

XI. PRESERVATION IN MIDDLE NEIGHBORHOODS: PROMISING RESULTS IN OHIO

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At its heart, historic preservation is about recognizing and valuing what was created in the past. It offers a lens for recognizing the value of neighborhoods and telling the stories of the people who have shaped and continue to shape them. This chapter articulates the case for a community-oriented preservation model that supports longtime residents, creates pathways for newcomers, and strengthens neighborhoods for all. The idea that there is economic, social, and environmental value worth preserving in existing buildings, neighborhoods, and communities is an essential theme in stabilizing middle neighborhoods. Stabilization is often discussed in theoretical terms, but it has very practical effects on neighborhood real estate values, as the other chapters in this book attest. Reinvesting in buildings can boost property values. When the process of reinvestment includes and honors local communities and their ongoing stories—their heritage—preservation can be a powerful tool for significant and sustainable change in neighborhood dynamics.

Preservation offers an approach to and set of strategies for thoughtfully managing change in areas with high development or demolition pressures. The most obvious tools for managing change are zoning and other local regulations—particularly in designated historic districts—and financial tools, such as historic tax credits and tax abatements.¹ However, this chapter focuses on strategies and tools that are not tied to historic designation and thus are more broadly applicable in middle neighborhoods and elsewhere. These tools help to stabilize and strengthen real estate markets in older neighborhoods and, in a related benefit, provide an avenue for active community stewardship of places. As will be discussed below, preserving older housing in middle neighborhoods serves sustainability, health, and social equity objectives in addition to providing market stabilization benefits.

America's legacy cities are uniquely positioned to innovate across a slate of policy areas, including preservation, as the immediacy of physical, economic, and social challenges demands new thinking

¹ Historic tax credits are available federally for designated historic buildings that are also income-producing; the credit comprises 20 percent of qualified rehabilitation expenditures and requires rehabilitation work to comply with the Secretary of the Interior's Standards for Rehabilitation. More than 30 states and many more cities offer historic tax credits that can be layered with the federal tax credits. A lesser-known 10 percent federal historic tax credit is available for nonresidential buildings constructed before 1936 that retain a substantial amount of their original structure and walls. There is no formal review process for work completed using this credit. Many states also have tax credits for restoration of historic structures.

on complex challenges. The first section of this chapter describes how a growing network of actors has redefined preservation in legacy cities. The second section explores the multiple value propositions that preservation can bring to holistic neighborhood stabilization and preservation. The chapter concludes with case studies of three Ohio coalitions that are implementing effective preservation strategies in stabilizing middle neighborhoods, as well as a discussion of ways forward.

REDEFINING PRESERVATION

To be clear, we advocate for a type of preservation that is not Thomas Jefferson's Monticello, New York's Grand Central Terminal, or the gracious Lower Peninsula in Charleston. It is about neighborhoods with buildings where siding has been patched and windows replaced, where vacant lots and buildings sit between occupied homes. It is about people, their stories, and the collective heritage of neighbors and families. In short, it is about individual and community investment rooted in a passion for a specific place. This approach represents a pragmatic preservation ethos: one that recognizes that not every building can or should be saved and embraces instead a holistic view that prioritizes actions—from mothballing to demolition to rehabilitation—based on realistic assessments of neighborhood conditions and likely short- to medium-term changes.

The earliest preservation advocates in the United States saw their work in the context of community. Beginning in 1853 with a campaign to save George Washington's home, the fledgling movement looked to the past to shape a more virtuous future. Subsequent efforts have often been motivated by a "civic patriotism" that uses the tangible past to define a common identity. When New Yorkers rallied to try to save Penn Station in 1963, they were in part reacting to larger autocratic decisions around demolition, freeways, and the shape of their city. Although the building was lost, it catalyzed a broad-based preservation movement that saw the urban landscape as a more democratic endeavor.

Too often, preservation has been perceived as an elite discipline dominated by monuments and wealthy, typically white, neighborhoods. The situation is more complex than that, of course, but it holds truth. The stories most often recorded and celebrated are those of privileged groups, and the buildings that typically receive attention are grand buildings built for and occupied by the same groups. Even as preservationists and community advocates have expanded the conception of multilayered, multicultural histories, the historic designation required for powerful historic tax credits and other incentives has historic integrity as a core requirement. That limits eligibility to buildings or neighborhoods that remain largely unchanged, a quality virtually impossible in long-disinvested low-income neighborhoods and communities of color that have faced—and are still facing—pervasive structural discrimination and underinvestment. Although not all middle neighborhoods share this particular history, most have faced decades of struggle.

It can be argued that the current iteration of preservation has goals similar to the earliest movements, but with equity and sustainability as driving forces and a much larger view of what should be preserved. Preservationists point to sturdy houses and commercial districts with "good bones" and unique architecture as the basis for neighborhood revitalization. They see incentives for reinvesting in buildings as tools that help build wealth for longtime homeowners. They promote mixed-use buildings and neighborhoods with a mix of unit sizes as opportunities to start

businesses, foster socioeconomic diversity, and preserve informal affordable housing—as with the “Older, Smaller, Better” work of the Preservation Green Lab at the National Trust for Historic Preservation.² They emphasize that reoccupying a vacant house keeps it from being demolished and its remains dumped in a landfill. Finally, they value building community capacity through deep public engagement, while new technologies create opportunities for more inclusive planning—such as the Austin Historical Wiki Project and the Detroit Historic Resource Survey. While these ideas are rooted in the preservation movement’s origins, their traction and application within the field has been limited. Renewed attention to middle neighborhoods and legacy cities is a fresh opportunity to promote these ideas; to examine how preservation frameworks and tools can be more equitable and useful; and to be taken seriously by other stakeholders, including politicians, planners, land bank officials, financial institutions, and community members.

PRESERVATION’S “TRIPLE BOTTOM LINE” VALUE PROPOSITION

The physical fabric of most middle neighborhoods offers many desirable characteristics aligned to advance complementary goals of sustainability and health, social equity, and economic prosperity. This triple bottom line payoff for middle neighborhood stabilization is rooted in the fact that the existing physical inventory of middle neighborhoods is relatively dense.³ Although the age of the building stock may often require substantial system upgrades, the compact urban form of many middle neighborhoods offers increased walkability and decreased vehicle miles traveled compared with newer developments. These characteristics—similar to those aligned with smart growth principles—are associated with lower rates of asthma, obesity, and heart disease, as well as lower incidence of car crash fatalities.⁴ Moreover, reduced dependence on private cars, increased rates of walking, and greater use of public transportation result in a smaller carbon footprint.⁵ Finally, when comparing buildings of equivalent size and function, building reuse almost always offers environmental savings over demolition and new construction.⁶ In other words, keeping a relatively dense neighborhood as dense as possible has all the positive benefits associated with smart growth—withstanding the challenges placed on the real estate market by low demand or other negative effects of high numbers of vacant buildings.

