Strengthening the Connection: Community Development and Historic Preservation

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Preservation as the Movement of Yes
Community Development Corporations (CDCs) are nonprofit organizations that work to strengthen the physical, social and economic fabric of communities by catalyzing neighborhood revitalization and building community wealth. Through a wide range of resident-driven programs, CDCs affect positive, sustainable change by empowering individuals to invest in their communities and improve quality of life. Current reports estimate that 4,600 CDCs exist nationwide, operating in communities large and small across the country.

All are defined by several key characteristics:

- CDCs focus efforts on revitalization of their local communities, which are typically low-income, underserved neighborhoods that have experienced significant disinvestment.
- CDCs invest capital through redevelopment of residential and commercial property, establishing roots as valued community stakeholders with real voices in policy and planning.
- CDCs are nonprofit and mission driven, taking a bottom-up rather than a top-down approach by filling at least one-third of their governing boards with community residents. This ensures grassroots participation in decision making and enables residents to advocate for real change.

Working in urban neighborhoods filled with historic building stock, many of these CDCs are rehabilitating historic buildings to accomplish their housing and revitalization goals. Melissa Jest, manager of the National Trust’s Historic Properties Redevelopment Program, reported on four such CDCs in the Fall 2014 issue of Forum Journal: Mission First Housing, based in Philadelphia; Cincinnati Center City Development Corporation (3CDC); Innovative Housing, Inc., in Portland, Oregon; and Heartland Housing, Inc., in Chicago. Furthermore, the National Trust has, for decades, partnered with CDCs through its Main Street Program and the
former Community Partners Program to help communities turn neglected historic properties into affordable housing.

While collaborations do exist between CDCs and preservationists, the National Trust is committed to expanding and strengthening these relationships. Recently, the National Trust supported research, conducted through the Collaborative Learning Center at the Savannah College of Art and Design (SCAD), to identify areas of common ground and best opportunities for partnership. The SCAD students’ findings are revealing and inspiring, and the study is serving as a valuable resource for the National Trust’s property redevelopment initiatives.

This article explores how perceptions about preservation, both positive and negative, are guiding CDCs’ use of historic property redevelopment as a revitalization tool. Findings from the study can help preservationists make the case to their community development colleagues that preservation strategies, far from being obstacles, can be valuable tools for meeting mutually beneficial goals. Armed with greater understanding of each others’ missions and methods, preservationists and community developers can better share and employ the knowledge, tools and resources needed to successfully save historic buildings and build community wealth.

**HISTORY AND DEVELOPMENT**

CDCs have been around since the 1960s, born out of the anti-poverty and civil rights movements and funded early on by the Ford Foundation’s Grey Areas Program and the federal government’s Special Impact Program, an amendment to the Equal Opportunity Act of 1964. Senator Robert Kennedy, a key figure in the creation of the Special Impact Program, promoted the important role of community involvement in economic development, and in 1967 he helped establish the Bedford Stuyvesant Restoration Corporation (BSRC), the nation’s first CDC. According to Kennedy, BSRC’s effectiveness was based on its ability to “combine the best of community action with the best of the private enterprise system.”

Interestingly, BSRC’s early actions were founded in preservation principles. Rather than embracing urban renewal planning models and demolishing the Brooklyn neighborhood’s historic buildings for
high-rise modern housing towers, this CDC championed the benefits of rehabilitating existing structures. It adaptively used an old milk factory as both its headquarters and a mixed-use commercial development. Realizing the significance of the community’s brownstones, BSRC established a program to restore facades and rehabilitate interiors, which led to the neighborhood’s historic district designation as a New York City Landmark in 1971.1

Successes of early CDCs such as BSRC inspired the formation of others, with about 100 CDCs operating in major cities by 1970. The numbers grew throughout subsequent decades, fueled by foundation and government funding, eventually expanding to the approximately 4,600 CDCs of today.

According to Community-Wealth.org, a project of the Democracy Collaborative, these nonprofit, community-based organizations produce on average 96,000 units of housing, 7.41 million square feet of commercial space, and 75,000 jobs each year. A December 2012 study entitled Collective Strength, completed by the Philadelphia Association of Community Development Corporations, determined that, over the past 20 years, CDCs “contributed more than $3.3 billion to Philadelphia’s economy through housing and commercial development and a range of community services, while also increasing household wealth, building the local tax base, revitalizing neighborhoods and creating thousands of jobs.” Clearly, CDCs are making significant and sustainable contributions that enhance livability and help break the cycle of poverty.

PARALLEL PATHS, COMPLEMENTARY GOALS
As said earlier, many CDCs are actively saving and reusing historic resources in their communities. In every sense of the word, they are preservationists. But few of these CDCs identify preservation as a component of their mission. A bit of semantics is at play, but a clear distinction exists. For preservation organizations, saving historic buildings is always the primary mission, with revitalization, providing affordable housing and other socioeconomic benefits obvious parallel goals. First and foremost for CDCs, on the other hand, is improving the quality of life in struggling neighborhoods. Along with rehabilitating historic buildings for affordable housing
and new businesses, a range of other initiatives—arts programs, job training, sanitation improvement, healthcare programs and new infill development—are means toward meeting CDCs’ goals. Only one of many strategies, preservation is secondary to the overarching mission of community development.

