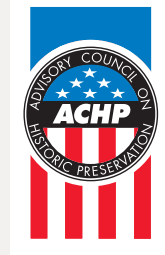


MANAGING CHANGE:

Preservation and Rightsizing in America





Chairman's Message

The Advisory Council on Historic Preservation (ACHP) is pleased to present this report addressing rightsizing and historic preservation in America. This issue of rightsizing and its implications for historic preservation have been the focus of considerable attention since 2011 when the devastating effects of the economic downturn on historic properties within legacy cities became apparent to the preservation community. Residents urged the ACHP to assist in managing the effects of major changes occurring to historic properties in local neighborhoods across the country. Recognizing the important role the ACHP could play in advising stakeholders on how to incorporate historic preservation goals and requirements into community efforts, I designated a task force in 2011 to address this issue.

The result of our efforts is incorporated in this report, **Managing Change: Preservation and Rightsizing in America**, which makes key recommendations for ensuring that historic preservation is a vital part of the solution for communities looking to reinvent themselves. The report documents the ACHP's findings based on site visits to legacy cities, participation in conferences and meetings, and research. In addition, it makes recommendations to federal agencies and the diverse stakeholders involved in rightsizing in legacy cities and other communities. The phenomenon of rightsizing is similar to challenges presented decades ago by the Urban Renewal Program that resulted in the substantial loss of local historic assets. The lessons learned during that period have positioned us now to ensure that historic preservation informs the revitalization of our communities and is not considered an impediment to economic recovery.

In Section 1(b) of the National Historic Preservation Act (NHPA), Congress specifically states that the spirit and direction of the nation are founded upon and reflected in its historic heritage. Nowhere is this truth more important than in our legacy cities, where the very identity of the community is often tied to its rich heritage and the places that evidence that heritage. Despite that, in communities around the nation, historic buildings are being abandoned, designated as blighted, and ultimately demolished without due consideration to their value to the future. We know well that as historic buildings are lost, residential neighborhoods decline, schools are closed, industrial buildings are abandoned, and most importantly, people leave cities to which they were once deeply connected. While this abandonment, demolition, and neglect are not part of an orchestrated plan to destroy historic assets, this appears to be a widespread occurrence.

As we approach the 50th anniversary of the NHPA, the ACHP is providing leadership and assistance to federal agencies and communities that recognize the importance of the iconic buildings and neighborhoods significant to the heritage of their communities. Such resources stabilize neighborhoods, preserve heritage, promote sustainability, and provide a foundation for redevelopment activities when cities need them most. Indeed, rightsizing and historic preservation can and should be considered complementary terms that are used to promote strong communities.

This report recommends that federal resources can and should be used to manage change and leverage historic assets. We urge federal, state, and local agencies and the private sector to incorporate historic preservation strategies in future public and private activities in communities affected by rightsizing.

A handwritten signature in black ink that reads "Milford Wayne Donaldson". The signature is written in a cursive style with some vertical lines above the letters.

Milford Wayne Donaldson, FAIA
Chairman

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Cover: Downtown Newark, NJ, showcases old and new in one of America's legacy cities.

Executive Summary

A major challenge to the American social fabric is the dramatic changes to the nation's cities in the post-industrial economy. Established population centers, rich in cultural heritage, have been, and continue to be, going through radical transformation, as their economic bases evolve, their populations shift, and their entire reason for being is in question. Change is inevitable in urban areas and is pronounced in legacy cities, defined as those communities developed at the height of the industrial revolution as centers of industry, commerce, business, and employment throughout the New England, Mid-Atlantic, and Midwest regions. Legacy cities can also include communities located in the West and Southwest regions that emerged for similar reasons at a later period, where shrinking populations, military base closures, and high rate of foreclosures have resulted in significant economic and employment shifts. Regardless of location or specific impetus, these communities face similar challenges, and how they deal with them will have a lasting and substantial effect on the cultural heritage of the nation. A popular term for the process these places are undergoing is "rightsizing," defined as the process of reducing to an optimum size.

To assess this phenomenon and its historic preservation implications, the Advisory Council on Historic Preservation (ACHP) created a Rightsizing Task Force in May 2011. Its goals were to identify policy needs regarding historic preservation in community renewal efforts; augment work done by other interagency task forces on livability and sustainability; provide best practices and case studies to localities and state and federal agencies; and to promote the consideration of historic assets early in the planning process.