With respect to economic mobility, density, a variety of sizes and price points, homeownership, and property values found in older neighborhoods offer toeholds that are generally absent from newer

² Preservation Green Lab, National Trust for Historic Preservation, *Older, Smaller, Better: Measuring How the Character of Buildings and Blocks Influences Urban Vitality* (Washington, DC: author, 2014), available at http://www.preservationnation.org/information-center/sustainable-communities/green-lab/oldersmallerbetter/report/NTHP_PGL_OlderSmallerBetter_ReportOnly.pdf.

³ For Youngstown neighborhood density, see Youngstown Neighborhood Development Corporation, *City of Youngstown, Neighborhood Conditions Report* (Youngstown: author, 2013), p. 13; Cuyahoga County municipal population densities are available at <http://planning.co.cuyahoga.oh.us/census/2010land.html>.

⁴ Reid Ewing and Shima Hamidi, *Measuring Urban Sprawl and Validating Sprawl Measures* (Salt Lake City: Metropolitan Research Center at the University of Utah for the National Cancer Institute, the Brookings Institution, and Smart Growth America, 2014), p. 43.

⁵ Ibid.

⁶ Preservation Green Lab, *The Greenest Building: Quantifying the Environmental Value of Building Reuse* (Washington, DC: National Trust for Historic Preservation, 2011). The study found that it takes “10 to 80 years for a new building that is 30 percent more efficient than an average-performing existing building to overcome, through efficient operations, the negative climate change impacts related to the construction process” (p. vii).

developments. In his 2009 book, *Place, Race, and Story*, Ned Kaufman cites Donovan Rypkema's research, writing, "A thriving local economy will include 'small businesses, nonprofit organizations, start-up firms, bootstrap entrepreneurs' who cannot pay the high rents commanded by new construction. Old buildings provide ecological niches for essential activities. Without them, settled communities cannot thrive."⁷

Although stabilizing the real estate markets of middle neighborhoods is of primary import to city governments and community residents, other complementary factors are advanced through successful neighborhood preservation. Preservation's intangible values of community character, social equity, quality of life, memory, and beauty are generally the most lasting and important arguments for saving buildings and community heritage.⁸ These intangible benefits often underpin demand by owner occupiers and investors in homes. They can also serve as common ground to build new relationships required for the broadly based partnerships necessary to achieve outcomes. Moreover, existing civic capacity around historic preservation provides valuable partners, influence, and constituencies in place-based stabilization efforts. Indeed, as the following case studies demonstrate, preservation groups can be an early force in convening and furthering neighborhood stabilization initiatives.

In neighborhoods facing substantial change, one social equity concern is very often voiced: Will current residents benefit from the changes that are coming? In addition to the environmental outcomes and opportunities for investment, neighborhood-based preservation strategies and tools lean heavily on incremental improvements—as opposed to wholesale redevelopment—and are much more likely to be helpful for current residents than new development. Small repairs can help make an older home safe, habitable, and high quality for years to come. These are also repairs and tools that can be undertaken and obtained by homeowners, in contrast with the professionalized technical and financing requirements of new construction. Painting, repairing windows, and taking some energy efficiency measures can be completed by homeowners with minimal training. Many homeowners in middle neighborhoods can afford to make these upkeep repairs. For those who cannot, public or subsidized resources are often available for weatherization and improvements to increase energy and water efficiency. Unlike complex, large-scale financing tools for new development (e.g., New Markets Tax Credits), the paperwork for these small home improvement grants can be handled between homeowners and program administrators such as city staff, utility companies, or privately run programs like the Heritage Home Program discussed later in this chapter.

On the community action side, preservation offers a way to organize local residents and other stakeholders around collective concerns and goals using the tangible built environment. Stories are one of the most fundamental ways to connect with other people and the heritage of a place. This may take the form of collecting oral histories about local places and people; organizing to save a building with local ties or distinctive (or typical) architecture; or discussing how to guide

⁷ Ned Kaufman, *Place, Race, and Story* (New York: Routledge, 2009), p. 400.

⁸ *Ibid.*, p. 396.

rehabilitation, new development, or demolition in a way that preserves the built character of a block or neighborhood.

Community members can take tangible actions through preservation, too. Demolition is appropriate for many vacant and abandoned buildings, but it must be done by professionals at a per-building cost ranging from \$10,000 for a detached house to \$50,000 or more for a row house with occupied neighbors. Boarding up buildings, on the other hand, can be completed by neighbors at a weekend work party with hand-held drills and low-cost or donated materials. As shown by community-led board-ups in Youngstown, Ohio, this “mothballing” helps people to be active participants in combating blight—to feel that they are taking back their neighborhood and contributing to a positive upward trend. It also allows breathing room to see if the market will rebound, while ensuring that vacant buildings are secured from illegal squatting or other criminal activities.

This last opportunity is a particularly important one in middle neighborhoods, where decline in demand sometimes leads to lower housing values and higher rates of abandonment and demolition. Out-of-town investors are often major landholders in these areas and they are difficult to hold accountable for property maintenance. Taking a careful look at the building stock and allowing local residents to weigh in on appropriate strategies help to reclaim a neighborhood in spirit—and, more practically, galvanize public pressure to invest in rehabilitations, board up vacant houses, complete strategic demolitions, and hold inattentive building owners accountable through targeted code enforcement and tax liens where applicable. The community-based planning work of the Youngstown Neighborhood Development Corporation (YNDC), a case study in this chapter, offers a model for inclusive processes that invites people to shape their place. Although preserving buildings is not always an outcome of this process, residents’ motivation for participating often comes from a connection to the neighborhood’s built environment, and a feeling that the place is distinctive enough to merit a personal investment of time and energy.

BUILDING EFFECTIVE PLACE-BASED PARTNERSHIPS

As discussed, preservation dovetails with many other disciplines shaping place, building community capacity, and improving local social networks. Collaboration between these disciplines and the community is critical. This is especially true in middle neighborhoods, where resources are limited, community needs may be significant and multifaceted, and residents have historically been disempowered from decision making about their own neighborhoods. Particularly in legacy cities, middle neighborhoods face myriad challenges. Vacant buildings and lots punctuate occupied homes, a downward trend in middle-income jobs creates a highly uneven patchwork of income levels, and public education quality can be hit or miss. These challenges are fundamentally interconnected and place-based, with a multiplicity of players making decisions. Everyone has something at stake, and everyone should have a place at the table in developing strategies and tools.

