_POP – percent change in total tract population (1980 – 2000)

**2. Race/Ethnicity (status 1980)**

WHITE80 – % of the 1980 population that is non-Hispanic White

BLACK80 – % of the 1980 population that is non-Hispanic Black

HISP80 – % of the 1980 population that is Hispanic

ASIAN80 – % of the 1980 population that is Asian

CHIN80 – % of the 1980 population that is Chinese

VIET80 – % of the 1980 population that is Vietnamese

**3. Race/Ethnicity (change 1980 – 2000)**

V3C NHWHITE – change in the % of population that is non-Hispanic White

V3C NHBLACK – change in the % of population than is non-Hispanic Black

V3C\_HISPANIC – change in the % of population that is Hispanic

V3C\_ASIAN – change in the % of population that is Asian

CHINESE – change in the % of population that is Chinese

VIETNAMESE – change in the % of population that is Vietnamese

**4. Family Structure**

V3C FHF\_WK – change in the % of families that are female-headed and with children

**5. Immigrant**

V3C\_SPKLANF – change in the % of people over 17 years old not fluent in English

V3C\_FOREIGN – change in the % of population who are foreign born

**6. Socioeconomic Change**

V3PC\_CGRAD – % change in the number of college graduates

PROF – change in % of population over 15 years old employed in professional sector

V3C POV – change in the % of population over 15 years old that are in poverty

V3PC\_HH\_INC – % change in average income per household

V3PC\_INC\_FAM – % change in average income per family

**Table 6.2.1 – cont’d**

**7. Housing**

V3PC\_OVAL – % change in owner-occupied property values

Unit of observation: census tract

Total number of variables: 22

**6.3 Limitations in the Data**

Time period

In order to observe the changes in these neighborhood population and housing characteristics over time, I will use 1980 and 2000 decennial census tract data reported by the US Census Bureau.<sup>39</sup> The wave of Asian immigrants moving into the Houston region did not commence until the mid-1970s and early 1980s. Also, the immigrant place entrepreneurial activities in Houston began to occur during the late 1970s and early 1980s. Therefore, I feel that 1980 is a suitable starting year for analyzing immigrant populations in the PMSA. Unfortunately the data reported from the most recent census decennial has become outdated by this time. The changes occurring in Houston’s neighborhoods during this 20-year time period most likely accelerated since 2000.

Variables

The variables within the census dataset have changed in previous censuses. For example, the census did not consistently collect population counts for Latin American groups other than for Mexicans, Puerto Ricans, and Cubans. Since Puerto Ricans and

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<sup>39</sup> Several variables from the 1980 census were downloaded from the National Historical Geographic Information System (2008), which is maintained by the Minnesota Population Center and the University of Minnesota.

Cubans have a small presence in the PMSA, I will rely on the Mexican population variable<sup>40</sup>. Also, older censuses did not distinguish between ethnic Chinese emigrating to the U.S. from Hong Kong, Taiwan, Mainland China, Southeast Asia, and Oceania. I will create a variable that includes all ethnic-Chinese peoples regardless of the country or region of origin. Restricting this study within the 1980 – 2000 time period will help minimize this problem of changing variable definitions. Censuses prior to 1980 do not differentiate between Hispanic and non-Hispanic racial and ethnic groups, and thus precludes a comparative analysis of subpopulation groups between census years.

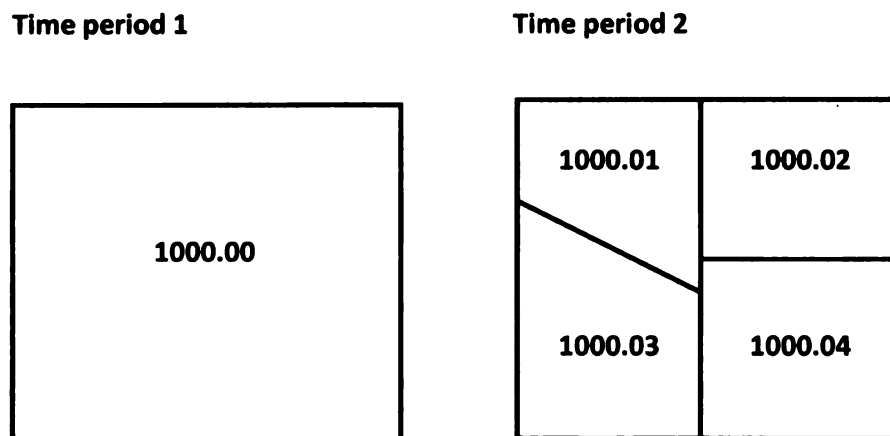
#### Variation in census tract boundaries over time

Prior to 1980, census tracts containing neighborhoods that currently have a substantial immigrant population were either non-existent or contained a substantial area of the PMSA, which precludes a detailed analysis of those neighborhoods due to the high level of aggregation of the data. In addition, the U.S. Census Bureau is constantly redrawing census tract boundaries, thus adding to the difficulty in the analysis (see figure 6.3.1 for an illustration of a hypothetical tract subdivided between two time periods).

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<sup>40</sup> The U.S. Census Bureau did not report detailed countries of origin for Hispanics until the 1990 census. The 1980 census categorizes Hispanics as Mexican, Cuban, Puerto Rican, or Other. Thus, the rich diversity of Houston's Hispanic population cannot be compared across time. Given that the majority of Hispanics in Harris County claim a Mexican heritage (Mexican 72.8%, Cuban 0.7%, Puerto Rican 1.1%), I opted not to stratify the Hispanic variable. Data Source: U.S. Census Bureau 2000

**Figure 6.3.1: An Example of Census Tract Subdivision Over Time**



In order to compare the data across different time periods, the census tract boundaries will need to be standardized. For this study, I adjust 1980 census tracts<sup>41</sup> and data to the most recent 2000 tract boundaries<sup>42</sup> using a 1980-1990 census tract relationship file acquired from MABLE/Geocorr2K hosted by the Missouri Census Center<sup>43</sup> and the 1990-2000 census tract relationship file acquired from the U.S. Census Bureau<sup>44</sup>. This study adopts the method recommended by the U.S. Census Bureau and Peters and MacDonald (2004), which adjust census tract data based on population weights.

<sup>41</sup> 1980 census tract shapefiles were downloaded from the Geolytics (1999) Census CD for the 1980 census.

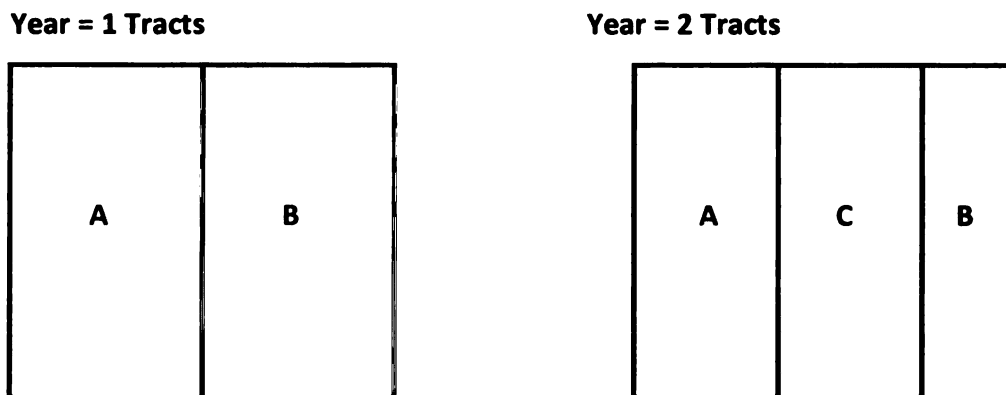
<sup>42</sup> 2000 census tract shapefiles are available at ESRI's (2000) TIGER/Line webpage.

<sup>43</sup> Blodgett, J. and Consortium for International Earth Science Information Network (CIESIN) at Columbia University. (1996) *1980-1990 Geocodes*, MABLE/Geocorr2K Geographic Correspondence Engine, hosted by the Missouri Census Center and CIESIN. Available online at: <http://mcdc2.missouri.edu/websas/geocorr90.shtml> Accessed: 20 January 2008

<sup>44</sup> U.S. Census Bureau. (2001) *Census Tract Relationship Files*, Available online at: [http://www.census.gov/geo/www/relate/rel\\_tract.html](http://www.census.gov/geo/www/relate/rel_tract.html) Accessed: 16 January 2008

The census tract relationship files include the census tract ID numbers and populations for the two time periods. The allocation factor indicates the proportion of the original tract's population in year 1 that falls within another tract for year 2. An allocation factor of 0.5 indicates that 50 percent of the original tract population for year 1 was moved into another census tract for year 2. An allocation factor of 0 indicates that 0 percent of the population fell into another tract for year 2 even if the original census tract was split. On the other extreme, an allocation factor of 1.0 indicates that the entire population of the original census tract for year 1 falls within another census tract for year 2. The following figures illustrate the nature of census tract subdivisions across time. Figure 6.3.2 and tables 6.3.1 through 6.3.4 show in detail the calculation of census data for census tracts that have changed their boundaries over time.