In order to fully understand rightsizing from a historic preservation perspective, the Task Force solicited assistance from PlaceEconomics, a real estate and economic development consulting firm specializing in services to public and non-profit sector clients addressing downtown and neighborhood commercial district revitalization and the reuse of historic structures. They were asked to prepare a survey and analysis of a representative sample of rightsizing communities. Completed in May 2012, "Historic Preservation and Rightsizing" enabled the Task Force to assess how communities view the role of historic preservation and what federal programs were used to revitalize infrastructure and real properties, including historic properties. Additionally, Task Force members visited Detroit and Saginaw, Michigan; Buffalo, New York; Cleveland, Ohio; and Newark, New Jersey. These on-site visits confirmed the survey's findings and provided an opportunity for Task Force members to interact directly with communities to understand their challenges as well as their successes in addressing historic preservation as part of rightsizing.

Based on the survey conducted by PlaceEconomics, meetings with community representatives, and extensive research of published articles and reports on the issue, the Rightsizing Task Force made several findings. Most notable are the following:

- » Historic preservation offers a variety of tools and strategies that have proven useful in addressing issues of urban change and redevelopment.
- » Historic preservation should be better integrated with local plans and economic development strategies in cities addressing rightsizing.

Established population centers, rich in cultural heritage, have been, and continue to be, going through radical transformation, as their economic bases evolve, their populations shift, and their entire reason for being is in question.

- » Local governments need assistance from state and federal agencies as well as organizations such as the American Planning Association (APA) to develop and use preservation planning toolkits in all aspects of physical and economic development.
- » Federal resources are not generally tied to the implementation of comprehensive plans, which typically consider community values such as transportation, sustainability, affordable housing, and historic preservation. Failure to tie resources to comprehensive plans or related master planning plans misses an opportunity to consider further these values.
- » Federal policies are inconsistent in their approach to rightsizing and do not fully incorporate historic preservation during implementation.
- » The Federal Historic Preservation Tax Incentives Program is an important program that has been instrumental in the preservation and redevelopment of the core areas and mixed-use historic neighborhoods in legacy cities.

This report addresses these findings and makes recommendations to federal agencies, local governments, and others for improving collaboration between local communities and preservationists. It also underscores the importance of raising awareness at a local level about historic preservation values in initiatives such as comprehensive and master planning, redevelopment efforts, and public-private partnerships focused on target areas. Federal programs have made substantial investments in communities for many decades. However, when such improvements are not tied to personal values, such as historic preservation, they may be short lived and not yield the benefits anticipated. In addition, the report includes actions that the ACHP itself can take to bring historic preservation to the attention of the Administration as it develops and implements public policies and procedures related to urban affairs and economic development. Key recommendations in the report include the following:

- » The National Park Service (NPS) should collaborate with the ACHP, the National Trust for Historic Preservation, Department of Housing and Urban Development (HUD), and State Historic Preservation Officers (SHPOs) to promote the value of the Federal Historic Rehabilitation Tax Incentive Program to legacy cities.

Historic preservation offers a variety of tools and strategies that have proven useful in addressing issues of urban change and redevelopment.



Historic buildings provide homes to residents and character to neighborhoods in communities, both urban and rural.

CREDIT: © MAKSYMOWICZ - FOTOLIA

- » The Administration should support expansion of the current Federal Historic Rehabilitation Tax Incentive Program to apply to owner-occupied structures, with special emphasis on low- and moderate-income owners.
- » Federal agencies should ensure that the Section 106 process begins at the earliest stages of planning and that local governments coordinate planning and environmental reviews for all federal assistance in a comprehensive manner.
- » HUD should educate state and local grant administrators regarding effective measures to improve environmental reviews, including Section 106, for legacy cities.
- » The ACHP should work with Strong Cities, Strong Communities (SC2) to promote an understanding of the value of historic preservation strategies among federal agencies and local governments involved in planning federally assisted redevelopment efforts and to encourage collaboration among them.
- » The ACHP and the preservation community should coordinate with the Federal Reserve, Federal Deposit Insurance Corporation, and other banking agencies to encourage them to promote preservation strategies in their programs.
- » The Administration should engage the ACHP as an active participant in shaping federal urban policies to ensure historic preservation goals and practices are incorporated.

