American Planning Association
Making great communities happen

December 2006

Everything Old Is New Again

Cities are using tried-and-true (and some truly new) approaches to repopulating city neighborhoods.

By Lisa Schamess

Schoolteacher David Torke paid a dollar for a Victorian row house in the Masten neighborhood of Buffalo, New York, an area dotted with vacant houses from the turn of the century.

That was 1996, and Torke's house had been empty for eight years.

After 10 years and many hours of sweat equity, Torke lives in his completely rehabbed house and puts up guests in a neighboring house that he also acquired. And he presides over a citizen blog, Fix Buffalo Today, which he started in 2004 to track the neighborhood's — and the city's — ups and downs. With an unflinching eye, Torke depicts the ravages wrought in his neighborhood by 40 years of population decline and disinvestment. Once a year, he and other Buffalo boosters get on their bicycles to enact the annual "Tour de Neglect," a road trip showcasing the best and worst of life in a classically "weak-market" city.

Buffalo is not alone. While many U.S. cities experienced a renaissance in the 1990s, 55 percent of all large American cities missed out, with population losses or virtually no growth.

Now, however, community groups and planners are trying new approaches to bring residents back, from marketing techniques to green infrastructure initiatives. In the hardest hit cities — including Buffalo, Detroit, and Youngstown, Ohio — planners are revisiting the emergency intervention tactics of the 1970s (demolition, broad-scale urban land assembly, eminent domain, and urban homesteading) to stem the rising tide of losses and to turn whole cities around.

Back to the neighborhood

The 1980 Census showed that cities as distinct from one another as New York and Denver had lost five to10 percent of their population during the 1970s. Washington, D.C., lost 120,000 residents, essentially 20 percent of its population. And Pittsburgh, which in 1970 held nearly 30 percent of the region's jobs, was embarking on a three-decade slide. It lost 289,000 residents between 1970 and 2000, and now claims only a 12 percent share of jobs.

By the late 1980s, many urban areas had seen significant reinvestment, partly prompted by the Community Reinvestment Act of 1977 and pushed by technology and lifestyle shifts that attracted businesses and younger buyers back to the city. But even as luck returned to some city centers, problems deepened in others.

In 1996, Bruce Katz of the Brookings Institution and Anne Power of the London School of Economics articulated the concept of weak-market cities: metropolitan areas that missed the 1990s gravy train. Among the first responders to these conditions were community development corporations, which have tackled problems at the neighborhood level since the 1960s. Now the challenge for CDCs is to rethink the scale and scope of their operations.

In 2003, the Community Development Partnership Network, a national peer network of CDCs, published *Building a Framework for Community Development in Weak-Market Cities*, a report that called on CDCs in weak markets to respond to economic realities beyond their immediate neighborhoods. Among the network's recommendations: Recognize the need to create "a belief system for weak-market cities," base revitalization on market realities, and create distinctive niches.

One of the organizations most influential in contributing to the new "belief system" is doing so by addressing another angle: market information. The Reinvestment Fund in Philadelphia has created a classification system for city neighborhoods based on their market characteristics and stability.

Using a technique known as cluster analysis, the fund organizes information about home values, occupancy rates, environmental conditions, owner-renter mix, median income, publicly versus privately held property, transportation linkages, and current levels of investment within neighborhoods. Although the cluster types vary slightly by community, they generally range from very strong markets (referred to as "regional choice" or "high value" areas) to those that need a higher level of attention or even intervention to succeed — variously described as "stressed" or "reclamation" areas.

The system is adaptable enough to help cities fine-tune planning forecasts and target immediate investment strategies. First developed for Philadelphia's Neighborhood Transformation Initiative, the typology was adapted in 2005 to become the centerpiece of Baltimore's comprehensive plan — the city's first in 30 years. Now Baltimore's Department of Housing is using the system to target its activities, revealing neighborhood strengths and challenges relative to broader regional markets. Perhaps most important, the system has helped break the cycle of guesswork and helplessness that surrounds some neighborhoods, and is helping planners to pinpoint "pockets" for targeted investment in even the most troubled areas of a city.

While retaining their critical focus on specific neighborhoods, CDCs are also entering the citywide and regional arena. Often they do so through networks like Cleveland's Neighborhood Progress, Inc., a citywide organization that offers training, gap financing, and other support services to CDCs.

Frank Ford, vice president for research and development at NPI, told an October 2005 gathering of planners and community advocates that his organization is moving beyond "being a housing production engine." It has begun to pursue more ambitious approaches to marketing and even developing its own commercial real estate ventures, he said. New Village Corporation, the organization's real estate development arm, now tackles projects too large for a neighborhood CDC or too risky for a private developer.

An early success was the 1997 development of a 35,000-square-foot supermarket in the Ohio City neighborhood, which created 98 permanent jobs and has since attracted new residential development. In 2001 NPI worked with a local CDC partner, the Amistad Corporation, and a private developer, Forest City Enterprises, to redevelop the 200,000-square-foot Lee-Harvard shopping mall.