**Figure 6.3.2: Year 1 Census Tract Data Normalized to Year 2 Boundaries**



**Table 6.3.1: Census Tract Relationship File**

Year 1 Tract	Population Allocation	Year 2 Tract
A	0.75	A
A	0.25	C
B	0.5	C
B	0.5	B



**Table 6.3.2: Year 1 Population Dataset**

Tract	Tract Population
A	500
B	1000

**Table 6.3.3: Year 2 Population Dataset**

Tract	Tract Population
A	350
B	725
C	700

**Calculations:**

Normalized tract population = [Y1 Tract Population] x [Population Allocation]

Tract 'A' = 500 x 0.75 = **375 people**

Tract 'B' = 1000 x 0.5 = **500**

Tract 'C' = (500 x 0.25) + (1000 x 0.5) = **625**

**Table 6.3.4: Normalized Year 1 and 2 Tract Population Data<sup>45</sup>**

Tract	Year 1 Tract Population*	Year 2 Tract Population	$\left[ \frac{(Pop_2 - Pop_1)}{Pop_1} \right] \times 100$	% Change in Population
A	375	350	$[(350-375)/375] \times 100$	-6.67%
B	500	725	$[(725-500)/500] \times 100$	45%
C	625	700	$[(700-625)/625] \times 100$	12%

\* adjusted to year = 2 tract boundaries

## 6.4 Principal Components Analysis

I conduct a Principal Components Analysis (PCA) to identify similarly related variables from the census data and combine them into orthogonal sets, here referred to as components (also known as factors and dimensions), which share no similarities with

<sup>45</sup> This method for normalizing census tracts was derived from: Peters, A. and MacDonald, H. (2004) *Unlocking the Census with GIS*, Redlands, CA: ESRI Press.

each other. I begin with the 22 variables from the original dataset as specified in the section 6.2, which measure demographic and housing trends within the Houston metropolitan area between 1980 and 2000. I use the PCA first to reduce these 22 variables into a handful of generalized components, which will provide additional insight into those fundamental variables underlying the demographic and housing dynamics for the city of Houston and surrounding Harris County.

For the PCA, the varimax factor rotation technique is used to make sharper distinctions between the higher and lower factor loadings that will enhance the interpretability of the components. In order to find a satisfactory balance between parsimony and comprehensiveness of the data reductions, I forced the statistical package (SYSTAT) to return a different number of components using the PCA module. Several<sup>46</sup> components were extracted in the various PCA runs.

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<sup>46</sup> For the first PCA run, I set the parameters such that the statistical package will extract those dimensions where the eigenvalue of each dimension is greater than 1.0. I also included a variable created from a random number generator in the dataset. A component where this variable is highly loaded indicates that it is not revealing any meaningful information. The first PCA run returned 7 components with eigenvalues greater than 1.0.

**Table 6.4.1: Five – Dimensional Rotated PCA Loadings Matrix<sup>47</sup>**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>PC_POP</b>	0.017	<b>0.673</b>	0.064	-0.077	-0.148
<b>V3C_NHWHITE</b>	-0.541	-0.243	-0.151	<b>-0.646</b>	-0.291
<b>V3C_NHBLACK</b>	<b>0.630</b>	0.382	0.114	-0.129	0.366
<b>V3C_HISPANIC</b>	0.172	-0.050	-0.177	<b>0.928</b>	0.039
<b>V3C_ASIAN</b>	0.025	0.141	<b>0.939</b>	0.025	0.121
<b>WHITE80</b>	0.063	<b>0.742</b>	0.181	0.039	0.233
<b>BLACK80</b>	0.007	<b>-0.737</b>	-0.029	-0.206	-0.280
<b>HISP80</b>	-0.148	-0.100	-0.320	0.272	-0.089
<b>ASIAN80</b>	0.113	0.074	0.200	0.067	<b>0.896</b>
<b>CHIN80</b>	0.200	0.097	0.329	-0.039	<b>0.753</b>
<b>VIET80</b>	-0.119	-0.064	-0.178	0.141	<b>0.773</b>
<b>CHINESE</b>	-0.299	0.031	<b>0.691</b>	0.002	0.016
<b>VIETNAMESE</b>	0.210	0.059	<b>0.787</b>	0.148	0.052
<b>V3C_FHF_WK</b>	<b>0.727</b>	0.280	-0.045	-0.011	0.098
<b>V3C_SPKLANF</b>	0.204	-0.062	0.064	<b>0.901</b>	0.047
<b>V3C_FOREIGN</b>	0.131	-0.017	0.179	<b>0.931</b>	0.119
<b>V3PC_CG</b>	-0.104	<b>0.638</b>	0.038	-0.108	-0.229
<b>PROF</b>	0.027	<b>0.739</b>	0.027	-0.143	0.086
<b>V3C_POV</b>	0.513	-0.260	-0.007	0.522	-0.085
<b>V3PC_HH_INC</b>	<b>-0.847</b>	0.142	0.000	-0.253	0.077
<b>V3PC_INC_FAM</b>	<b>-0.751</b>	0.127	-0.025	-0.303	0.147
<b>V3CP_OVAL</b>	<b>-0.694</b>	0.088	-0.043	-0.173	-0.170

"Variance" Explained by Rotated Components

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
3.575	2.954	2.408	3.636	2.516

Percent of Total Variance Explained

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
16.248	13.427	10.947	16.525	11.435

Finally, I restricted the PCA module in SYSTAT to extract 5 components. In the following output (see table 6.4.1), all components have eigenvalues greater than 1.0 and recorded variances greater than 10%. The percent of the total variance in the data set explained by these extracted dimensions is  $(16.248 + 13.427 + 10.947 + 16.525 + 11.435) = 68.582\%$ . Variables that are highly loaded within these components are highlighted. Table 6.3.2 presents a list of definitions assigned to each component as well as the highly loaded variables.

<sup>47</sup> varimax rotation used

### Component Descriptions

For the first component, non-Hispanic Black and Female-Headed Families with children are highly loaded ( $a_{jl} > 0.6$ ) and positively associated with each other. This component represents census tracts in the county that have experienced growth in the Black share of the population as well as growth in share of female-headed families with children. Variables accounting for changes in income and housing values are located on the opposite end of the component. The negative association between the growing percentage of Blacks and incomes and housing values indicates that this component describes poor neighborhoods dominated by Black residents. I define this component as Economically Depressed Black Neighborhoods.

The second component contains growth measures relating to population, education, and profession. In this case, high population growth, increasing college graduates, and professionals are positively related. In addition, these growth measures are positively associated with neighborhoods that had a preexisting white majority in 1980. The BLACK80 variable, which accounts for traditionally Black neighborhoods, is negatively associated with this growth. This component indicates that college educated professionals are attracted to neighborhoods that historically have been dominated by White residents. This dimension is defined as High Growth Historically White.

**Table 6.4.2: Component Definitions and High Loading Variables**

<b>Component Definitions and Variables</b>	<b>Loadings</b>
<b>Component I: Economically Depressed Black Neighborhoods</b>	
Change in Female-Headed Families with Children Share	+0.727
Change in non-Hispanic Black Share	+0.630
Percent Change in Owner-Occupied Housing Values	-0.694
Percent Change in Family Incomes	-0.751
Percent Change in Household Incomes	-0.847
<b>Component II: High Growth Historically White</b>	
White Population Share 1980	+0.742
Change in % Professionals	+0.739
Percent Change in Population	+0.673
Percent Change in College Graduates	+0.638
Black Population Share 1980	-0.737
<b>Component III: Asian Growth</b>	
Change in Asian Share	+0.939
Change in Vietnamese Share	+0.787
Change in Chinese Share	+0.691
<b>Component IV: Hispanic Growth</b>	
Change in Foreign Born Share	+0.931
Change in Hispanic Share	+0.928
Change in % Population not Fluent in English	+0.901
Change in Non-Hispanic White Share	-0.646
<b>Component V: Asian Share in 1980</b>	
Asian Share 1980	+0.896
Vietnamese Share 1980	+0.773
Chinese Share 1980	+0.753

The next component addresses changes in Asian populations. Growth in the share of Chinese, Vietnamese, and overall Asian populations is positively loaded in this

component. This relationship reveals neighborhoods that experienced an overlap in Asian populations between 1980 and 2000. I define this dimension as Asian Growth.

The non-Hispanic White variable is negatively loaded on the fourth component. On the positive side of this component are the Hispanic and Immigrant variables. Thus, the foreign born population, speakers of foreign languages, and Hispanics are negatively associated with growth in the non-Hispanic White population. This implies that these two groups are segregated into different areas in the county; Non-Hispanic Whites are not locating in areas that are receiving Hispanic residents. I define this dimension as Hispanic Growth.

The fifth component includes the 1980 population status for all Asian variables. Variables measuring the percent of the census tract population that are Asian, Chinese, and Vietnamese are highly loaded in this component and are positively associated with each other. I define this component as Asian Share in 1980.

### Commonalities

This section provides a description of the level of participation of the variables in the PCA. The values are defined as commonalities. The majority of the variables (18 out of 22) from the PCA have commonality values greater than 0.5 (see table 6.4.3)—that is, more than half of their variance was accounted for in this five dimensional matrix.

**Table 6.4.3: PCA Variable Commonality Values**

Variable	Commonality <sup>48</sup>
PC_POP	0.485
<b>V3C_NHWHITE</b>	<b>0.877</b>
<b>V3C_NHBLACK</b>	<b>0.706</b>
<b>V3C_HISPANIC</b>	<b>0.926</b>
<b>V3C_ASIAN</b>	<b>0.917</b>
<b>WHITE80</b>	<b>0.643</b>
<b>BLACK80</b>	<b>0.665</b>
HISP80	0.216
<b>ASIAN80</b>	<b>0.866</b>
<b>CHIN80</b>	<b>0.726</b>
<b>VIET80</b>	<b>0.667</b>
<b>CHINESE</b>	<b>0.568</b>
<b>VIETNAMESE</b>	<b>0.692</b>
<b>V3C_FHF_WK</b>	<b>0.619</b>
<b>V3C_SPKLANF</b>	<b>0.864</b>
<b>V3C_FOREIGN</b>	<b>0.930</b>
V3PC_CG	0.483
<b>PROF</b>	<b>0.575</b>
<b>V3C_POV</b>	<b>0.611</b>
<b>V3PC_HH_INC</b>	<b>0.808</b>
<b>V3PC_INC_FAM</b>	<b>0.694</b>
V3CP_OVAL	0.550

HISP80 was the only variable in the dataset that was not highly participatory in the PCA and was not highly loaded in any of the 5 extracted components. The results from the commonality table show that less than half of the variances for the PC\_POP and V3PC\_CG variables were accounted in the PCA. However, these two variables were highly loaded in the second component.

#### Mapping the Factor Scores

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<sup>48</sup> Variables with at least half their variances accounted in the 5-dimensional PCA are in **bold**.