A broader definition of preservation creates many collaborative opportunities and expands the list of stakeholders and partners. Preservation shares goals with many groups, including:

- Advocates for quality affordable housing and commercial space.
- Programs that seek to increase and maintain homeownership.
- Community wealth-building advocates.
- Community members seeking to improve their neighborhoods in tangible ways.
- Community organizers with the goal of increasing community engagement and developing capacity for direct involvement and political action.
- Local historians looking to preserve community heritage and stories.
- City and neighborhood champions hoping to retain and attract new residents via unique built character.⁹
- Sustainability advocates.

The three case studies that follow highlight Ohio organizations working to address most of these priorities in some way. The case studies represent a range of on-the-ground initiatives with exceptional track records—not the only work happening in this arena, but some of the strongest. The programs explored in these case studies are conducted by nonprofit organizations, county land banks, and private partners using public, private, and self-generated funding. One program hews to traditional preservation standards; the others simply aim to keep buildings standing and return them to productive parts of the neighborhood that are valued both in the economic and community senses.

YOUNGSTOWN NEIGHBORHOOD DEVELOPMENT CORPORATION

The Youngstown 2010 plan made national headlines when it was adopted in 2005. Youngstown was the first legacy city to acknowledge that its decades-long population loss was permanent and would continue unless drastic changes were made.¹⁰ It would not regain the 51 percent of its population that departed between 1960 and 2000. But the plan was optimistic, citing an opportunity to “change the status quo.” “Many difficult choices will have to be made as Youngstown recreates itself as a sustainable mid-sized city,” read the first point in the plan’s framework. Presidential candidate John Edwards called the plan “visionary” during a 2007 campaign stop in Youngstown, and media in other legacy cities like Detroit looked to Youngstown’s pragmatic, forward-looking approach as a potential model.¹¹

Youngstown residents accepted the forecast and recommendations for a smaller city. In fact, they had shaped them as part of a broad-based community engagement process. More than 5,000 people participated in the plan’s development via community and neighborhood meetings. Significantly, more than 150 people had a hands-on role in creating the plan via working groups that articulated how to realize an overall vision for the city. The American Planning Association recognized

⁹ See Marcia Nedland’s chapter in this volume.

¹⁰ City of Youngstown and Youngstown State University, *Youngstown 2010* (Youngstown: City of Youngstown, 2003).

¹¹ David Skolnik, “Edwards Called City’s 2010 Plan ‘Visionary,’” *The Vindicator*, July 18, 2007, available at <http://www.vindy.com/news/2007/jul/18/edwards-called-city8217s-2010-plan/>; Terry Parris, Jr., “Youngstown 2010: What Shrinkage Looks Like, What Detroit Could Learn,” *Model D*, May 4, 2010, available at <http://modeldmedia.com/features/ytownplan5022010.aspx>.

Youngstown 2010 with its Public Outreach Award in 2007, and in 2010 the *The New York Times* featured “civic energy” as a bright spot in Youngstown’s ongoing struggle with vacancies.¹²

STARTING SMALL: IDORA

The Youngstown Neighborhood Development Corporation (YNDC) was established in 2009 with a focus on Idora, a residential, predominantly single-family neighborhood on the city’s southside. In many ways, Idora was typical of Youngstown as a whole. Established as an early streetcar suburb in the early twentieth century, the neighborhood prospered until the collapse of the steel industry in the late 1970s.¹³ In the next three decades, the neighborhood lost 36 percent of its population: less than the citywide population decline of roughly 50 percent, but still substantial.

As one of Youngstown’s more viable neighborhoods, Idora was an early target for stabilization.¹⁴ Youngstown 2010 prioritized the stabilization of viable neighborhoods as one of its four guiding themes: “a starting point from which to reclaim some of the adjacent neighborhoods that have not so successfully withstood the test of time.” In 2009, a report from the National Vacant Properties Campaign (now the Center for Community Progress) underscored the importance of focusing comprehensive strategies on viable neighborhoods like Idora.¹⁵ It also noted an issue not uncommon in legacy city neighborhoods: Even though 27 percent of buildings in the neighborhood were vacant at the time, according to Ian Beniston, the executive director of YNDC, the report pointed out that “the same problem...is likely to be true in other neighborhoods in the city which are still potentially viable.”

A 2008 neighborhood plan for Idora cited an 86 percent occupancy rate and 67 percent homeownership rate—both roughly proportional to the city as a whole.¹⁶ However, the neighborhood had higher rates of poverty, lower education, and a median home value of just \$33,767—nearly 20 percent lower than the citywide median of \$40,900. More than one-quarter of buildings and 15 percent of parcels in the neighborhood were vacant; Youngstown had a combined vacancy rate of 40 percent.¹⁷

The Idora Comprehensive Neighborhood Plan named six goals: increasing safety, increasing pride, revitalizing the neighborhood’s commercial corridor, preserving existing housing, reclaiming vacant land and structures, and cleaning and greening the neighborhood. Youngstown Neighborhood Development Corporation tackled most of these goals, with the overall aim of catalyzing

¹² Sabrina Tavernise, “Trying to Overcome the Stubborn Blight of Vacancies,” *The New York Times*, December 19, 2010, available at <http://www.nytimes.com/2010/12/20/us/20youngstown.html>.

¹³ City of Youngstown Planning Department and Ohio State University, *Idora Neighborhood Comprehensive Neighborhood Plan* (Youngstown: City of Youngstown, 2008), available at http://www.cityofyoungstownoh.org/about_youngstown/youngstown_2010/neighborhoods/south/idora/idora.aspx.

¹⁴ Youngstown uses the terms “constrained” and “functional” markets to refer to middle neighborhoods.

¹⁵ Dan Kildee, Jonathan Logan, Alan Mallach, and Joseph Schilling, *Regenerating Youngstown and Mahoning County through Vacant Property Reclamation: Reforming Systems and Right-sizing Markets* (Washington, DC: National Vacant Properties Campaign, 2009).

¹⁶ Data from U.S. Census, Census 2000, (Washington, DC: U.S. Census Bureau); *Idora Neighborhood Comprehensive Neighborhood Plan*.

¹⁷ Sabrina Tavernise, “Trying to Overcome the Stubborn Blight of Vacancies,” *The New York Times*, December 19, 2010. Youngstown had 4,500 vacant buildings and more than 23,000 vacant parcels.

reinvestment in the neighborhood. From the beginning, the organization took a multipronged approach to neighborhood stabilization and revitalization, with tactics including demolition, greening, and reuse of vacant lots; partnerships with code enforcement; home repairs, rehabilitation, and sales; public art; and the development of community gardens and an urban farm in the neighborhood.