Another approach making a comeback is urban homesteading. The name evokes images of the Homesteading Act of 1862, which ironically was repealed in 1976 just as its modern-day counterpart, urban homesteading, was getting under way.

Urban homesteading began in the 1960s as a response to the housing crisis and social turmoil in cities. The earliest urban homesteading efforts were often sponsored by private nonprofit groups like the Urban Homesteading Assistance Board, formed in 1973 in New York City by a group of idealistic young architects, inner-city activists, and planners to promote "self-help housing." City governments soon adopted their own urban homesteading programs — in 1973, "citysteading" was formally adopted in Baltimore; Wilmington, Delaware; and Philadelphia, among other cities — as they sought to recover from the greatest urban population losses yet recorded in the U.S.

The basic premise of urban homesteading is the same today as it was then: For a nominal purchase price (as little as a dollar in many cases), an individual who otherwise could not afford a home purchases a property and brings it back to useful life instead of paying a mortgage. This common arrangement led UHAB to coin the phrase "sweat equity."

Eventually, UHAB and similar groups began to work on a wider scale, encouraging tenant associations to purchase their buildings (again, sometimes at greatly reduced prices), both to stabilize neighborhoods and to end the poverty cycle in many families.

Ninety municipalities had urban homesteading programs by the time this tool began to lose its luster in the 1980s. Some programs declined in the face of market challenges and red tape. The idea never disappeared, however. The state of Ohio proposed a statewide urban homesteading program earlier this year, and President Bush floated the proposal for an urban homesteading program in New Orleans. Buffalo enacted its program in 2005; at least one citizen group, People for Urban Sustainable Housing (PUSH-Buffalo), is poised to take advantage of it.

Picking on someone to right-size

All the promotion in the world won't create a market or make a dent in cities like Buffalo or Youngstown, Ohio, until broader steps are taken, says John Kromer, senior consultant at the University of Pennsylvania's Fels Institute of Government and formerly head of Philadelphia's Department of Housing. Kromer says that investment in waterfronts or downtown festival marketplaces, attempted by many weak-market cities during the 1980s and '90s, is not a sufficient response to the problems of vacancy and abandonment. Instead, an all-encompassing municipal effort is needed.

"I didn't hear of a citywide effort that made sense until the 1990s," Kromer says. Those that succeeded have mayoral leadership, he adds: "When the mayor makes a political commitment, everybody pays attention, even if nothing gets started for a very long time. Mayors make political commitments in support of individual urban renewal projects all the time; but a citywide commitment is much riskier."

Kromer says it's also important that a prominent representative is designated to be "the one who speaks for the mayor, and, frankly, the person who really loses sleep over the issue." As Philadelphia's housing director from 1992 to 2001, Kromer served as the go-to person for Mayor Edward Rendell for eight years, then participated in initial planning for current Mayor John Street's Neighborhood Transformation Initiative.

In Buffalo, where the common council recently adopted a vacant property management strategy as part of its new comprehensive plan, Mayor Byron Brown may very well be looking for someone who can stay up at night thinking about the issue. His predecessor, Anthony Masiello, created an Office of Strategic Planning to address reinvestment in the city. It was a widely applauded move, but many hope the new mayor will go further.

The city is in dire straits, with properties showing up for just a few dollars on eBay. Buffalo has spent more than $30 million since 1995 to demolish more than 4,500 vacant buildings.

"At times it feels like parts of the city are simply evaporating," says Anthony Armstrong, program officer at the Buffalo Local Initiatives Support Corporation. "The landscape changes daily as condemned houses are finally taken down, but even as they are being hauled away, formerly occupied houses just as quickly replace the blight. Continuing current policies and practices will not — cannot — abate the problem in any meaningful way."

Buffalo LISC recently collaborated with the suburban Amherst Industrial Development Agency, the Institute for Local Governance and Regional Growth at the University at Buffalo, and the National Vacant Properties Campaign to begin to address population loss, rising vacancies, nuisance properties, and disinvestment, which shows signs of creeping outward to first-tier suburbs. The report, *Buffalo Blueprint*, released in October 2006, covers a range of strategies, including one that captures the imagination: green infrastructure.

Greening the city

Youngstown's 2010 comprehensive plan may have been the first such plan in the nation to include a section addressing vacant and abandoned properties. The city has lost half of its population since 1960, at a rate of about 16 percent every 10 years, creating vacancies of such breadth that the city intends to demolish and "green" great swaths of city land. The result would be new parks and trails, especially in disused commercial areas and neglected grayfields.

Based on a strategy that reinforces the city core with transportation connections and its extensive network of waterways, the Youngstown 2010 Citywide Plan also doubles the land set aside for institutional use. The plan looks to major institutions, including public schools, to anchor newly "greened" communities.