Next, I extract standardized scores for each of the five components from the PCA described in table 6.4.2.<sup>49</sup> These scores were then assigned to each of the 649 census tracts comprising Harris County and the City of Houston. I have created five maps that present the spatial distribution of scores for the five components extracted from the PCA.<sup>50</sup> I will refer to these scores as “factor scores” since the output from SYSTAT defines these variables as factors. Thus the scores for components I, II, III, IV, and V. will be referred to as factor 1 score, factor 2 score, factor 3 score, factor 4 score and factor 5 score. The distributions of scores were divided into fourths, with the center of the distribution set at 0. These scores were assumed to be normally distributed, which allowed the use a score value of -0.67, 0.00, and +0.67 as the cutoffs. After looking at the histograms for these scores, I felt these cutoffs reasonably divided the distributions into equal fourths centered on a value of 0.00. Note: images and figures in this thesis are presented in color.

Figure 6.4.1 represents factor 1 scores representing the Economically Depressed Black Neighborhoods component. This component reveals census tracts that have experienced a growth in the share of non-Hispanic Blacks and a growth in the share of female-headed families with children and declining incomes and housing values. Census tracts experiencing a growth in these variables are scattered throughout the county, with several located out in the suburbs. There is also a marked increase in areas within the New Chinatown district.

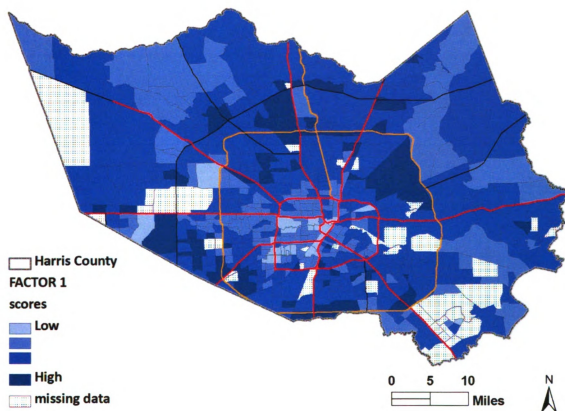
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<sup>49</sup> A component essentially can be treated as a new variable, created from the union of other variables, and defined according to the relationship between these variables – as indicated in table 6.3.2. Thus, we can extract standardized score values for each census tract, given how well these tracts represent the characteristics described for each component.

<sup>50</sup> Factor scores were mapped using ArcMap



**Figure 6.4.1: Component 1 – Economically Depressed Black Neighborhoods**



However, the non-Hispanic White neighborhoods to the west of downtown as well as downtown itself experienced a decline in the share of Black residents. These areas in particular have been redeveloped substantially during the last two decades of the 20<sup>th</sup> century. Neighborhoods southwest of downtown have experienced substantial redevelopment initiatives due to the Main Street light rail corridor project. The areas to the east and southeast of downtown, on the other hand, show a high level of variation in factor scores in which certain census tracts are experiencing declines in the Black share, but are adjacent to tracts that have experienced high growth in the Black share. This may be attributed to the plethora of urban redevelopment projects occurring in the urban core and the displacement of minority populations.

**Figure 6.4.2: Component 2 – High Growth Historically White**

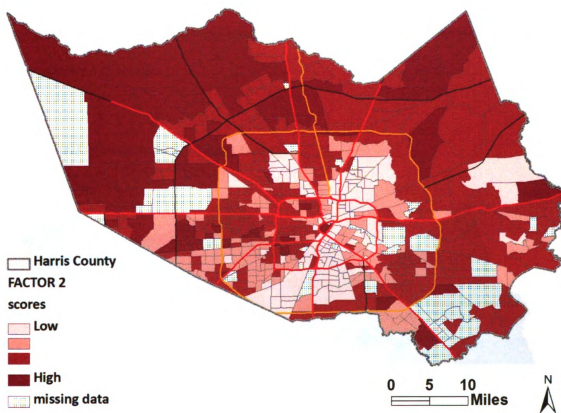


Figure 6.4.2 presents the distribution of factor 2 scores. High factor scores represent areas that have experienced an influx of new residents as well as new increasing college educated residents and professionals. These increases are occurring in neighborhoods that have had a White majority in 1980. Low factor scores represent the opposite outcome. The darker regions represent tracts that have scores on the positive end of the distribution whereas the lighter regions represent tracts with scores on the negative end of the distribution. The majority of these darker tracts are located in the west side of the city and around its periphery. These areas have had several residential development projects during the past few decades. Given the description of component two, the majority of these darker colored census tracts experienced traditional suburban

subdivision development, with the emphasis on single-family owner-occupied housing. Downtown Houston has also experienced high population growth. This outcome may be attributed to the growth in housing stock and extensive redevelopment projects described in the previous chapters.

**Figure 6.4.3: Component 3 – Asian Growth**

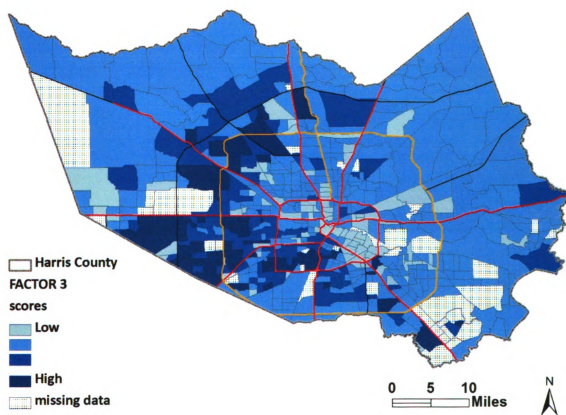


Figure 6.4.3 illustrates factor 3 scores representing the Asian Growth component. This component describes census tracts that have experienced a growth in the share of the Chinese, Vietnamese, and total Asian populations. These tracts are represented as the darker areas. The majority of these concentrations are located to the southwest, which is the site of the New Chinatown district. High Asian growth also occurred in tracts

surrounding the medical center and university campuses directly south of downtown. This outcome indicates potentially a large class of students and staff employed in these institutions. The site of the original Chinatown, to the east of downtown, continues to lose Asian residents, and is no longer indicative of a vibrant Asian enclave.

**Figure 6.4.4: Component 4 – Hispanic Growth**

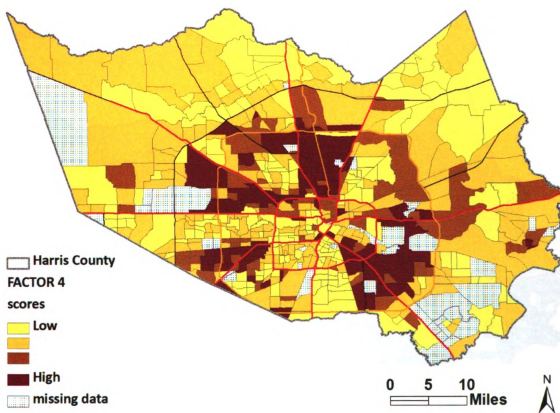


Figure 6.4.4 presents factor 4 scores, which accounts for the division between non-Hispanic White and Hispanic census tracts. The darker regions represent high levels of growth in the Hispanic and Foreign share of the population, whereas low scores, indicated by the lighter regions, represent relatively high levels of growth in the non-Hispanic White share of the population. The Hispanic populations are predominant in the

inner ring suburbs inside Highway 8. Concentrations are located in areas southeast of the downtown along the Houston-Galveston corridor, the southwest, north, and northwest. The non-Hispanic White populations exist in inner city neighborhoods surrounding the downtown and in neighborhoods to the west along Buffalo Bayou. In addition, outer ring suburbs, located outside of Highway 8, experienced increases in the overall share of non-Hispanic whites.

*Figure 6.4.5: Component 5 – Asian Neighborhoods (1980)*

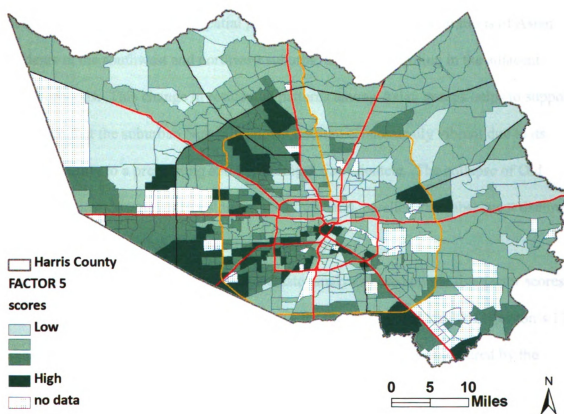


Figure 6.4.5 represents factor 5 scores, which describe census tracts that had a sizeable Asian share in 1980. These tracts are represented as the darker areas. The

majority of these concentrations are located to the southwest, which is the site of the New Chinatown district. The site of the original Chinatown had a large Asian population in addition to areas in and around downtown. Other pockets of Asian populations are located to the northwest and along the Houston-Galveston corridor to the southeast.

Houston's Asian populations were concentrated in and around downtown during 1980 – around the time the place entrepreneur Lang Yee Wu began to redevelop Old Chinatown into a distinct ethnic district. However by 2000, much of this concentration had been lost. The neighborhoods in the southwestern suburbs of Houston had a sizeable concentration of Asians in 1980 and continued to experience growth in Asian residents for the next two decades. The spatial pattern indicates higher concentrations of Asian residents in the southwest and northwest suburbs, as well as infilling in the adjacent neighborhoods. This change in residential patterns among Asian groups helps to support the notion that the suburban New Chinatown became economically vibrant due to its close proximity to a preexisting and expanding Asian clientele. The collapse of Old Chinatown near downtown Houston, on the other hand, parallels the subsequent decline in Asian residents located in this section of the city.

The following section conducts a cluster analysis based on the five factor scores extracted from the PCA. This analysis allows for the cross-comparison of Houston's 12 urban districts based on the changing neighborhood characteristics measured by the factor scores.

## **6.5 Cluster Analysis**

This study conducts a Euclidean distance k-means cluster analysis on the five factor scores extracted from the PCA for all 649 census tracts with data in Harris County. F statistics were calculated in order to assess the additional explanatory power provided to the analysis by adding another cluster. Based on the calculated incremental F-statistics, I extracted 15 cluster groups (see table 6.5.1). Of these 15 cluster groups, 11 are represented by neighborhoods in Houston's 12 urban districts.