Regardless of how missions are defined, the end result of actions by both preservation organizations and many CDCs is the same—historic buildings are saved and the existing built environment is reused to harness a community’s identity, continuity and vitality. With obvious opportunities for partnerships, why isn’t the connection between these two groups stronger? And if preservation is not currently a key strategy being used by CDCs, what real or perceived barriers exist?

The National Trust, working through SCAD’s Collaborative Learning Center, asked historic preservation students to explore these questions. Throughout the winter 2015 academic quarter, five graduate students taking a Preservation Economics and Development course conducted extensive research by interviewing and surveying CDCs across the country.

**CARRYING OUT THE RESEARCH**

Before the study could begin, the students had to define their research parameters. The community development landscape is filled with a diverse range of organizations, including community development financial institutions (CDFIs), community land trusts (CLTs), downtown development authorities (DDAs), business improvement districts (BIDs) ... the list goes on. It’s easy to get lost in all the acronyms, so this study honed in on the nonprofit realm of community development and limited its scope solely to organizations classified as CDCs.

After defining CDCs and researching their historic development, the students began exploring the vast network of community developers, starting with national-level community development support organizations—like Enterprise Community Partners, Local Initiatives Support Corporation (LISC), and NeighborWorks America—and national advocacy groups—such as the National Alliance of Community Economic Development Associations.
(NACEDA), the National Association for Latino Community Asset Builders (NALCAB), the National Coalition for Asian Pacific American Community Development (National CAPACD), and the National Urban League (NUL).

These broad-based organizations directed the students to local CDCs, and to divvy up the research, each student was assigned a geographical area of the country based on U.S. Census regions. Exploring within the boundaries of their respective areas, the students began locating CDCs actively reusing historic buildings as part of their revitalization work. Along with conducting interviews with CDC leadership, the students developed and widely distributed a standardized online survey. Throughout the process, the following goals guided their research:

- Assess and enumerate the impact CDCs have on historic properties, defined as buildings over 50 years old.
- Identify case studies from five U.S. regions, taking into account social and geographic diversity, that demonstrate the economic and physical impacts CDCs have on the historic buildings.
- Determine barriers and current issues directly related to historic property redevelopment.
- Compile data into searchable formats that encourage exchange and collaboration.

The online survey, distributed to the entire CDC community, asked 19 specific questions related to the intersection of preservation and community development. The team received 47 survey responses during a condensed month-long collection period.

By the end of the 10-week research period, the students discovered more than 140 CDCs across the country carrying out rehabilitations on historic buildings. From these 140, they created profiles of 20 CDCs, collecting detailed

Locations of preservation projects by CDCs. Yellow flares are the areas of highest activity.
information on mission, history, financial resources, organizational capacity, notable rehabilitation projects, preservation-related challenges and opportunities for collaboration.

**MAJOR FINDINGS**

As expected, CDCs that use rehabilitation of historic buildings as a revitalization strategy can demonstrate significant community impact. This is clearly seen in the data that 37 CDCs provided through the online survey. These 37 organizations saved 472 historic buildings over the past five years, and the rehabilitation of those buildings generated 42 new businesses, produced 3,792 affordable housing units and created 203 new jobs. The total dollars invested into the local economies from just these rehabilitation projects is close to $600 million. Imagine if data could be reported on all CDCs doing preservation work; the figures would be even more impressive.

**CUMULATIVE IMPACT OF CDCS SURVEYED**

One of the CDCs contributing to these impact figures is **Neighborhood Housing Services of New Haven (NHS)**, a model example that demonstrates the potential synergies between preservation and community development. Since its founding in 1979, NHS has rehabilitated 180 historic buildings in focus neighborhoods throughout New Haven. Most are dilapidated houses, rehabilitated by NHS to stimulate reinvestment and provide affordable home-ownership opportunities for first-time buyers. To catalyze revitalization, NHS targets its efforts by rehabilitating a number of houses...
in the same area all at once, a strategy that attracts additional investment by building confidence in the community’s future.

Along with [Low-Income Housing Tax Credits](#), NHS often takes advantage of federal and state rehabilitation tax credits to help bridge financing gaps. This also ensures that projects are not simply gut jobs but sensitive rehabilitations abiding by the [Secretary of the Interior’s Standards](#). Furthermore, to enhance long-term sustainability and reduce the burden of utility costs for new residents, NHS follows green building practices to improve efficiency and reduce waste.

According to Henry Dynia, the organization’s director of design and construction, NHS frequently partners with [The New Haven Preservation Trust](#). Thanks to their reciprocal exchange of professional and technical assistance, “the partnership is an active and valuable relationship that benefits us both,” says Dynia. In fact, as a result of the collaboration the [Winchester Repeating Arms Company National Historic District](#) was recently expanded to include most of the adjoining Newhallville neighborhood, adding hundreds of contributing historic buildings to the district and opening the door to tax incentives for rehabilitation.