Land banking is the chief mechanism that Buffalo and Youngstown expect to enlist for their greening strategies. This tool for land acquisition and parcel assembly has been available in many states since the mid-1970s, but it has mostly been used to protect rural land in high-development areas. Ohio enabled local governments to have land bank authority in 1976, and shortly thereafter Cleveland became the first in the state to create a land bank. But there were still only a handful of active land banks in Ohio as of 2005 — and, in general, land banks haven't been able to acquire abandoned property very quickly.

The Genesee County Land Bank Authority in Flint, Michigan, is one of the new breed of county land bank authorities with significant powers to swiftly take over — and turn over — vacant properties and underused sites. Organized in 1999 to respond to Michigan's passage of stronger tax foreclosure laws, the authority acquired its full powers as a land bank with the state's passage of its first land-banking law in 2004.

Since that time, Genesee County, working through its treasurer's office, has taken title to more than 5,400 parcels covering about nine percent of Flint's land area. Through the land bank, the county has undertaken both commercial and residential redevelopment of reclaimed properties, including the mixed use redevelopment of a 30,000-square-foot downtown Flint building that had been empty for 25 years.

The land bank has renovated dozens of houses for resale, saved 1,750 families from foreclosure, and put stable nonprofit agencies in charge of rental housing. Overall, the land bank has overseen the demolition of about 700 dilapidated houses, has conveyed hundreds of vacant lots to next-door neighbors through its side lot program, and has transfered property and assembled lots for redevelopment projects by the city of Flint, local nonprofits, and community organizations.

After the recovery

Even cities that are coming back — like Washington, D. C., which gained about 31,000 residents between 2000 and 2005 — still have a lot of catching up to do when it comes to vacant properties. In 1980, the city had 9,800 vacant and abandoned buildings. In 2002, the figure was about 4,000, many of them privately owned. Mayor Anthony Williams launched the Home Again Initiative that year to focus on specific neighborhoods where vacancy and hazardous property conditions were highest. To date, the program has identified and investigated 1,187 vacant properties, and prequalified 41 developers to take possession of 137 properties to rehabilitate them; one in four housing units is designated for affordable housing.

A much more broad-scale redevelopment is Reservation 13, a 67-acre area dominated by the city's jail and the shuttered D.C. General Hospital complex, which ceased operation in 2001 amid public outcry. Residents in the neighborhoods surrounding the site are calling for more greenspace, more retail, and better design of any new buildings or redevelopment. By some estimates, 2,000 acres of vacant or underused land and buildings surround the area; citizens are calling for strategies to channel the resurgence of real estate capital flowing into the city.

Planning director Ellen McCarthy says, "One very humbling thing about operating in Washington, D.C., is having Southwest there as a reminder of how easily planners in the past have jumped on fads that turned out not to be very wise policy." McCarthy is referring to Washington's Southwest waterfront, which crtics view as one of the nation's most notorious examples of heavy-handed, top-down 1960s urban renewal. "We saw programs that had good aims but were executed in really deplorable ways," she says.

To prevent history from repeating itself, McCarthy says, "We have spent a huge amount of time just building trust in places like Reservation 13. Among other things, we signed a set of guiding principles for the redevelopment — like one-for-one replacement of low-income units, building new housing first, and relocating residents only once."

McCarthy urges other cities looking for a turn in fortunes to plan ahead: "Put the right zoning in place, put protection in places for things that give a district or neighborhood its unique character," she says. "Then when the market starts to turn around, you have a unique product to offer and are competitive with suburban neighborhoods."

Back in Buffalo, Anthony Armstrong and his colleagues are eyeing the steep slope they'll need to scale before their city is in full recovery. He cautions that the big-stick policies Buffalo must wield are not for every city.

"I think it is important that CDCs, policy makers, and other decision makers view the resurgence of these programs not as the solution, but as partial solutions that can be adapted to particular needs and opportunities," says Armstrong. "These approaches must be realistic in their assumptions about the weak demand for land across the city and must be careful to cluster development within specific target areas in order to create a noticeable, sustainable impact."

Lisa Schamess is a writer based in Washington, D.C. She served as the project editor for Buffalo Blueprint*, a strategy for addressing vacant properties in the Buffalo–Niagara region.*

Resources

Images: Top — A University of Buffalo building is coming down to make room for a parking lot at the new medical campus. Photo by David Torke. Middle — Ninety art and home decor businesses now populate the 16:62 Design Zone district of Pittsburgh. Photo by Rick Armstrong. Bottom — A town house in Washington, D.C., awaits rehabbing; its neighbors have already been spiffed up. Photo by Stuart Hershon.

Community Development Partnership Network: www.cdpn.org

Fix Buffalo: www.fixbuffalo.blogspot.com

National Vacant Properties Campaign: www.vacantproperties.org

Neighborhood Progress, Inc.: www.neighborhoodprogress.org

The Reinvestment Fund: www.trfund.com

Urban Homesteading Assistance Board: www.uhab.org

District of Columbia Reservation 13 Master Plan: http://planning.dc.gov.planning

Youngstown 2010 Plan: www.youngstown2010.com

Buffalo Blueprint: www.vacantproperties.org