By 2012, four years after work began, YNDC had demolished 93 houses, rehabilitated 43 vacant and owner-occupied houses and completed minor repairs to 30 more, boarded up 40 houses, and cleaned and repurposed more than 150 vacant lots composing more than 17 acres into uses such as community gardens, native planting sites, and side yard expansions.¹⁸ It had launched a Community Loan Fund to provide mortgages in target neighborhoods, financial training for homebuyers, and repair funds. It had also completed homeownership training for 36 people and developed job training for city residents.

COMMUNITY-POWERED

YNDC's work in Idora and other middle neighborhoods has built on and expanded the focus in Youngstown 2010 of engaging community members. "REVITALIZE" is emblazoned on YNDC annual reports and materials. The houses that YNDC rehabilitates are frequently advertised as "revitalized" instead of "renovated." The word is "a call to action," says Tom Hetrick, YNDC's neighborhood planner. "It gets different groups involved in helping to improve the community."

YNDC's website highlights the need for "a renewed sense of ownership and community among residents. We must leverage the most important asset in our neighborhoods: the time, energy and resources of existing residents." Even more directly, many YNDC plans, T-shirts, vehicles, and even a storage facility bear the slogan "STAND UP—FIGHT BLIGHT." The responsibility is clear.

Although YNDC staff and City of Youngstown planners develop each Neighborhood Action Plan, public meetings give neighborhood stakeholders the opportunity to identify local priorities and assets at the beginning of the planning process, and offer feedback on specific strategies during the process. When each plan is completed, Neighborhood Action Teams composed of local leaders and residents are charged with implementation. Beniston says that each team plays a central role as "the infrastructure to communicate and implement the plans." It meets quarterly to update a list of priority properties and provides a local communication network for YNDC and the City to better connect with residents. In turn, YNDC staff track the work of Neighborhood Action Teams and report back on impact at the end of each year.

Neighborhood residents also have the opportunity to roll up their sleeves at community workdays held in each of YNDC's 10 target neighborhoods. More than 1,200 volunteers showed up to 26 workdays in 2015 to clean vacant lots, clear debris from vacant houses and lots, board up 553 houses, and help with basic rehabilitation tasks. Volunteers cleaned and secured more than 200

¹⁸ Ian J. Beniston, "Idora: Creating a Smaller Stronger Neighborhood." Presentation at the Thriving Communities Ohio Land Bank Conference, November 28, 2012, available at <http://www.wrlandconservancy.org/documents/F2-Idora-CreatingSmallerStrongerNeighborhood.pdf>.

vacant buildings. A robust AmeriCorps volunteer program also provides on-the-job construction training for city residents—13 local residents worked across 25 neighborhoods in 2015 as part of the program. If neighborhood groups want to do board-ups on their own, they can look to the YNDC’s “Board-Up Manual” for guidance.

Whether completed by one-time volunteers, returning volunteers, or AmeriCorps members, hands-on work helps people see what is happening in their neighborhood. In the short run, says Beniston, “They want to become a part of it so they can get more done.” And in the long run, “It helps instill pride in their neighborhoods.”

ON-THE-GROUND REVITALIZATION

YNDC’s work advances parcel by parcel. When it completes a Neighborhood Action Plan, YNDC makes recommendations for all buildings in the area that are vacant or have code violations. The recommendations are based largely on field surveys, but also incorporate data on ownership, including absentee owners; how recently the property has been transferred; and delinquent taxes. To provide tangible items for immediate actions, 25 “priority properties” are identified on the basis of factors such as code violations, severity of deterioration, public safety, and proximity to assets and otherwise stable areas. Community members adjust this list as needed, and it is updated as properties are demolished or rehabilitated or code violations are brought into compliance.

In a recently completed Neighborhood Action Plan for the Wick Park neighborhood, the majority of properties were recommended for code enforcement (Table 1). Of the 25 priority properties identified for immediate action by the Neighborhood Action Team, just under one-half were recommended for near-term demolition by the City, with the remaining properties recommended for code enforcement and boarding up. (As used in the table, “preservation” denotes long-term board-ups of buildings that have architectural value, but whose size, rehab cost, and/or surrounding market conditions may preclude immediate rehab and resale.)

Table 1. Wick Park Neighborhood Housing and Property Strategies

	All properties	Priority properties*
Demolition by City	17	11
Needs code enforcement	89	14
Board up/clean up	18	13
Preservation	9	9

**Some priority properties are included in more than one strategy.*

Because much of YNDC’s rehabilitation work is unsubsidized, most decisions about vacant buildings come down to whether YNDC can rehab and resell them at a profit or at least without significant loss. The Mahoning County Land Bank partners with YNDC to transfer tax-foreclosed buildings at

no cost, but a typical rehabilitation costs \$20-\$30 per square foot—between \$30,000 and \$80,000 for recent projects, according to Beniston. AmeriCorps volunteers and YNDC construction crews complete the work, with community members providing assistance on unskilled tasks such as cleaning out debris and painting.

If the local market will absorb a rehabilitated house at or near the rehab cost, YNDC says it is worth the work. In addition to providing jobs and job training, renovated houses help repopulate a neighborhood with owner-occupants, increase the value of the property and adjacent houses, and build the city's property tax base. A vacant lot is worth \$250; a rehabbed house is worth \$60,000, and saving it preserves neighborhood character. "The homes that we're rehabilitating have more character than all the similar product in the suburbs, and they're totally updated," says Beniston.

Residents often champion rehabilitation of vacant houses rather than demolition. "Most people want the houses reoccupied," says Beniston. "They don't want their whole neighborhood torn down." Community members push back against some recommended demolitions during the Neighborhood Action Plan process or in subsequent Action Team meetings, where proposed parcel-level strategies are examined in detail. Some go further. One local group is hiring an intern to market rehabbed houses in its neighborhood. In select cases when vacant buildings have significant architectural or other value and community members advocate for rehabilitation, but near-term sales are unlikely, YNDC assigns a "preservation" strategy to the buildings and boards them up.

YNDC's rehab work is not limited to vacant buildings. The organization's Community Loan Fund offers long-term financial counseling coupled with mortgages to homebuyers who have been denied an affordable loan by traditional lending institutions. This "high accountability, character-based approach" allows community members to purchase YNDC-rehabilitated houses and complete minor repairs, even with imperfect credit in a conservative lending market.¹⁹ The program is offered in partnership with the city, state, a local foundation, a local bank, HUD-certified counseling agencies, and others. For owner-occupied houses, the Paint Youngstown program provides free external repairs to avoid potential code violations and improve the overall image of the neighborhood.