NHS of New Haven is not alone. Other CDCs have cultivated strong working relationships with preservation organizations. [Omni Development Corporation](#) in Providence, Rhode Island, frequently reaches out to the [Providence Revolving Fund](#) for design review and rehabilitation tax credit consulting. Grant funding and advocacy support from [Indiana Landmarks](#) assist [Irvington Development Organization](#) with its projects in Indianapolis. [Wilkinsburg CDC](#) and [Pittsburgh History and Landmarks Foundation](#) work together to rehabilitate historic buildings and attract new business investment through Pennsylvania’s [Neighborhood Partnership Program](#), which provides tax incentives for redevelopment in distressed communities. And preservation organizations frequently bring recognition to
CDC projects with awards. For example, the California Preservation Foundation honored East Bay Asian Local Development Corporation (EBALDC) with a “Design Award” for its creative reuse of Oakland’s historic Swan’s Market as a mixed-use development.

REAL AND PERCEIVED BARRIERS
Despite these examples, the majority of CDCs are not partnering with preservationists. The students’ survey revealed that many CDCs are not aware of what preservation organizations exist in their communities, suggesting a silo-ing of resources and efforts. Other CDCs believe their focus on community development is different from the concerns of preservationists or that their missions do not necessarily align. Emma Byrnes, program director at Rebuilding Together Montgomery County in Maryland, reported that “preservation organizations don’t necessarily have the same focus on critical home repairs and health and safety issues” that her organization does.

Through an interview with Frank Woodruff, executive director of NACEDA, the research team learned that community developers sometimes view preservationists as “holding up the process by making things more bureaucratic … which is not ideal for nonprofit developers that need to move projects forward to make ends meet.” Similar sentiments were voiced by Mark Lindenlaub, executive director of Thrive Alliance in Columbus, Indiana, who stated that projects can be complicated by “sometimes arbitrary determinations by state and local reviewers of what is or is not historic and worth preserving.”

Woodruff also mentioned that advocating for historic preservation tax credits is not a top priority for his organization, since
many CDCs lack the organizational infrastructure to use these credits and view the process as too slow. While the financial rewards can be significant, having to abide by an additional set of standards can add a heavy administrative burden and strain limited resources. Furthermore, as Chris Flood, community development officer at Three Rivers Community Action, Inc., in Minnesota pointed out, rehabilitation tax credits can add “risk” to projects by restricting the “ability to make desired changes.”

Along with perceptions about the restrictive nature of the preservation process, other CDCs listed the usual concerns as challenges to preservation: dealing with lead and asbestos abatement, the additional time and money required to carry out rehabilitation versus new construction, and lack of knowledge about how to deal with buildings in a deteriorated condition. Of course, money was also an issue. While neither community developers nor preservation organizations are flush with cash, CDCs typically have larger operating budgets, more staff and access to a wider range of funding sources. When it boils down to money, few preservation organizations have the resources to offer attractive financing to CDC projects.

**POTENTIAL CHALLENGES FACING CDCS REHABILITATING HISTORIC BUILDINGS**
A MUTUALLY BENEFICIAL WAY FORWARD

Whether or not these challenges present real or perceived barriers to preservation, the key to creating successful partnerships is to identify ways that mutually benefit the mission and bottom line. Both groups need to break free of their silos and openly discuss the possibilities. Preservationists must increasingly consider their actions from a community development perspective and identify ways to streamline the development process while still protecting community character. And community developers must shift preservation from an afterthought to a central value guiding revitalization efforts.

In light of mounting threats to state and federal historic preservation tax credits, an opportunity presents itself for preservationists and community developers to advocate with a unified voice in support of these incentives. Both groups can demonstrate the empowering effects of rehabilitation and its proven ability to build community wealth. The study identified some challenges CDCs face when dealing with preservation tax credits, and it’s up to preservationists to eliminate these concerns through education and technical assistance.

Through its Historic Properties Redevelopment Program (HPRP), the National Trust is working hard to cultivate relationships with community developers and broaden their knowledge of available incentives, techniques and partnerships. Studies like this one help HPRP quantify the impact of existing relationships and demonstrate the value of adaptive use. A next step will be to further explore the potential of digitally mapping the study’s data to better convey the existing intersections of community development and preservation. This will serve not only to strengthen connections but also to identify gaps where overlaps can and should exist.

Since the 1960s, CDCs and preservation organizations have developed along parallel paths to combat socioeconomic issues affecting our urban environments. The time has come to join forces as both groups strive to create socially diverse, economically sound and environmentally sensitive places for people that will support healthy, vibrant communities well into the future. The insights from this research can serve as a resource to encourage
strengthened collaborations between preservation organizations and CDCs as they work toward the common goal of community revitalization. FJ

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MAP

View the map of CDCs that participate in rehabilitation work across the country.