As the federal government refines its economic development and urban affairs policies for the 21st century, the value of historic preservation needs greater attention. In the absence of such consideration, one of the core values in local planning, the protection and reuse of existing assets, may be overlooked. With the passage of the National Historic Preservation Act (NHPA) in 1966, Congress expected federal agencies to show leadership in the preservation and contemporary use of the nation's historic resources. However, as the 50th anniversary of NHPA approaches, this goal remains elusive, but the opportunities to achieve it are there. Numerous federal agencies will continue to participate in economic development, redevelopment, and revitalization efforts as communities are targeted for additional resources for both shrinking and growth activities. Such an initiative is the SC2, which was developed in 2011 to provide additional federal resources to targeted communities. Instead of avoiding the use of historic properties and identifying historic preservation as an impediment, state and local governments need to learn to maximize the use of these assets. Federal agencies, supported with technical assistance and guidance from qualified sources such as the NPS and SHPOs located in each state, must provide the vision and the leadership to integrate heritage assets into vibrant cities of the future.

Protecting historic buildings, repurposing land, preserving neighborhoods, redeveloping downtowns, and connecting historic resources to regional plans through cooperative efforts will enable cities to transition to healthy communities that attract new residents and new businesses to meet the needs of the 21st century. Historic assets that are preserved and reused are the foundation for the future.

Introduction

When the [National Historic Preservation Act](#) was enacted in 1966, Congress declared that:

1. the spirit and direction of the nation are founded upon and reflected in its historic heritage;
2. the historical and cultural foundations of the nation should be preserved as a living part of our community life and development in order to give a sense of orientation to the American people;
3. historic properties significant to the nation's heritage are being lost or substantially altered, often inadvertently, with increasing frequency; and
4. the preservation of this irreplaceable heritage is in the public interest so that its vital legacy of cultural, educational, aesthetic, inspirational, economic, and energy benefits will be maintained and enriched for future generations of Americans.

This visionary statement maintains its relevance today as the nation faces the challenge of preserving its major cities during the economic and physical changes of the 21st century.

Throughout the country, communities both large and small have experienced long-term economic transformation that can be associated with the decline of the manufacturing industries, collapsing financial markets, continuous population loss, and the mortgage crisis. The response to these financial, social, and economic challenges has not been well coordinated or efficient, resulting in resident frustration and increased flight from the legacy city to healthier communities in the metropolitan area. Not voluntarily, these cities are forced to “rightsizing.” Preservationists and planners have defined “rightsizing” as the process through which legacy cities address significant physical and social changes to undergo a reduction to an optimal size. The term applies to business,

Preservationists and planners have defined “rightsizing” as the process through which legacy cities address significant physical and social changes to undergo a reduction to an optimal size.



Abandoned buildings create blighting influences in neighborhoods. This urban decay is illustrated by an abandoned commercial building with fire damage from arsonists in Detroit, MI.

CREDIT: ISTOCKPHOTO

land use, and economic changes. The 65 industrial cities reviewed in the 2007 Brookings Institution report “Restoring Prosperity” would all fit this definition of rightsizing legacy cities. As discussed during the [110th American Assembly](#) of Columbia University, the Center for Community Progress, and the Center for Urban Sustainable Development, legacy cities have rich histories. Most have numerous physical assets; nevertheless, they struggle with staying relevant in today’s economy.

There is no question that the rightsizing process poses serious threats to the nation’s historic urban fabric. Research focused on 65 of the nation’s older industrial cities revealed they collectively have 4,209 listings on the National Register of Historic Places, many of which are historic districts comprising hundreds of individual properties. The listings do not include the even larger number of properties eligible for the National Register; thus it is likely these communities could document a far greater wealth of historic assets if comprehensive local surveys were completed. Unfortunately, as communities grapple with a diminishing tax base, reduced work force, declining public education systems, and increased poverty, historic preservation has not been recognized as a gauge regarding the quality of the community, and the value of historic buildings to economic recovery and community identity has not been universally acknowledged. Thousands of properties, a large percentage of which are defined as historic, have been vacated or gone into foreclosure, often leading to blighted conditions in neighborhoods that are home to residents who cannot or chose not to leave places to which they have a cultural, historical, economic, or social connection.