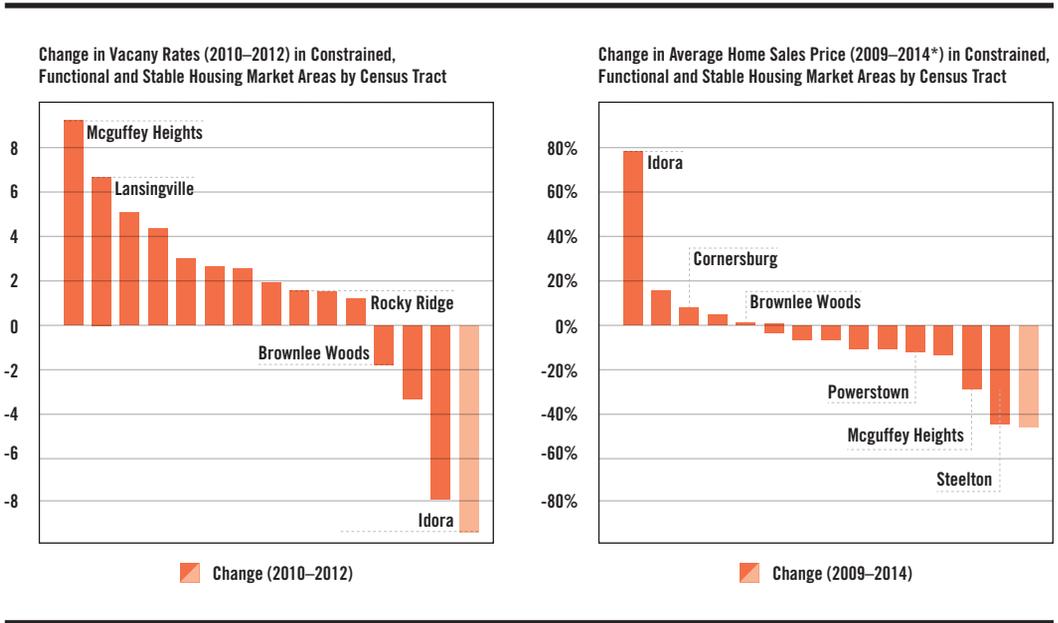
IMPACTS

As any legacy city resident knows, stabilizing a neighborhood market takes time and requires much more than just fixing one house. Since work began in Idora in 2009, vacancy rates have dropped roughly 8 percent and average sales prices have risen nearly 80 percent. In those seven years, YNDC has rehabilitated and resold 31 vacant homes, repaired 84 additional homes for low-income homeowners, boarded up 46 vacant houses, and provided loans to 19 homeowners through its Community Loan Fund.²⁰ Nearly 130 buildings have been demolished, and close to 200 vacant lots have been repurposed as gardens, parks, recreation, events, and an urban farm. All this has bolstered market confidence: More than 160 property owners have made significant investments in their homes since 2009. And the organization's work continues in the neighborhood.

¹⁹ Ian Beniston, email to the authors, 3/16/2016.

²⁰ Youngstown Neighborhood Development Corporation, *Evidence-based Neighborhood Revitalization: The Idora Neighborhood in Youngstown, Ohio* (Youngstown: Youngstown Neighborhood Development Corporation, 2015).

Figure 1. Home Price and Vacancy Rates in the Idora Neighborhood of Youngstown, Ohio



Reproduced with permission from Youngstown Neighborhood Development Corporation.

YNDC expanded its focus beyond Idora to other middle neighborhoods in Youngstown, guided by a 2014 *Neighborhood Conditions Report* that classified neighborhoods by market strength, from extremely weak to stable. YNDC is now working in nine other constrained and functional neighborhoods using Neighborhood Action Plans and Neighborhood Action Teams. In 2015, the organization completed two owner-occupied rehabilitations, 27 limited repair projects for homeowners, brought 41 properties into code compliance, rehabbed 45 properties, cleaned up or boarded up 228 houses, and worked with the City and the land bank to prioritize demolitions of 220 houses.

The change, according to Beniston, goes well beyond the numbers: “We can look at the data all we want, and we know that’s critical, but another piece is that these are neighborhoods that people live in.... We value what people think of their neighborhoods and their priorities for buildings.”

OHIO’S HERITAGE HOME PROGRAM—PIONEERED BY CLEVELAND RESTORATION SOCIETY

The Heritage Home ProgramSM supports preservation projects across 42 communities in northeast Ohio, but it does so by almost any other name than “historic preservation.” Low-interest loans are available to “older houses,” while “old house experts” provide technical advice. Any residential building with three or fewer units qualifies if it was constructed more than 50 years ago—no historic designation required.

Yet preservation it is. All exterior work must comply with the gold standard for preservation projects, the Secretary of the Interior's Standards for Rehabilitation, and loan funds cannot be used for historically incompatible alterations such as vinyl siding or vinyl windows. Participating property owners—largely homeowners—are required to consult with program staff while planning their project. The same staff members inspect the finished project to ensure that it complies with the program's "master specifications," a detailed set of technical standards.

Initially, the program was limited to houses in historic districts. But by 2012, foreclosures during the Great Recession continued to decimate residential neighborhoods in and around Cleveland. The Cleveland Restoration Society (CRS), the 44-year-old preservation organization that initiated the Heritage Home Program in 1992 and continues to operate it, saw a need for action. "It became not just fixing up historic homes, but about keeping people in their homes and their neighborhoods," said Margaret Lann, the Heritage Home Program associate at CRS. There was also, she added, a bigger question, how to extend the program to people in older homes so they can improve their homes and remain in them? Consequently, CRS made some significant changes by:

- Opening up the program to any house more than 50 years old;
- Expanding loan-eligible projects to include all forms of general rehabilitation, so long as the project is consistent with the architectural style of the house;
- Aggressively marketing the program to additional communities; and
- Reducing program fees and interest rates to attract more participants.

These changes were in line with CRS's progressive preservation ethos, which sees preservation as a powerful tool to advance the goals of community revitalization, a stronger regional economy, and higher quality of life.²¹

The Heritage Home Program remains available to any older house, but it incentivizes preservation-friendly decisions via inexpensive loan funds (with fixed-rate financing as low as 1.4 percent); education; and technical assistance. It also effectively addresses three of the top objections to buying older houses: the cost of maintenance, the specialized knowledge required of homeowners, and the functional obsolescence of kitchens and bathrooms in older houses. (Heritage Home Program loans can be used to fund those interior improvements with no historic standards or review.)

