



Do you know if you pay into a management district? Do you know how your assessment is used? An organization that oversees a handful of management districts in Houston explains why they're here, how they're here to serve you as property owners and how you can be included in the conversation about how your assessment is used.

Unlike local governments of large cities like Houston, management districts are able to concentrate on hyper-focused projects for each community they serve. Commercial property owners provide the funding for management districts to carry out these hyper-focused projects through an annual assessment.

Locally Focused

Find out what a management district is and how it serves you.

By **MORGAN TAYLOR**, HAA Staff

Many commercial property owners, including apartment owners, know they pay an annual assessment to a management district, but oftentimes, they know very little about the benefits that management districts provide. Created by the Texas Legislature, management districts are designed to essentially complement what local governments do.

Unlike local governments of large cities like Houston, management districts are able to concentrate on hyper-focused projects for each community they serve. Commercial property owners provide the funding for management districts to carry out these hyper-focused projects through an annual assessment. Because each district has its own unique list of crucial improvements, projects can vary from district to district. Assessments provide a variety of services from off-duty police presence to improvements to esplanades and much more.

“Management districts are not here to replace, supplant or duplicate city or any other governmental services. We’re here to supplement what is provided,” David Hawes, Managing Partner of Hawes Hill and Associates, emphasized.

Hardworking leaders, such as Hawes Hill and Associates Partner Alice Lee and Hawes have honest, wholehearted values that fuel the organization’s mission to improve communities, improve the lives of those who work and live within these communities and improve economic development.

Making a profit is not a priority to Hawes Hill and Associates when it comes to the management districts it oversees by contract with the district boards – East Aldine Management District, Spring Branch Management District, Southwest Management District, Brays Oaks Management District, Five Corners District, International District, Montrose District and St. George Place.

“At Hawes Hill, our management district practice operates on a razor thin margin. We really don’t make much of a profit. We’re just trying to make sure we cover the cost. We make our money elsewhere through

the firm’s other practices like preparing economic development plans and things of that nature,” Hawes said.

The Spring Branch Management District and the improvements it has made to the area is a great example of how management districts within Houston are supplemental to the City of Houston. Management districts are able to focus on concentrated issues specific to the community they serve rather than the entirety of Houston.

“The City of Houston is a locality, but let’s be honest, 2.3 million people is not a local situation. You have to go to city council to get what you want at every turn. (With a management district) you have this on-the-ground, paid-for management of your area. And you can be very specific about what you want to improve in your community, how to improve your economy at the local, grassroots level,” Hawes explains.

The last point Hawes makes reflects HAA Past President Starla Turnbo’s sentiments in her Q&A published on Page 34. Because management districts are public forum, any HAA member can provide their input on how the assessments are used.

“Anyone has the opportunity to be involved if they so desire. And doing so is much easier than going down to city hall for three minutes. Here, you have a board working for you, representing you as a property owner through their assessment,” Hawes said.

Yes, property taxes help pay for public schools, city streets, county roads, police, fire protection and many other services, but here in Houston, in the fourth largest city in the United States, that’s a lot of ground to cover.

“Let’s take Spring Branch as an example. ... Spring Branch was



David Hawes



Alice Lee

The Houston Apartment Association partners with Southwest Management District, Hobby Area Management District, International Management District, Spring Branch Management District and Brays Oaks Management District. Through this partnership, apartment communities within these management districts are able to utilize HAA's Rental Credit Reporting for free because fees are paid by the management districts.

almost blanketed in bandit signs ... and graffiti was everywhere,” Hawes said.

The first two services provided by the Spring Branch Management District when Hawes Hill took over were graffiti abatement and bandit signs removal from the right of way. According to Hawes, a city ordinance banned graffiti on businesses and fined those businesses that were victims of graffiti.

“So, here are building owners that are being abused by gangs or taggers, and then they get fined if they don't get it removed quickly,” Hawes said.

In partnership with the East End Management District, the Spring Branch Management District was able to use its funds to remove graffiti from the businesses within the district's boundaries.

“Another area we had to address was the crime (in Spring Branch). We had crime maps back in the day, and Spring Branch was one big blotch of red. Now you don't have that,” Hawes said.

According to Hawes, the Spring Branch Management District had to take several approaches to public safety to get the area to where it is today.

“We had full-time off duty police 24/7, then we went to (deputy) constables and now we're down to S.E.A.L. Security within the businesses. It was an organic approach of hitting the area hard, all the way, then moving to specific issues like drugs and prostitution. We had a tactical unit, an eight-person unit with (drug) dogs as a team. Then, we were able to graduate to this (current) S.E.A.L. Security service,” Hawes said. “It took 10 years, but we did it in conjunction with working with the Houston Police Department. That doesn't happen just on its own, you have to create a public safety plan,” Hawes said.