**Table 6.5.1: K-Means Group Incremental F-statistics**

# Groups	Between SS	Deg. of Freedom	Within SS	Deg. of Freedom	Total Sum of Squares	R2	Incr. F
2	197.529	5	2842.74	604	3040	0.064	.
3	640.836	10	2399.163	599	3040	0.210	39.789**
4	983.499	15	2056.501	594	3040	0.323	26.868**
5	1208.836	20	1831.164	589	3040	0.397	15.849**
6	1389.996	25	1650.004	584	3040	0.457	11.766**
7	1577.416	30	1462.584	579	3040	0.518	9.812**
8	1952.804	35	1087.197	574	3040	0.642	23.090**
9	2020.8	40	1019.201	569	3040	0.664	3.958**
10	2053.93	45	986.07	564	3040	0.675	1.790**
11	2099.901	50	940.099	559	3040	0.690	2.364**
12	2200.47	55	839.53	554	3040	0.723	5.300**
13	2229.215	60	810.785	549	3040	0.733	1.445*
14	2258.483	65	781.517	544	3040	0.742	1.415*
15	2286.799	70	753.201	539	3040	0.752	1.323*
16	2299.5	75	740.5	534	3040	0.756	0.564
17	2341.322	80	698.678	529	3040	0.770	1.852*
18	2375.223	85	664.777	524	3040	0.781	1.487*
19	2394.229	90	645.771	519	3040	0.787	0.811
20	2420.514	95	619.486	514	3040	0.796	1.1092

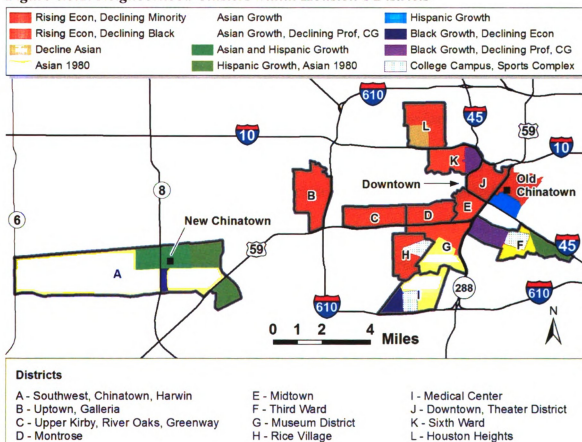
\*\* - Significant at the 1% level

\* - Significant at the 5% level

### Cross-Neighborhood Comparisons

I will use groupings derived from the cluster analysis to compare the various themed-neighborhoods that are marketed by the city of Houston. Of the twelve neighborhoods/districts promoted by the official city guide, including New Chinatown, nine contain census tracts that are categorized as having increasing real incomes. These districts include: Uptown/Galleria, Upper Kirby, Montrose, Rice Village, the Museum District, Midtown, Downtown/Theater District, Sixth Ward, and Houston Heights (see figure 6.5.1). In the discussion below, I will first introduce the clusters within the relevant city-defined districts, and then I will proceed to review the analysis results.

**Figure 6.5.1: Neighborhood Clusters within Houston's Districts**



\* Econ – income per household, income per family, owner-occupied property values  
 \* Prof – professionals



The Medical Center district, which also contains the sports complex (Reliant Stadium, Astrodome), as well as the southern portion of the Museum District, is characterized as an area that experienced a growth in the Asian share of the population. The increasingly affluent districts include: Rice Village, Upper Kirby, River Oaks, and Greenway. These neighborhoods are also clustered with the revitalized downtown, Houston Heights, as well as the Galleria district. These neighborhoods are characterized as places that have experienced an increase in real incomes and property values, while also experiencing a decline in ethnic and racial minorities between 1980 and 2000. This finding particularly is critical since it indicates that displacement of the neighborhoods original populations, particularly minorities, has occurred as the city has pursued inner city redevelopment. In addition, this finding reveals that the ultimate goal of growth machine – increasing land prices – is being achieved through this program of inner city redevelopment.

The Third Ward is one of the traditionally African-American neighborhoods in Houston. It is also the home of the University of Houston and Texas Southern University, the latter being a historically Black college. This neighborhood, according to the cluster analysis, is associated with increasing Black, Asian, and Hispanic populations. The Third Ward is one of the traditionally economically distressed neighborhoods being promoted by the city to tourism. Although this district has seen an increase in the minority share of the population, it is not categorized as a place of increasing economic prosperity, unlike those neighborhoods in and around downtown.

The New Chinatown district, similar to the Third Ward, is categorized predominately by racial/ethnic status and change. The majority of the district contains

census tracts that are attracting medium to high levels of Asians. The census tracts at the eastern boundary of the New Chinatown district are defined as places having a high Asian share in 1980, and since then experienced increases in the Hispanic share of the population. The census tracts neighboring to the west, which constitute the center of New Chinatown and the Vietnamese business district registered increases in both Asian and Hispanic shares. The census tract directly to the south of central New Chinatown is defined as a neighborhood experiencing an increase in the Black share of the population as well as declining incomes and housing values. Overall, income and property values are not the primary descriptors for New Chinatown, unlike those districts in and around downtown.

Finally, I include two additional census tracts that contain the Old Chinatown district, which was not included in the city's promotional literature as of 2008. The southern portion of the former district is defined as experiencing an increase in the Hispanic share of the population. The census tract, which includes the northern portion of Old Chinatown, is defined as an neighborhood that has experienced increases in incomes and housing values, while the racial/ethnic minority share of the population has declined. This decline in minority share also includes Asian residents. Although the increases in housing values occurred in an area that includes Old Chinatown, this increase cannot be credited to the work of the original Chinese place entrepreneurs since the control of the land has passed to other entities—most notably the East Downtown Management District (EaDo). The rise in housing values, according to the historical analysis, may be attributed to spillover effects due to the massive redevelopment projects occurring in the adjacent downtown as directed by members of the mainstream growth

coalition, with such projects creating intensive land speculation in the area. In addition, several large-scale projects in Old Chinatown complement the redevelopment projects in downtown, such as the George R. Brown Convention Center and the new baseball stadium.

**Table 6.5.2: Property Values and Change in Houston's 12 Urban Districts**

District Name & Census Tract ID	% Change Housing Values	1980 Value*	2000 Value
<b>A. Southwest, Chinatown, Harwin</b>			
4228	-40.5	133,443	79,338
4329	-47.1	204,653	108,314
<b>New Chinatown - 4330</b>	-23.1	65,688	50,517
4331	-60.9	161,211	62,955
4332	-47.9	161,211	84,011
4333	-37.8	153,294	95,408
4523	-43.7	127,879	72,053
4524	-45.5	127,879	69,708
4525	-58.3	127,885	53,281
4526	-34.3	134,934	88,704
4527	-36.6	134,934	85,496
4528	-52.6	134,906	63,868
4529	-46.8	114,197	60,753
4530	-40.9	47,860	67,435
4531	-47.2	100,534	53,082
<b>B. Uptown, Galleria</b>			
4317	35.4	430,128	582,580
4318	-4.95	282,829	268,815
4319	138.2	97,169	231,467
<b>C. Upper Kirby, River Oaks, Greenway</b>			
4110	24.4	194,101	241,435
4115	17.4	176,760	207,521
<b>D. Montrose</b>			
4107	55.2	166,602	258,576
4108	74.3	122,469	213,482
4109	26.7	170,448	215,957
<b>E. Midtown</b>			
3125	117.9	67,461	147,020
4106	-2.4	152,798	149,185

**Table 6.5.2 – cont'd**

<b>F. Third Ward</b>			
3119	-42.4	95,121	54,821
3120	15.4	95,312	110,017
3124	142.8	47,975	116,476
3127	35.2	78,860	106,649
3128	9.8	72,985	80,120
<b>G. Museum District</b>			
3126	147.7	106,480	263,753
3131	-7.9	209,057	192,520
4119	75.1	255,902	448,124
<b>H. Rice Village</b>			
4120	52.9	305,522	467,253
4122	28.2	264,277	338,779
<b>I. Medical Center</b>			
3140	-32.8	96,897	65,115
3141	-56.3	98,696	43,130
3143	-33.2	98,696	65,929
<b>J. Downtown, Theater District</b>			
1000	40.2	63,352	88,788
<b>K. Sixth Ward</b>			
5101	58.3	44,345	70,188
5102	89.4	59,892	113,441
<b>L. Houston Heights</b>			
5104	104.7	85,740	175,517
5105	34.8	69,564	93,791
5113	109.4	82,356	172,435
<b>Old Chinatown, Second Ward</b>			
3101	5.7	44,306	46,815
3102	28	50,745	64,938
<b>Harris County</b>			
Harris County	-2.7	122,756	119,469

\* adjusted to 1999 (\$)

Immigrant place entrepreneurs have been active in redeveloping the neighborhoods in the New Chinatown district. However, the goal of increasing the value of these land holdings has not been realized. This outcome is in contrast to what has been

experienced by land holdings in the other eleven districts, and particularly in the developments in the downtown and west of downtown areas, which have seen substantial housing value increases. Table 6.5.2 presents the 1980 and 2000 average values of owner-occupied properties (adjusted for inflation) in census tracts that comprise Houston's twelve urban districts, as defined in the official city tourist documents for 2008. Census tracts in the Southwest Chinatown Harwin district all experienced declines in real property values since 1980. Census tract 4330, which contains many of New Chinatown's developments, also experienced declining property values. During this time, however, several inner city neighborhoods experienced substantial increases in property values. The Galleria, Midtown, the Museum District, and Houston Heights contained tracts that had experienced increases in real property values by over 100 percent. Even the two census tracts that once housed Old Chinatown experienced positive increases, which reflect rising property values resulting from the various redevelopment projects occurring in downtown's eastside.