The program's low-interest loans are enabled by a "buy-down" of interest rates from two local banks. Public funds from the Cuyahoga County and the Ohio Housing Finance Agency (OHFA) provide capital to subsidize the difference between at-market interest rates and the lower subsidized rate.²² Loan amounts are determined by an after-rehab appraisal that estimates the post-rehabilitation home value to establish equity. The loan terms are for 7 to 10 years, with no prepayment penalty. The CRS banking partner can hold the first or second lien on the property.

²¹ Cleveland Restoration Society, *Mission, Vision & Strategy* (Cleveland: author, 2015), available at <http://www.clevelandrestoration.org/about/vision.php>.

²² Heritage Home Educational Society, *Heritage Home Program: Loan Subsidy Application* (Cleveland: author), available at http://www.heritagehomeprogram.org/assets/pdf_files/Heritage%20Home%20Program%20Application.pdf.

Borrowers must meet participating banks' standard lending requirements, Lann notes. This includes income sufficient to pay back the loans, though loans subsidized by OHFA dollars are restricted to low- and moderate-income households earning up to approximately \$76,000 per year. Program staff estimate that, over the life of the program, it has made more than 300 loans worth \$11 million to low- and moderate-income homeowners in northeast Ohio. (Loans subsidized by Cuyahoga County are unrestricted.)

The Heritage Home Program has become a national model in its nearly 25 years of operation. According to its website, it has made more than 1,200 low-interest loans for more than \$46 million and provided technical assistance to more than 9,000 homeowners on projects valued at a total of \$200 million. Loans range from \$3,000 to \$200,000, with an average loan of \$25,000. A Cleveland State University study showed that the loans benefited the surrounding neighborhoods as well; assessed values and sales prices of homes surrounding the participating properties increased.²³

The Heritage Home Program is open to any age-eligible house in participating communities, but some communities market the program in targeted ways. The city of Cleveland Heights is currently planning to focus its marketing efforts to areas hard-hit by the recession, where homeowners have been hesitant to reinvest in their homes, and the city of Bay Village has done targeted outreach to low- and moderate-income census tracts. The Lucas County Land Bank (Land Bank) is also taking a focused approach in several neighborhoods in and around Toledo, as will be discussed later.

TECHNICAL ASSISTANCE

Technical assistance, or "home improvement advice," is the heart and soul of the Heritage Home Program. Program staff offer consultations at no charge to owners of older residential properties in participating communities; homeowners outside those areas and owners of other building types are charged a small fee. Services include site visits; recommendations on maintenance, repair, rehab, additions, energy efficiency, and modernization of kitchens and bathrooms; and construction advice. In addition, staff help evaluate contractor bids and estimates and provide advice on materials and supplies.

"Not everybody is going to want a program loan, but they want to get the job done in one way or another," says Lann. Technical assistance "helps to get those projects done, hopefully with a preservation approach" that maintains the quality of local architecture and neighborhood character. Last year, program staff provided free advice to more than 1,500 homeowners.²⁴ In the past 10 years, 8,000 homeowners have used the program's technical assistance, including 5,200 site visits.

Although most technical assistance is requested, some is required for loan recipients. Staff members go on a site visit with prospective borrowers and review the proposed scope of the project prior to the application's submission. Before work begins, staff members develop exterior project specifications in collaboration with the property owner; these are referred to again during a final inspection.

²³ Brian Mikelbank, *Does Preservation Pay? Assessing Cleveland Restoration Society's Home Improvement Program* (Cleveland: Cleveland State University, n.d.).

²⁴ Heritage Home Educational Society, *Heritage Home Program*, Loan Subsidy Application.

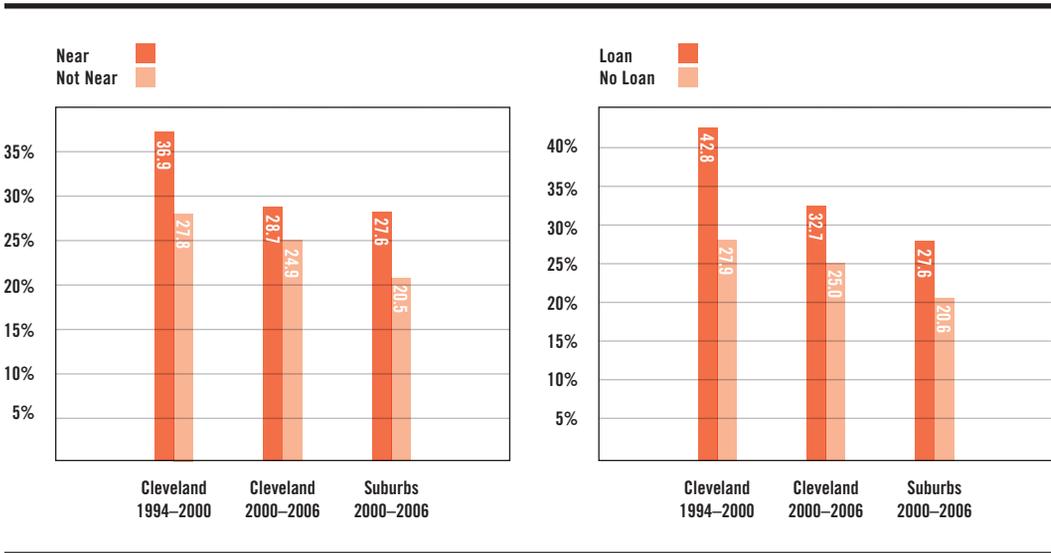
Program involvement extends to the funding itself. The homeowner is the borrower, but the lending institution deposits loan funds into an escrow account held by CRS, which disburses them directly to the contractor as work is completed. According to Lann, CRS sees the escrow process as added value for multiple parties: It removes the hassle of managing payouts and contractors for the homeowner, assures the contractor they will get paid, and provides trusted quality control that reassures banks that the completed project will add value, which helps them take small risks with lending.

CRS also organizes public workshops on home maintenance and rehabilitation, and an online preservation toolbox rounds out the program’s technical assistance. Practical topics are the focus of both programs: painting and color advice, maintenance basics, weatherization, roof repair, etc.

IMPACTS

Put simply, houses in the program achieve results. Between 2000 and 2006, the assessed values of Cleveland properties in the Heritage Home Program rose roughly 8 percent above the values of comparable properties.²⁵ Between 1994 and 2000, the assessed values appreciated 43 percent on average, compared with 28 percent for similar properties. The results were similar in communities outside Cleveland that adopted the program after 2001. There, nearly 100 properties saw a median appreciation of 28 percent compared with 21 percent for comparable properties.

Figure 2. Estimated Market Value Appreciation Associated With the Heritage Home Program



Reproduced with permission from Biran Mikelbank, Cleveland State University “Does Preservation Pay? Assessing Cleveland Restoration Society’s Home Improvement Program.