Today, the Spring Branch Management District is focused on projects such as the Spring Branch Trail project, Long Point Road Mobility and Landscape Pilot, Long Point Road Art Program, Gessner Road Drainage and Beautification Improvements, Haden Park Improvements and I-10 Corridor Planning to incorporate strategies that enhance health and safety for active transportation. Learn more about these projects at

<https://sbmd.org/7projectstofollow/>.

Another great example of how management districts complement the city's efforts is through parks and esplanades. The Houston Parks

Department is responsible for esplanades and parks, Hawes said, however, Hawes Hill and Associates often partner with the city to provide an extra level of care to the parks and esplanades within the management districts they oversee.

“The parks department recognizes that they have limited services because they have a limited budget ... So, the management districts have availed themselves to an adopted esplanades program. When you see all of these improved areas on Gessner, Long Point, Blalock – we've adopted those esplanades. They (the City of Houston) pay for the water and we pay for the landscaping and the maintenance. We have gone through a three-year process of the redesign of Haden Park. We'll pay for the design and the ideas in conjunction with the parks department on how to improve Haden Park to make it more usable – dog parks, tennis courts, walking trails, all these types of things. That gives the City of Houston Parks Department the opportunity to work with the city council to implement that plan. So, there again, we are not supplanting or replacing what the city does. We're supplementing and enhancing upon it,” Hawes said.

The city's limited budget Hawes refers to is that of the general fund, where Houstonians' property taxes go into. The revenue cap on the City of Houston limits the city's ability to provide services. That's where management districts step in.

“Management districts are quick and nimble and efficient in what we do. We aren't strung out by a lot of red tape. We're able to hone in on problems and deal with them and then move on to the next issue,” Hawes explained.

Another point that needs to be made is that property taxes are paid by all property owners, residential and commercial, and therefore support commercial and residential property owners. Whereas management

/ See Management Districts, Page 49

district assessments are paid by commercial property owners exclusively and, therefore, services are targeted to benefit those owners.

“In addition to public safety and environmental urban design, we work very strongly on economic development, business retention, business development, corporate development, how to bring businesses in and marketing the area. We market for people to come live here. Well, why would we market people to come live here? Well, because more rooftops beget commercial development – it’s what economics is all about. So, that’s what we’re all about – all of these things – public safety, you want a safe place to live, you want a safe place to work, you want a clean environment. You want all of these things and all of these things are subcomponents of economic development,” Hawes said.

The Houston Apartment Association partners with Southwest Management District, Hobby Area Management District, International Management District, Spring Branch Management District and Brays Oaks Management District.

Through this partnership, apartment communities within these management districts are able to utilize HAA’s Rental Credit Reporting for free because fees are paid by the management districts. It’s a rental applicant screening program that offers a variety of services to apartment owners and managers. It creates a transparent application process for apartment owners and managers, providing them with the ability to see a renter’s rental background, current lease obligations and any pending evictions in real time. This partnership strengthens the rental housing industry and ultimately the public education system.

Of all the services Hawes Hill and Associates provides, RCR is one that is closest to Hawes’ heart because it is an applicant screening service that helps to preserve the stability of apartment community populations, thus keeping children in their current schools.

According to a research briefing by the MacArthur Foundation, studies revealed home and school moves each had unique effects on children, but school moves had slightly stronger effects on their cognitive scores and emotional problems, above and beyond the effects of residential moves.

By using RCR, apartment owners and managers can hold renters accountable to current leases, which keeps children in their apartment homes, in their school districts and in their schools.

“They would go from apartment to apartment to apartment to apartment. That does not work in the short term or long term. If we are going to have a better society, a better community and a better economic basis, then you have to have an educated work force ..., but they can’t get there if they can’t get through elementary school. ... We have to keep the children in school,” Hawes said.

An Op-Ed published by the Houston Chronicle on May 27 last year points out the obvious – few people enjoy paying taxes. But, in a city as large as Houston, some communities want and need to do more to improve their surroundings.

“If apartment owners care only about making money, then they are in the wrong business. Apartment owners have a moral, ethical and business responsibility to have clean apartments, safe apartments and to take care of their community. You own their community; you own where they live – it’s your community. It’s your responsibility, and the management districts have signed on as a partner with the apartments to make that happen – to help them be more viable, to stabilize,” Hawes said. 📍

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