***Table 6.5.3: Property Values and Change – New Chinatown and Urban Districts***

District Name	% Change Housing Values	1980 Average Value*	2000 Average Value
<b>Southwest, Chinatown, Harwin</b>			
n = 15 tracts	-43.3	128,701	72,995
<b>Other 11 Districts</b>			
n = 29	36.4	141,096	192,513
<b>Harris County</b>			
n = 649	-2.7	122,756	119,469

\* adjusted to 1999 (\$)

Table 6.5.3 provides a comparison between the New Chinatown (Southwest, Chinatown, Harwin) district and the other eleven urban districts—excluding the two census tracts containing Old Chinatown. In 1980, the difference in the average owner-occupied property values between New Chinatown and the other urban districts was \$12,305. But, this difference increased to nearly \$120,000 by 2000, where average property values in New Chinatown declined by 43.3% and property values in the other urban districts increased by 36.4%. Between 1980 and 2000, Harris County's average housing values declined slightly by 2.7%. This cross comparison of districts in the city of Houston reveals two important outcomes. First, Houston's growth coalition, supported by extensive government funds focused on city center redevelopment, has successfully increased the real value of its land holdings since the initiation of its inner city revival strategy of the 1980s. Second, Houston's Asian immigrant place entrepreneurs have not realized similar gains in property values during this time, and in fact, the real property values in their district have been decreasing despite the extensive private investments into New Chinatown.

A component to Houston's new growth agenda is to attract wealthy middle and upper income class residents into the inner city. Such a program was carried out by the urban redevelopment and reinvestment efforts, supported by extensive public fiscal aid, in Houston's downtown and west of downtown neighborhoods. Table 6.5.4 presents two indicators measuring changes in real incomes in the urban districts between 1980 and 2000. The table shows that New Chinatown saw substantial declines in income levels between the years 1980 and 2000. These neighborhoods had average income per family levels that were on par with the Harris county level in 1980. The average income per

household in New Chinatown was actually greater than the Harris county average in 1980. The average income levels in these neighborhoods were also greater than those neighborhoods that would eventually be grouped into Houston's other eleven urban districts. However, by 2000 this relationship had reversed. New Chinatown and surrounding neighborhoods experienced sharp decreases in average real incomes. This outcome reflects the loss of Sharpstown's original middle class residents and its replacement by lower income minorities. However, this finding also reveals that regardless of nearly twenty years of intensive redevelopment lead by immigrant place entrepreneurs in these neighborhoods, these investments were not able to attract affluent residents onto their holdings.

**Table 6.5.4: Real Income Levels and Change – New Chinatown and Urban Districts**

District Name	% Change Income per Family	1980 Average Value*	2000 Average Value	% Change Income per Household	1980 Average Value*	2000 Average Value
<b>Southwest, Chinatown, Harwin</b>						
	-27.2	66,069	48,097	-27.2	62,248	45,315
<b>Other 11 Districts</b>						
	47.8	59,293	87,617	34.1	47,570	63,769
<b>Harris County</b>						
	2.2	66,189	67,618	2.5	58,696	60,178

\* adjusted to 1999 (\$)

Downtown and the other inner city districts, on the other hand, have experienced increases in average income levels. Whereas in 1980, these neighborhoods had registered average income levels well below New Chinatown and Harris County, by 2000 these neighborhoods—now considered as premier districts by the residents, businesses, and the city—have surpassed average income levels in Harris County and New Chinatown. Thus

in addition to boosting property values in the select neighborhoods in the inner city, the urban redevelopment and reinvestment efforts were also successful in attracting middle and upper income residents.

## **6.6 Two-Sample Difference of Means T-Test**

The final step in the analysis will offer a comparison between the Asian and White majority communities. Whereas the PCA and cluster analysis created a typology of neighborhoods and provided a visual comparison between Houston's urban districts, this final analysis will use inferential statistical analysis to test whether disparities in economic prosperity are evident between neighborhoods, and specifically, Asian and White majority communities. I expand the analysis to include various Harris county neighborhoods. This way, the analysis will consider White and Asian neighborhoods not necessarily within the boundaries of Houston's 12 urban districts. This study will use the following variables as indicators of economic prosperity:

### **T-test Analysis Variables (unit of observation: census tract) 9 variables**

#### **Status (year = 2000)**

1. MEDINC\_HH – Median Income per Household
2. MEDINC\_FAM – Median Income per Family
3. INC\_PERCAP – Average Income per Capita
4. POVERTY – Percent of Residents between 16 and 64 Years Old in Poverty
5. MED\_OVAL – Median Owner-Occupied Housing Values



**Change (between years 1980 and 2000)**

6. PC\_INCHH – Percent Change in Average Income per Household
7. PC\_INCFAM – Percent Change in Average Income per Family
8. C\_POV – Change in % of Census Tract Living in Poverty
9. PC\_OVAL – Percent Change in Average Owner-Occupied Housing Values

In order to conduct the difference of means t-test, two independent samples must be drawn from the population of census tracts. For the second hypothesis, this research will test the differences between the non-Hispanic White and Asian neighborhoods. The combined PCA and cluster analysis categorized the census tracts according to changes in its characteristics according to population, age, race/ethnicity, family structure, socioeconomic status, housing status, and immigration. The cluster analysis returned 15 neighborhood clusters, which can be categorized according to race and ethnicity. Of these 15, I identify three clusters that may be defined as White neighborhoods and three cluster groups that may be identified as Asian neighborhoods (see table 6.6.1).<sup>51</sup>

***Table 6.6.1: White and Asian Neighborhood Clusters***

Definition	White (1)	Asian (2)
Neighborhood Clusters:	6, 9, 14	7, 11, 15
Total Tracts:	90 tracts	57 tracts

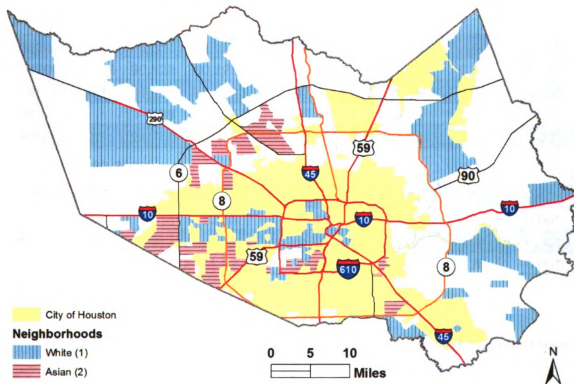
Through the use of PCA and cluster analysis, this study has extracted two independent samples from the census tract data, which can be analyzed using the

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<sup>51</sup> See appendix for k-means cluster analysis output and descriptions

difference of means t-test. For this analysis, the White neighborhoods will be labeled as sample 1 and Asian neighborhoods will be labeled as sample 2.

*Figure 6.6.1: White and Asian Neighborhoods*



**Table 6.6.2: T-test Results<sup>52</sup>**

<b>Variables</b>	<b>White mean</b>	<b>Asian mean</b>	<b>White stdev</b>	<b>Asian stdev</b>	<b>t - value</b>	<b>p - value</b>
<i>Status (2000)</i>						
<b>MEDINC_HH</b>	74,857	44,369	32,572.01	12,405.40	7.86	0.00*
<b>MEDINC_FAM</b>	90,628	50,228	35,999.29	14,642.70	9.28	0.00*
<b>INC_PERCAP</b>	41,690	21,080	19,436.81	8,275.95	8.67	0.00*
<b>POVERTY</b>	8.29	6.96	6.87	5.13	1.28	0.20
<b>MED_OVAL</b>	194,760	87,834	125,056.55	39,994.63	7.42	0.00*
<i>Change (1980-2000)</i>						
<b>PC_INCHH</b>	3.232	2.22	0.84	1.29	3.62	0.00*
<b>PC_INCFAM</b>	41.13	-12.18	74.11	23.37	6.26	0.00*
<b>C_POV</b>	0.012	6.92	4.07	5.89	-8.04	0.00*
<b>PC_OVAL</b>	25.113	-31.91	39.00	22.20	10.76	0.00*

\* - Significant at the 1% level

Table 6.6.2 provides a summary of the results for the difference of means t-tests. The null hypothesis is rejected for 8 out the 9 tests. The average income per household levels, average income per families, and average income per capita in White neighborhoods was significantly greater than the Asian neighborhoods for the year 2000. The next hypothesis tests the incidence of poverty between White and Asian neighborhoods. The t-test shows that the percent of residents living in poverty in Asian neighborhoods in 2000 was not significantly different from White neighborhoods in 2000. The final test using 2000 census data measures the difference in the average owner-occupied housing values between White and Asian neighborhoods. This test

<sup>52</sup> A Lilliefors variant of the Kolmogorov–Smirnov test for normality was conducted on the dataset. The eight of the nine variables for the two samples were found to be normally distributed – satisfying an assumption behind the t-test. A log transformation was used for PC\_INCHH in order to normalize its distribution.

shows that White neighborhoods had higher average values in owner-occupied housing compared to Asian neighborhoods at the 1% significance level.

The remaining t-tests focus on the change in economic conditions between these two types of neighborhoods. White neighborhoods on average experienced positive growth in both average income per households and average income per families between 1980 and 2000, whereas Asian neighborhoods experienced negative growth in these two measures. This trend does not necessarily suggest that Asian residents as a whole suffered from losses in income. Instead, these particular neighborhoods that have experienced a booming Asian population had recorded higher income levels in 1980 due to the fact that many served as places for a more affluent population that would be eventually replaced by lower-income minorities during the course of this twenty-year period. However, these measures of change do indicate that there exists a disparity in the economic prosperities of these two neighborhoods. The change in poverty levels are also significantly different between White and Asian neighborhoods. Although both neighborhood types experienced positive growth in the number of residents living in poverty, the Asian neighborhoods registered a significantly greater increase at the 1% level.

The final analysis tests the difference in means between the average percent changes in owner-occupied housing. The results show that White neighborhoods experienced an increase in owner-occupied housing values whereas Asian neighborhoods experienced a steep decline. The t-test reveals that the positive growth in housing values in White neighborhoods is significantly greater than Asian neighborhoods at the 1% level of significance. By using this analysis, this study shows that, unlike in other parts of

North America described in the literature review, Houston's Asian neighborhoods have not experienced the levels of prosperity enjoyed by residents in White neighborhoods.