²⁵ Mikelbank, *Does Preservation Pay?*

Program participation is also correlated with lower rates of foreclosure, a broad indicator of neighborhood stability. A study of Heritage Home Program loan properties from 2006 to 2013 found that foreclosure rates for the sample track countywide trends, reflecting difficult market conditions.²⁶ However, the rate of foreclosure among program participants was 2.9 times (in 2008) to 11.1 times (in 2010) lower than the countywide foreclosure rate. Foreclosure rates for program participants were also lower than those in their surrounding communities, both within Cleveland and in inner- and outer-ring suburbs.²⁷

Mikelbank's "Does Preservation Pay?" study established that the impacts for property values extend beyond the houses in the program—a particularly important point for middle neighborhoods where stabilizing and strengthening housing markets may be a priority. The spillover benefits were measured for houses within one-tenth of a mile of properties that had received CRS loans. In Cleveland, the sale price of the nearby houses had risen by 10 percent, compared with a 6 percent increase for other houses. In the surrounding communities, sale prices appreciated by 14 to 50 percent more than sale prices of other houses. Assessed values also rose more for nearby houses. In Cleveland between 1994 and 2000, assessed values for nearby houses had appreciated 9 percent more than other houses (37 percent vs. 28 percent); between 2000 and 2006, the difference was 4 percent higher (29 percent vs. 25 percent). Outside Cleveland, houses in the tenth of a mile radius were assessed at values roughly 7 percent higher than those outside it (28 percent vs. 21 percent).

The same study also suggested that the loan programs had nonmonetary benefits for the neighborhood. Few houses in the CRS loan programs sold between 1994 and 2006. Mikelbank thought that perhaps homeowners who had thoughtfully invested in their homes were less likely to sell them. If this were the case, the loan program could help encourage lower turnover and more stability. Lann at CRS noted that the program encourages a shift in attitude, from regarding a house as an investment—one that will eventually be sold—to seeing it as an asset that shapes the quality of daily life. "When people do a project that makes their day-to-day living better and know they've invested in their house, they tend to stay in it longer," she said.

LUCAS COUNTY LAND BANK

In 2014, CRS licensed the Heritage Home Program to the Lucas County Land Bank, which was established in 2010 to work in Toledo and surrounding communities in northwest Ohio. Through this move, and by making the program available for licensing to other land banks, CRS sought to make rehabilitation a stronger, easier tool for land banks to use.²⁸ According to Lann, licensing also allowed the program to grow beyond CRS's geographic area—a key move, given the importance of onsite technical assistance.

²⁶ Brian A. Mikelbank, "In Search of Stability: Adding Residential Preservation to the Planner's Toolkit," (unpublished manuscript, 2015), 15–16.

²⁷ *Ibid.*, p. 17, 20.

²⁸ Heritage Home Educational Society, *Licensing the HPP: A Tool for County Landbanks* (Cleveland: author, 2015), available at <http://www.heritagehomeprogram.org/joinus/licensing.php>.

The Lucas County Land Bank (“Land Bank”) was no stranger to rehabilitation, with a track record that included acquisition and resale of 329 houses in its first five years.²⁹ It does not rehabilitate homes itself, but resells the houses with the condition of renovation to leverage private dollars. For houses that do not require extensive renovation, offers from prospective owner-occupants are prioritized. The Land Bank has also worked with local immigrants to repurpose vacant buildings as part of the Welcome Toledo–Lucas County initiative. The Land Bank’s *Five Year Progress Report* framed the work in terms of preserving “the fabric of our neighborhoods”: “Each vacant property that is renovated helps stabilize surrounding properties by increasing values, eliminating blight, and generating new energy in our neighborhoods and commercial corridors.”³⁰ This includes partnerships with immigrants.

According to David Mann, the Land Bank’s executive director, the agency sees the Heritage Home Program as a proactive way to stabilize properties before they deteriorate, encourage upkeep of surrounding properties, and preclude more substantial Land Bank involvement—in the long run, achieving its mission to strengthen neighborhoods and preserve property values. According to the *Five Year Progress Report*, a recent survey of every parcel in Toledo yielded encouraging results about the condition of the housing stock—88 percent of houses were in good or very good condition. At the same time, it noted, “too many homeowners cannot keep up with major exterior maintenance”: nearly 16,000 properties, or 17 percent of all buildings in the city, had missing siding and peeling paint.

Yet the challenging regional real estate market has significant repercussions for property owners who seek to repair their homes. The foreclosure crisis sent local property values into a downward spiral, with a 25 to 30 percent reduction in most Toledo neighborhoods, and home values have remained flat or climbed only slightly in subsequent years, according to Mann. Combined with banks’ conservative approaches to calculating potential loans, this means that many homeowners have too little equity in their houses to qualify for a loan, even with the after-rehab assessments offered by the Heritage Home Program. They are not able to sell either. This is true even in Toledo’s most stable neighborhoods, says Kathleen Kovacs, the Heritage Home Program director for the Land Bank.

As a result, technical assistance has by far been the largest component of the Heritage Home Program in Lucas County. In the 18 months since the program began there, approximately 120 homeowners have taken advantage of the free technical assistance offered by the program, compared to just two loans made. As in Cleveland and Cuyahoga County, program staff conduct site visits, help homeowners evaluate and prioritize needed work, determine what they can do themselves, and review contractor quotes when needed.

²⁹ Homes acquired for rehabilitation made up 30 percent of residential building acquisitions; the other 70 percent of houses were acquired for demolition. Lucas County Land Bank, *Five Year Progress Report: 2010–2015* (Toledo: author, 2015), 6, available at <http://co.lucas.oh.us/DocumentCenter/View/55765>.

³⁰ Ibid.

“It’s about knowledge-sharing and education,” says Kovacs. “If you leave a homeowner a little more educated about what they need to do to maintain their home, that leaves the community better off.” Mann agrees: “If someone has gained real knowledge—or gained real knowledge and been able to make those improvements—that’s a benefit to the community.” Both see the Land Bank as a neighborhood resource with a long-term view, and the Heritage Home Program as a relatively inexpensive investment in—and toolkit for—early preventive intervention.

The program is open to all age-eligible houses in Lucas County, as in Cleveland, but the Land Bank has targeted its initial outreach to four neighborhoods in Toledo and one neighborhood in a suburban community. Kovacs noted that they chose stable and middle neighborhoods with the goal of preventing the need for other, more intensive land bank services. They began with two historic districts—one in a stable neighborhood and one in a middle neighborhood—working intensively with local partners. The program then expanded to two middle neighborhoods with historic housing stock in Toledo and a suburban neighborhood. In the four Toledo neighborhoods, technical assistance was in high demand. When it came to making improvements, most property owners in two of the higher-income neighborhoods preferred to use their own funds, while some homeowners in the other neighborhoods had insufficient equity to qualify for loans.