The ACHP, in its oversight role of federal historic preservation reviews required by Section 106 of the NHPA, has monitored the trend of rightsizing in its work with HUD’s Community Development Block Grant (CDBG) entitlement communities. The ACHP recognized the need to address this issue due to its serious implications for historic preservation. Because legacy cities challenged by rightsizing have rich histories and abundant historic properties, it is critical that local, state, and federal



decision makers acknowledge their value to the community and the opportunities to use them as a catalyst for future economic development. The reuse of historic properties is also a sustainability principle advanced by federal and state agencies to conserve resources and protect the environment. If large numbers of historic properties are vacant and blighted, cities will be unable to undertake preservation-based revitalization efforts in distressed neighborhoods and will lose the essence of their heritage and culture—qualities important to residents and visitors. More importantly, the city's tax base is compromised as local property taxes and other administrative fees are lost due to declining property values and a lack of economic activity.

It is without dispute that America's older legacy cities and their revitalization are critical to the country's economy and its international economic competitiveness. Rightsizing, therefore, is a major public policy issue that must be confronted to stabilize communities that have suffered significant population and job loss, resulting in large-scale abandonment and vacancy. In 2012, as part of SC2, the Administration designated seven cities as the target of its initial effort to stem the tide of declining communities. While SC2 was not developed to specifically address rightsizing, it was an attempt to address many of the same elements that are associated with the phenomenon. Meanwhile numerous federal agencies continue to assist in myriad activities that shape the urban landscape by investing billions of dollars annually in redevelopment, transportation, affordable housing, remediation, and infrastructure.

Preservationists have long recognized that historic buildings are an essential part of the local aesthetics and an integral part of local character that is important to residents. They demonstrate continuity with the past, and provide an important context for future land use and design. On a personal level, they connect celebrated events in the lives of residents with iconic or familiar places. For these reasons and many others, federal, state, and local governments must acknowledge the intersection between rightsizing and historic preservation when formulating practical and timely

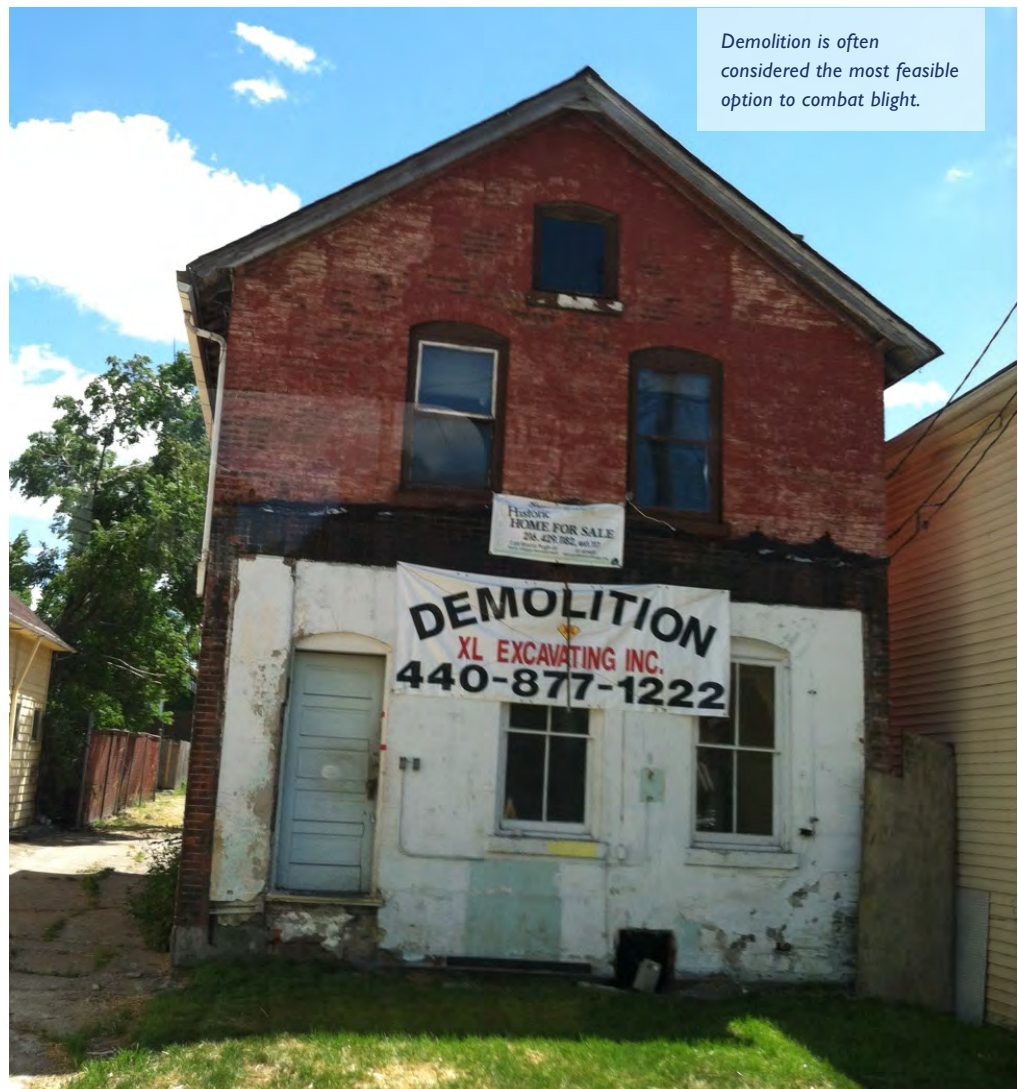
It is without dispute that America's older legacy cities and their revitalization are critical to the country's economy and its international economic competitiveness.