## **6.7 Conclusions**

The results reveal two important trends that define the redevelopment of Houston's inner city. First, Houston has been relatively successful in reevaluating its growth agenda and shifting focus towards inner city redevelopment during the 1980s and 1990s. The analysis of Houston's new growth agenda in the previous chapters reveals that much of the efforts have been directed towards neighborhoods in and around downtown. This new reinvestment focus is evident in the extensive public subsidies granted to redevelopment projects and the direct public investment into improving urban amenities and public spaces in several of the inner city districts. The public and private growth coalitions, driven by the billion plus dollars in public investment over a period of a decade, have so far been successful in reversing the decline of Houston's urban core, as evident in the rapidly rising real income levels in these neighborhoods and the real property value increases. As Logan and Molotch (1987) argue, ultimately these changes represent the *raison d'être* of growth machine's place-based entrepreneurs.

Second, the racial/ethnic minority share had declined in those inner city district neighborhoods that have been receiving subsidized redevelopment initiatives since the 1980s. The majority of the inner city districts registered an increase in residential property values but a decline in the minority share of the population. The northern portion of the Old Chinatown district currently is transforming into a White

neighborhood. Observations from field work in that neighborhood show that the current housing boom, as well as the entry of new businesses, is facilitating this transformation.

One particular item of note is the eastern portion of the Sixth Ward. Regardless of the redevelopment projects in the adjacent downtown, this neighborhood was categorized as a Black neighborhood by the cluster analysis. An investigation of the data set reveals that White residents increased during this time, but not to the extent experienced in the other redeveloping neighborhoods. However, this holdout appears to be on its way to assimilating with the surrounding neighborhoods. Data from the 2010 Census, once it becomes available, may reveal that this neighborhood has lost most of its minority population. In addition, much of the southern portion of the Museum District currently is used as parkland, while most of the Medical Center is devoted to hospitals and the Reliant Stadium complex, making residential redevelopment in these neighborhoods highly unlikely.

Unlike several districts in the inner city, all of New Chinatown's neighborhoods experienced decreases in real property and income values. This outcome indicates that the immigrant place entrepreneurs were unable to achieve their goals of increasing neighborhood property values and attracting upper income residents. The neighborhood containing the core of New Chinatown and much of the entrepreneurial activity experienced a 23 percent drop in property values between 1980 and 2000. During the same period, Houston's other urban districts experienced a 36 percent increase in property values.

Furthermore, the results from the t-test analysis reveal that neighborhoods experiencing a growing share of White residents had positive increases in average

incomes per family and average property values while neighborhoods experiencing a growing share of Asian residents experienced declining average incomes per family and average property values. In addition, the increase in the poverty share for Asian neighborhoods was significantly greater than in White neighborhoods. Thus, the economic prosperity divide between these two groups has become greater between 1980 and 2000—a period when public perception of ethnic diversity was becoming increasingly positive and government was engaged in promoting and celebrating the city's multicultural characteristics. Thus, the city's program of promoting and celebrating ethnic diversity did not translate into improving economic prospects for Chinese and Asian residents.

## **7. Summary and Conclusions**

### **7.1 Summary of Results**

Several dynamics have contributed to the spatial relocation of the Chinese business district. Perhaps most importantly, restrictions to development arising from competition with private developments extensively subsidized by government, or fully funded by government, which facilitated rising land prices in neighborhoods surrounding Houston's downtown and Old Chinatown. Other restrictions to the expansion of the downtown Chinatown included limited public utilities, a lack of customer-base, with many Asian residents scattered across the metropolitan area in neighborhoods ranging from very rich to very poor, and finally competition between various factions of the Chinese and Asian immigrant place entrepreneurs. This study provides an in-depth analysis behind the first factor, which is directly related to the city of Houston's recent initiatives to curtail the city's urban decline, which has been on-going for decades, and to redevelop the urban core and provide the necessary support amenities to attract future residents, businesses, and tourists back into the city.

In reviewing Houston's historical growth, the spatial outcomes of local development were extensively shaped by the activities of a highly organized and politically influential urban land-based elite. They engaged in local investment and development, through coalitions with government, whose officials actively subsidized their projects with public funds. These public subsidies manipulated the attractiveness of place by reducing the risks, and increasing the returns on investment. Since the 1980s, with the city's new urban revival efforts, similar processes of development have been, and still are evident. City officials and developers have targeted certain inner city



neighborhoods—and especially those in the downtown and west of downtown areas—and these developments are selectively subsidized, encouraging reinvestment and redeveloped into themed districts. What becomes evident in Houston's history is that ethnic communities, and ethnic based development projects, have been excluded from these public subsidies, and as a result were simply not competitive against other publicly funded private development projects that were encroaching onto the downtown and surrounding ethnic communities.

Based on the historical and anecdotal evidence of the Chinese-American experience in Houston, the preexisting Old Chinatown, though adjacent to several of these recent developments, received little attention from the City of Houston even though inner city ethnic districts are utilized by many other large North American cities to promote local economic development, such as New York, Chicago, Los Angeles, and San Francisco. The construction of the necessary infrastructure, government investment in major downtown developments (including a convention center and hotel), and government subsidized private development around Houston's urban core created a torrent of speculative activity among place entrepreneurs that effectively squeezed out ethnic developments from Old Chinatown. Old Chinatown existed due to the organized efforts of highly motivated Chinese immigrant place entrepreneurs who had gained a financial stake in developing land near downtown. However, these immigrant elites were unable to infiltrate Houston's mainstream growth coalition. Thus, without allies within the mainstream growth machine, Old Chinatown failed to become incorporated into Houston's growth-oriented policies in any substantial way and was eventually displaced from the urban core.

Very similar to the displacement of the downtown African American community Freedmen's Town, while competing developments and developers were receiving extensive public aid—evident in the form of public subsidies for the developments themselves, government assistance in land assembly, and complementary public infrastructure investment—the local Chinese community received no comparable public support. In this struggle over space and place, as such initiatives reduced the cost of development for its competitors, the immigrant place entrepreneurs were at a disadvantage, eventually pushing Old Chinatown and its investors out of the downtown area. Not only did the Chinese community not receive funding for private development projects, Old Chinatown was not even provided with adequate basic infrastructure (such as sewerage lines). This severely limited the development of Old Chinatown, even when private funding was available for large-scale investment (such as stadiums, high-rises, and hotels) in the neighboring areas. One might even reasonably argue that this moratorium on infrastructure provision was purposefully orchestrated, in order to limit the scale of new development that the city might not want in its urban revitalization efforts.

Government structures and development mechanisms were firmly in place that restricted developments to high-end projects that catered to a more affluent clientele than those who previously took advantage of the amenities Old Chinatown had to offer. Examples include the prohibitively high cost to obtain sewer permits once the sewer moratorium was lifted in the inner city, deteriorating public infrastructures in marginalized neighborhoods, inflating land prices due to real estate speculation, and a municipal government that increasingly became active as a land developer during the

1990s, targeting certain neighborhoods in the city for extensive redevelopment. By targeting these neighborhoods, the city was also targeting developers and developments that it planned to financially support. Recent developments include the construction and expansion of the convention center, construction of loft-style condominiums and townhouses throughout the inner city, and redevelopment of those city blocks along the recently completed light-rail line. The lack of public financial support in expanding Old Chinatown, and its eventual collapse as a vibrant ethnic business district during the recent construction binge reveals that this development was not an integral part of the city's plan to revitalize the city center.

The creation and expansion of the suburban New Chinatown not only is attributed to better proximity to the region's Asian population but also the greater distance between New Chinatown and the more attractive neighborhoods in the inner city slated for redevelopment or that have been already redeveloped. This distance gives New Chinatown some protection from the effects of urban revitalization programs that inhibited the future development of Old Chinatown, but it also means that the Chinese business interests have been displaced, and have lost its initial investment advantage in the more lucrative downtown area location. One may argue that Old Chinatown would have been successful in attracting the Asian clientele if not for restrictions to its development caused by the publically financed developments in the inner city; in many cases immigrant residents live far away from the ethnic commercial districts.

The second part of the research addressed the notion of Houston as a multicultural city, which became increasingly tolerant of its ethnic and racial diversity during the 1970s and 1980s and promoted these differences in order to create a favorable image of

the city. Though evidence produced in the research shows that the Chinese interests had little financial or political support from the city's mainstream public and private elite, and development projects in the Old and New Chinatown districts were exclusively funded through private entities within the immigrant community, Houston had promoted New Chinatown in its tourist brochures and official materials, seeking to attract tourists and new residents into the city. Despite not financially supporting the Chinese community, as it did other developments, the city was using the Chinese and Asian presence in Houston to market the image of the city to residents, businesses, and potential visitors.

This component of the study utilizes a variable reduction method (PCA), cluster analysis, and a difference of means t-test in order to test whether this rhetoric of celebrating diversity had translated into improving economic conditions for Houston's minorities, using Asians, particularly Chinese residents, as a case study. Results show that Houston Chinese, as well as other Asian populations (including the Vietnamese, the Filipinos, and the Asian Indians), consistently experienced levels of economic health significantly lower than the White population in 2000—the most recent year when data was collected. In addition, during a period of history when Houston city officials actively began celebrating diversity and ethnic neighborhoods, the economic opportunities and overall economic condition of these population sub-groups actually declined. When considering changes in economic health between 1980 and 2000, these Asian groups experienced negative growth in incomes and property values. Poverty also increased at a higher rate in Asian neighborhoods compared to White neighborhoods. Thus, increasing acceptance of ethnic and racial diversity by the city has not translated into improving conditions for these minority groups.

## 7.2 Discussion

Growth machine, the coupling of public and private sector coalitions in driving local growth, is an important lens through which to view the historical development of Houston. The immense influence of local economic elites on public policy and urban development—and the impacts of government on selected business interests—reveals the significance of growth coalitions and government financing in shaping Houston, despite the city's claim of adhering to laissez-faire principles (Feagin 1988; Lin 1995; Vojnovic 2003a, 2003b). The 21<sup>st</sup> century represents a very different coalition structure from the early- and mid-20<sup>th</sup> century. This coalition is much more diffused and focused on a very different economic development agenda, but the ongoing and selective financial support of private development by government is still ongoing. In addition, this selective public financial support of private sector projects, in the tradition of Houston's past, continues to dismiss the interests of lower-income groups and ethnic communities.