The Land Bank is currently exploring other tools to enable homeowners to complete necessary work. It just started the Rebuild, Invest, Stabilize, and Engage (RISE) program, a targeted effort being piloted in Toledo’s character-rich Library Village neighborhood to layer multiple Land Bank programs and maximize impact. The Land Bank is also considering whether an existing program to fund energy-efficiency improvements in commercial buildings can be adapted for use with residential properties.³¹

In the meantime, the Heritage Home Program is aligned with other Land Bank programs: home sales for renovation, acquisition and resale of commercial buildings for renovation, and more. The Land Bank actively demolishes vacant houses—with an anticipated 1,800 demolitions by the end of 2016—but it also aims to help maintain neighborhood character and provide homeowners with strong tools for success, according to its *Five-Year Progress Report*. “By making direct investments, partnering on renovation projects, and offering the Heritage Home Program,” says Mann on the Heritage Home Program website, “we hope we are setting an example for other land banks across the country that balance is key—and it’s not an either/or.”³²

For example, \$1.4 million from a Wells Fargo settlement provided partial funding for a Land Bank roof replacement grant program in 2014–2015.³³ The program was targeted to low- and moderate-income homeowners in three concentrations of majority-minority census tracts and included elements similar to the Heritage Home Program: homeowner education through credit counseling

³¹ The Property Assessed Clean Energy program (PACE) is administered through the Toledo Port Authority. It allows property owners to borrow money to make energy-efficiency improvements such as windows, insulation, and boilers. Debt is assessed directly to property taxes and paid in installments and is transferable to a new owner.

³² Heritage Home Educational Society, *Licensing the HPP*.

³³ Lucas County Land Bank, *Five Year Progress Report*.

and wealth-building classes; technical assistance, with a home inspection by land bank staff and comprehensive repair list; and funds to replace roofs.³⁴ The program replaced 145 roofs, but the education and assistance had other lasting impacts. “The homeowners understood that we were going to invest in them in the long term, not the short term,” Kovacs noted.

CONCLUSIONS

Evidence is growing for the positive impact that short-term investment programs—preservation and otherwise—have when they take a holistic, long-range view of neighborhood stabilization in middle market neighborhoods. These targeted, incremental improvements both benefit current residents and pave the way for much-needed newcomers. A more expansive view of historic preservation in middle neighborhoods provides neighborhood stabilization benefits along the equity, health, and environmental axes and encourages more robust real estate markets. Preservation tools such as those discussed in this chapter, and others yet to be tried, deserve careful attention by those seeking to stabilize middle neighborhoods.

This is particularly true because, when owner-occupied, the houses that make up middle neighborhoods are tremendously important concentrations of wealth for a large proportion of families.³⁵ Finding ways to stabilize and build market value (and restore market functionality for fair transactions) of these homes is an essential part of this volume. Underlying these strategies is an understanding that the historic character, the walkability, the sustainability, and the feel of these neighborhoods are both valued and an underused source of market demand.

Although it is true that each city, neighborhood, and block is unique, we can draw three conclusions about the importance of creating deep partnerships, fostering long-term community engagement, and targeting limited resources.

The value of strong partnerships cannot be understated. When preservation has been an effective tool in bringing a community and many external stakeholders together to achieve tangible results in a neighborhood, it has been rooted in partnerships between many actors, many of whom may have never previously worked closely together. It is precisely because different groups bring different experience, connections, and expertise to the table that their collaborative efforts are far greater than the sum of their parts.

Meaningful community engagement and long-term commitment to a specific community were also hallmarks of these programs' success. The Youngstown Neighborhood Development Corporation has not only conducted community engagement activities in Idora—it also supports the activities of Neighborhood Action Teams and tracks progress toward community goals. The result is more proactive and engaged representatives from the local community. The Heritage Home Program in Lucas County is joined by other land bank initiatives to build homeowners' financial acumen and practical know-how. These programs fall outside traditional land bank activities, but they meet larger

³⁴ Ibid.; Lucas County Land Bank, *Neighborhood Roof Replacement Program Application Packet* (Toledo: author, n.d.).

³⁵ See Mallach in this volume, “Homeownership and the Stability of the Middle Market Neighborhoods.”

goals of neighborhood stabilization and help community members see the land bank as a long-term partner and resource.

For cities with a high proportion of middle neighborhoods, resources available for investment strategies are stretched extremely thin. The programs in Slavic Village and Idora have taken the approach that neighborhood investment strategies should be tailored to neighborhood conditions to achieve the highest likelihood of results. In Cleveland and Lucas County, the Cleveland Restoration Society and partners have made more financial resources available via after-rehab appraisals and lower interest rates. The simultaneous strategy of considering technical knowledge an important resource adds another dimension of value.

Because they could quickly turn up or down, middle neighborhoods in legacy cities offer unique opportunities for program innovation, and substantial returns on limited investments. We see an economic, equity, and environmental case for substantial increases in the strategic deployment in middle neighborhoods of programs that increase neighborhood curb appeal characteristics, such as (relatively) small-scale facade improvement grant and loan programs. This volatile context also makes it challenging to evaluate programs that intervene and underscores the need for careful research.

It is worth noting that those seeking to stabilize middle neighborhoods through preservation strategies often point to an absence of compelling quantitative research to share with stakeholders, funders, and regulators around the benefits of neighborhood-scale preservation programs. Future research that would be helpful in this arena would analyze a broad range of neighborhood stabilization tactics (e.g., occupant support, rehab, stabilization, mothballing, demolition, and vacant property uses) with regard to impacts on foreclosures, property values, and other demographic effects.

In the short term, we will be eying a few emerging programs, including the Healthy Rowhouse Project in Philadelphia; Rehabbed and Ready, a public-private partnership to renovate and auction homes in Detroit; and the Detroit Neighborhood Initiative—all oriented around furthering affordable homeownership in older neighborhoods. The Lucas County Land Bank's RISE program in Toledo (to be launched in 2016) and the Slavic Village Recovery Project in Cleveland also merit observation and full evaluation over the next few years.

Programs such as those in Youngstown's Idora neighborhood and the Heritage Home Program around Cleveland and in Lucas County reflect a new paradigm of holistic and broadly based historic preservation. With a practical orientation to contemporary community needs, historic preservation can help ensure that the older building stock of a neighborhood can effectively meet the triple bottom line goals of economics, equity, and the environment for future residents and those who, for a very long time, have called these neighborhoods home.

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