The influence wielded by the 8F group since the 1930s, which embodied the most cohesive and influential power structure of the growth machine in Houston's history, disappeared during the 1970s. The Houston urban elite substantially evolved by the late 20<sup>th</sup> century, due in part to international immigration, an increase in transnational service providers, the expansion of the Houston economy, and a diversifying economic base. While new economic elites emerged in the city, the new business leaders still maintained close ties to the city's political leadership. Local government continued to preserve a strong pro-business agenda, supported with ongoing financial aid—as evident with public subsidies and public-private partnerships—of selected private sector initiatives. Government intervention in private markets is particularly evident with the city's new

urban revitalization efforts in the downtown and surrounding neighborhoods, where at least \$2 billion in public funds is planned to be spent, or has been spent since the 1980s (see table 4.5.1 on page 72).

Despite Houston's celebration of ethnicity and diversity, which emerged during the 1980s and 1990s in an attempt to improve the city's image, ethnic communities and immigrant place entrepreneurs investing in Houston's downtown and surrounding areas did not receive the public financial aid that other developers and competing private development projects received in Houston's urban revival initiatives. Ethnic place entrepreneurs simply were not as competitive as their publicly funded rivals, and ethnic communities and neighborhoods were, and continue to be, slowly squeezed out of the Houston core, as evident with Freedmen's Town and Old Chinatown.

In the analysis of Houston by Jan Lin (1995), which focused on changes that Houston was experiencing during the 1980s and early 1990s, Lin had argued that Old Chinatown's proximity to a revitalizing downtown, as well as the initial interest expressed by local government to this enclave's development, indicated that local Chinese entrepreneurs had gained an opportunity to influence the future trajectory of the Houston's new growth agenda and Houston's growth machine. However, the disintegration of the district suggests that whatever interest that the Houston's economic and political leadership had during the 1980s and early-1990s with downtown Chinatown had been lost by the end of the 1990s, revealing that the Chinese American place entrepreneurs, though sharing similar pro-growth aspirations, were not on equal footing with Houston's mainstream elite. It is clear that in Houston, ethnic place entrepreneurs simply do not have an influential voice in shaping the mainstream growth coalitions that

underlie the vast public-private partnerships driving Houston's urban revival. In addition, the various factions between immigrant entrepreneurs and competition in the Asian business community, compounded by little assistance from local government, precluded the creation of an effective immigrant growth coalition, as observed by Light (2002) and Nijman (1997) in the Los Angeles and Miami contexts.

With growing difficulties to intensify and expand Old Chinatown—in part due to the direct competition with private development projects heavily subsidized by government and direct government investments into projects such as a downtown convention center and hotel—Chinese immigrant place entrepreneurs shifted focus on the rapidly expanding New Chinatown in southwest suburban Houston. However, these investment and reinvestment efforts have not translated into increasing property values in this district. This outcome is in contrast to what is realized in Houston's downtown and surrounding neighborhoods to the west, which have been the focus of the billion plus dollars of public investment over a period of a decade that has facilitated Houston's urban redevelopment and revival efforts. The downtown development and redevelopment initiatives, the focus of the public investment and government subsidies, were also development projects that over time erased Old Chinatown and a large Houston minority sub-population from their early land holdings in the urban core. The ethnic neighborhoods were simply not able to compete with other private developments receiving public subsidies or redevelopments that were politically supported by the authority of local government. This was evident, for instance, with the 2001 expansion of the George R. Brown Convention Center, which permanently blocked off key

thoroughfares into Old Chinatown—most notably McKinney Street—from the Houston downtown, marginalizing this ethnic business district.

As various immigrant-directed projects foundered in Houston's urban core, other projects—and particularly private projects that were receiving extensive public financial support, such as the Rice Lofts, the Fourth Ward Redevelopment, and the sport stadiums—established a new imprint on Houston's downtown and surrounding neighborhoods. While local government and media were promoting and celebrating Houston's racial and ethnic diversity, the initial and advantageous land holdings that ethnic groups had in the urban core were being slowly torn down and immigrants were disappearing from the city center. New developments emerged that were being extensively supported by the extraordinary impacts of government, whether financial or authoritative, dramatically changing the relative attractiveness of place for investment, particularly for the developers being supported by public funding.

In a traditional style characteristic of intra-municipal politicking driven by a cohesive set of growth coalitions, Houston's urban reinvestment and revival has been shaped by two different sets of rules. One set applies to Whites and developments (whether upscale lofts, ballparks, or entertainment venues) marketed to middle and upper-income groups. In many cases, government extensively subsidizes these developments. The second set of rules applies to ethnic groups and the poor, who have not received government support, even for the mere preservation of their neighborhoods. In fact these groups have been actively inhibited by government in safeguarding their traditional communities, with the eventual outcome being the erasure of the ethnic enclaves from their traditional downtown and surrounding neighborhood locations.



In addition, from the 1970s onwards, while members from diverse racial and ethnic backgrounds were selected to serve in various capacities in local government and non-profit agencies, this review shows that the recent shifts in attitudes towards minorities and symbolic gestures by the city to incorporate members of the ethnic community into the fold have not been translated into improving economic prosperity. As evident from exploring the city's Chinese neighborhoods between 1980 and 2000, real family incomes and real property values within these neighborhoods have declined while poverty is increasing. As Vojnovic (2003a) argued, a "successful translation of increased political power among the minorities into economic opportunities ... will unlikely occur unless dramatic changes are made in the city's education, training, and hence, social service programs," (p. 620). Such reforms will be difficult to achieve in Houston, given the historical treatment of lower-income groups and ethnic minorities, and government involvement being limited to a narrowly defined corporate welfare culture that has been instilled in the city for over a century by the local growth machine.

### **7.3 Research Contributions**

This research offers several contributions to the existing literature regarding to urban political economy. Whereas the literature on urban redevelopment carried out by public and private agents generally focus on the inequalities between the White and traditional minority (Black and Hispanic) populations, this study considers the presence of immigrants, which adds an extra layer of complexity to urban research. Given the diversity of immigrant subpopulations, the effects of urban redevelopment initiatives on certain immigrant groups are not necessarily universal. This is especially true for certain

Asian and Hispanic immigrant groups that have had varied success in driving and sustaining their own development initiatives in cities. Following in the footsteps of Ivan Light (2001, 2002), Jan Nijman (1997), and Jan Lin (1995) who appropriated elements from Harvey Molotch and John Logan's (1987) growth machine theory to craft their immigrant place entrepreneur hypotheses, this research traces the development of the city through a traditional mainstream growth machine coalition and the recent entry of an elite class of immigrant place entrepreneurs, which in the Los Angeles context operated against the traditional growth machine and in some instances replaced it as the major driver for growth in certain locales. Thus certain minorities have gained enough power to direct the future development of urban places.

Other studies reveal the success of establishing ethnic immigrant districts in major cities (Fong 1994; Smith and Logan 2006; Pang and Rath 2007; Lin 2008; Park and Kim 2008). This study, on the other hand, provides a sobering example of a Chinese immigrant business district, which had the potential to be recruited as allies in the preexisting growth machine, yet disintegrated over time due to the influence of the mainstream urban elite. This research shows that the success of the Chinese urban elites in driving development in places such as Los Angeles and Vancouver have not been evident—at least for now—in the Houston context.

This research also contributes to the methodological dimension behind conducting such urban studies. Previous literatures that address the topics described in this thesis rely on qualitative analysis to support their arguments. This study adopts some of these methods but provides an extra layer of analysis that relies on quantitative data collected over a prolonged time period. Jan Lin's early to mid-1990s interpretation was an

important recognition of the emergence and growth of new economic agents in the Houston economy, the ethnic place entrepreneurs. However, the establishment of the early roots of Old Chinatown, coupled with the new local government celebration of ethnicity and diversity—and particularly in a national context where ethnic communities were becoming an important element of local tourism—led to a much more optimistic interpretation by Lin of the role of ethnic groups and their ability to shape the Houston landscape. Observing changes in architecture, urban iconography, immigrant sub-populations, and ethnic neighborhoods, Lin's recognition of the city of Houston's evolution from a modernist to postmodern city, and what this meant to ethnic communities, was a reasonable assessment for the early-1990s. Nevertheless, some two decades later, it has become apparent that many of Houston's ethnically significant landmarks, which Lin had observed in his review of ethnic preservation in the postmodernist city, had been either erased from the Houston's landscape (including Old Chinatown and Freedmen's Town) or are in a state of decline (such as the Mexican American barrios in the Second Ward, east of downtown).

A quantitative-based assessment, using census data during this period from 1980-2000, reveals that Asian populations have experienced declining economic prospects despite the greater appreciation for ethnic spaces exhibited by the city and associated growth coalitions. This study substantiates that the program of promoting diversity in Houston has been meager, and that despite the ethnic and cultural celebration that is part of Houston's new growth agenda, the city's minority groups, and particularly the Houston Chinese, have not economically benefited from this new growth direction. This

validates Logan and Molotch's (1987) position that ethnic groups are excluded from the growth machine, at least within the Houston context.

This study also provides a method to be used for measuring neighborhood change. A recurring problem with measuring changes in the population is the availability of data collected at an appropriate level of observation. For this study, demographic data collected at the individual level would be most appropriate since racial and ethnic backgrounds can be easily grouped and compared. However, the most readily available datasets that provide such data are at the neighborhood (census tract) level of aggregation. Thus focus is shifted from members belonging to a particular community, to neighborhoods dominated by a particular community. As a researcher uses neighborhood level data, the distinction between racial and ethnic groups becomes less clear; unlike for an individual, defining a neighborhood based on race and ethnicity becomes a problem since few neighborhoods are 100% homogenous and thus are difficult to label. This study provides one solution to this definition problem through the use of PCA and cluster analysis. The outcome of this approach is a data-driven method that examines several variables to create a typology of neighborhoods based on race and ethnicity. Although not a perfect solution, this method is relatively objective and less arbitrary compared to other methods, such as using thresholds to determine the majority population group in the neighborhood.

Although not discussed in detail in this study, displacement of lower-income and minority residents is a major problem with urban revitalization initiatives. Whereas this study specifically focuses on the displacement of private ethnic immigrant enterprises from the inner city, the evidence from this study provides another layer of analysis to the

residential displacement literature. What is learned from Houston's current plans to revive the city center is that this program has achieved remarkable results. Downtown is benefiting from an influx of new and highly affluent residents; several new urban attractions have been completed; and downtown and west of downtown districts have become more inviting to private development, facilitated by the public sector's initial financial infusion in inner city redevelopment. However, the poverty and social strife that had once dominated this area had been displaced to other parts of the city. This program does not solve the local social pressures associated with substandard housing, poverty, education, and health; it just moves these issues to locations in the metro area.

#### **7.4 Directions for Future Research**

An important finding immediately emerges from the historical and quantitative analysis of the rise and fall of old, downtown Chinatown, and the rise of new suburban Chinatown. Given the lack of public financial support, and the fact that ethnic neighborhoods are being driven out of districts experiencing intensive redevelopment, it becomes evident that unlike in the case of Los Angeles and Miami, ethnic place entrepreneurs are not influencing members of Houston's growth coalition. It may be revealing to examine the extent to which the economic condition of the Koreans, Chinese, and Cubans in Los Angeles and Miami actually increased between 1980 and 2000. Light and Nijman's work might be reinterpreted once changes in real income levels and real values of properties within the ethnic communities are examined and compared to the local White population and their neighborhoods.

Although mentioned in some detail in the previous chapters, future research should also consider the role of ethnic place entrepreneurs from other minority groups. In the Houston context, additional research needs to be done on the region's sizeable Hispanic population, particularly the Mexican-American community—this is another major group of ethnic place entrepreneurs described in Jan Lin's (1995) study of Houston. City reports discussed in this study had mentioned the importance of the Mercado del Sol site and surrounding neighborhoods, although this too is an area experiencing rapid decline. Hispanic entrepreneurs have traditionally lagged behind their Asian counterparts in driving economic development. However, this situation is not universal. Jan Nijman's (1997) study of Miami's growth machine reveals a full-fledged integration of high-level individuals from the Latino immigrant communities. Future research should study the relationship between the city of Houston and Hispanic entrepreneurs to gauge whether the Hispanic communities experienced similar economic fortunes described in the Chinese case study. Such an analysis will provide additional information about the city's overall view towards immigrant communities.

At the time of writing, the suburban New Chinatown and adjacent Vietnamese and Asian Indian districts have been expanding and increasing in density. Although the prospects for a downtown ethnic district seem bleak, the suburbs are experiencing an abundance of ethnic developments. In addition, Houston's Black residents, many of which were displaced from their traditional neighborhoods around the urban core, relocated into other parts of the metro region, especially in the inner ring suburbs. These neighborhoods experienced a high growth in the share of the Hispanic population as well. However, New Chinatown is the dominant ethnic business district in the area. As New

Chinatown continues to expand, future research should consider the impacts of the Asian developments on non-Asian residents. One question to consider, once the 2010 U.S. census data becomes available, is what is the impact of New Chinatown's growth on the socioeconomic status of surrounding neighborhoods? Has this led to social and physical upgrading in the area? What impacts has the Chinese or Asian developments had on other ethnic and racial minorities living in the suburbs? What are the effects of immigrant place entrepreneurs on neighborhood property values? The previous question may entail the collection of time-series real estate data for all neighborhoods in the county. This direction in research also creates an opportunity for using neighborhood-level ethnographic methods, such as surveys and interviews with local residents.

Researchers should also consider the complex nuances of race relations not only between Whites and racial/ethnic minorities but also between minorities. 'Has the emergence of Asian development projects produced conflicts with other minority groups living in the surrounding neighborhoods?' Houston has had interracial conflicts, especially between Asian and Black communities. Acres Homes, a distinctly Black suburban subdivision, lies near the Chinese and Asian developments. This may provide a unique situation where a particular minority group has acquired increasing power over determining the future trajectory of these neighborhoods, and affecting other minorities.

Finally, a recent phenomenon that future research should consider is tax increment financing (TIF). A TIF is a common public financing strategy used to encourage development in brownfields and other economically depressed neighborhoods, but uses have expanded to also include encouraging development in greenfield areas. TIFs were existent during the course of this study. In 2003, the Greater Sharpstown

Management District<sup>53</sup> was established. New Chinatown falls within the jurisdiction of the management district and has had their business members serve on the board. Also, in 2003 the Texas State Legislature authorized the creation of a tax-increment refinance zone (TIRZ) – also known as a TIF serving the greater Sharpstown area. TIFs have been used in Houston, especially in those districts in the city center. The Sharpstown TIF, however, has been a relatively recent addition and it is too short of a timeframe to assess its impacts in this study. In addition, the neighborhood-level data required to conduct such an assessment will not be available until after the 2010 U.S. Census is conducted and disseminated. Future studies should consider the role of TIFs on urban development, especially within Houston as data becomes available. These entities are important, especially within the Houston context, since they may provide alternative sources of funding for development projects. Ethnic communities, and particularly place entrepreneurs, may circumvent the city's lack of support by invoking these state-authorized entities. Future questions may include: 'What are the outcomes of ethnic neighborhoods that fall under the jurisdiction of TIFs?', 'Have members of immigrant communities been participating in TIFs?', 'Have TIFs translated into improving economic conditions for minorities in these neighborhoods?'

## **7.5 Final Remarks**

This thesis has explored the importance of well-organized urban elites from both public and private circles in manipulating place to facilitate certain forms of urban

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<sup>53</sup> The management district is a neighborhood-level authority that allows private businesses to self-assess taxes to help fund street and landscape improvements.



redevelopment. In the Houston example, much of the recent initiatives have been focused on inner city revival, especially in downtown. The monopoly of power wielded by the 8F group, which represented Houston's traditional elite, began to wane during the 1970s. Vojnovic (2003b) shows that by the 21st century, in part due to international immigration, an increase in transnational service providers, the expansion of the Houston economy, and a diversifying economic base, the Houston business community had extensively evolved from the days of the 8F group. New economic elites emerged in the city, diluting the traditional power structures of the 8F group. The new local business leaders, however, still maintain close ties to the city's political leadership, and local government continued to preserve a strong pro-business agenda, as evident with ongoing financial support (in terms of subsidies and public-private partnerships) of selected private development projects.

The Chinese community had a highly motivated collection of ethnic elites, who had gained a financial stake in developing land adjacent to downtown for their own business district project in the 1970s, but were unable to attract the attention of the mainstream urban elite, and eventually succumbed to the effects of the area's revival by the mainstream growth coalition. Ethnic communities and immigrant place entrepreneurs investing in Houston's downtown and surrounding areas did not receive the public financial aid that other developers, and competing private development projects, received in Houston's urban redevelopment efforts. Without the public aid, ethnic place entrepreneurs were simply not as competitive as their publicly funded rivals, and ethnic communities and neighborhoods were slowly squeezed out of the Houston core. This outcome shows that the City of Houston—despite its rhetoric of promoting diversity—

and its major allies were indifferent to hosting a downtown Chinese ethnic district, unlike the outcomes experienced in other major cities. In addition, despite the city's stance towards embracing multiculturalism and positive claims among its allies that its inner-city development initiatives have benefited residents, the economic fortunes of Asian residents have declined since Houston's new openness to ethnicity.

This research highlights the narrowness of Houston's recent interest in cultural pluralism and diversity. The issues are not simply the greater visibility of minority groups in the urban landscape, the participation of ethnic members in government, or the marketing of their communities in local media or government documents. Many of those recent changes no doubt benefit minority communities whose presence had for too long been ignored by the city. However, Houston's popular program of celebrating diversity masks the pressing need to improve economic prospects for its minorities. In addition, local government, in their selective process of funding private development projects, ensures that ethnic place entrepreneurs are not given an opportunity to fairly compete in a free market.

Philo and Kearns (1993) observed that cities mobilize diverse cultural resources in an attempt to sway local opinion, and show that despite the ills of urban change, the city itself is "basically 'doing alright' by its citizens" (p. ix). In the Houston context, public gestures promoting diversity serve as a diversion. Yet, this promotion effectively divests the city of any responsibility to actively improve the conditions and opportunities of its diverse residents, allowing government to focus on a narrow set of growth objectives and dismissing the needs of large segments of its residents.

Today, the city of Houston prominently advertises New Chinatown to visitors—in place of Old Chinatown—fulfilling the desire among middle and upper income tourists and residents for culturally unique commodified places as discussed by Harvey (1989b), Knox (1991, 1993), Zukin (1995, 1998, 2005), Dicks (2003), and ethnic neighborhoods described by Hackworth and Rekers (2005). Despite the fact that the city and major place promoters have openly voiced support for multiculturalism, the lack of local government support for the Chinese and other Asian businesses, and the lack of improving economic conditions in Chinese and Asian neighborhoods, indicates that the current strategy of celebrating diversity, as well as Houston's gestures toward minority communities, have been more symbolic than substantive.

There is an important message here for other ethnic communities across American cities. The rising government and popular media celebration of ethnicity and diversity that has been evident since the 1960s, and especially in large American cities, coupled with the growing political representation by minorities, has generally been interpreted as a positive outcome for ethnic communities, particularly in the larger and the more culturally diverse cities. However, these new approaches by local government—fostering pluralism, diversity, and ethnicity—might well be masking the declining economic state of minority sub-populations and their deteriorating economic opportunities, as in the case of Houston. The story of Houston closely aligns with the national sentiment, which was critically observed by social commentator Walter Benn Michaels. He decries the current fascination with diversity quite succinctly: “We would much rather get rid of racism than get rid of poverty. And we would much rather celebrate cultural diversity than seek to establish economic equality” (2006, p. 12).

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