urban public policy. Historic preservation is an important element of a holistic approach taken to plan for future changes in a community or region. Preservation is one of the most potent tools for city revitalization. That message should not get lost amid worries about city shrinkage, notes Roberta Brandes Gratz in Citiwire.net. This report is intended to educate stakeholders and to provide a framework for developing the vision for a reconfigured community that incorporates and builds on historic assets.

Historic preservation and the historic preservation community have an important role in advancing rightsizing initiatives. When government policies are developed, the business community, foundations, non-profit organizations, and grassroots organizations must be engaged early to shape rightsizing strategies that can achieve preservation outcomes. To demonstrate this, the report presents recent case studies illustrating the benefit of integrating historic properties into revitalization plans. Likewise, the ACHP's recommendations provide a basis for the historic preservation community, federal agencies, and state and local governments to reconsider how historic assets can build resiliency in communities and help attract new residents and new businesses capable of revitalizing the community.

Historic preservation and the historic preservation community have an important role in advancing rightsizing initiatives.



I. Rightsizing Defined

Rightsizing is a term that has been used by businesses for the past three decades. Merriam-Webster's dictionary defines it in this context as an enterprise that needs "to undergo a reduction to an optimal size." However, the definition of rightsizing relates to a process that is dynamic and differs depending on the profession and context in which it is used. In the past decade, it has been used frequently to define the process of change confronting communities that have drastically reduced population and excess infrastructure with a dwindling tax base, leaving them as "shrinking cities" in need of planning to recalibrate. It is this definition that has guided the ACHP in preparing this report.

Rightsizing appeared as an urban planning and public policy issue for many preservationists as legacy cities such as Detroit, Baltimore, and Cleveland grappled with continually increasing levels of residential abandonment and deteriorating properties in violation of local building codes and ordinances. The concept also emerged during the Department of Defense's implementation of the Base Realignment and Closure (BRAC) program, which affected hundreds of communities located near military installations across the nation.

Regardless of the terminology, government programs have attempted to address the problem of rightsizing for decades. While federal, state, and local monies have been consistently appropriated since the 1970s to assist in stabilizing distressed communities, the management of blight—a common product of population loss—continues to be a major challenge. Over the years, HUD has created several new programs to supplement existing block grants. However, cities were often required to compete for funding or rely on congressional earmarks, which are no longer available. Since public funding could not keep pace with the growing need of cities attempting to address systemic issues of transformation, legacy cities have been experiencing continuous decline, and other communities are now confronting similar rightsizing issues.

Rightsizing is the process of change confronting communities that have drastically reduced population and excess infrastructure with a dwindling tax base.

Rightsizing neighborhoods, like this one in Philadelphia, can often lack a sense of vitality.



CREDIT: HUD

Of primary concern was the intersection between program goals and the federal historic preservation review requirements of Section 106.

The passage of the American Recovery and Reinvestment Act of 2009 (ARRA), which included the Neighborhood Stabilization Program (NSP) administered by HUD, provided billions of dollars in funding to legacy cities. The ARRA funding was distributed through existing federal programs. Given the unprecedented level of federal resources, SHPOs, Certified Local Governments (CLGs), and the National Trust for Historic Preservation contacted the ACHP to obtain guidance on how to best respond to the challenges of HUD's three NSP programs. Of primary concern was the intersection between program goals and the federal historic preservation review requirements of Section 106. While the ACHP emphasized the need for an efficient approach to Section 106, it became apparent that there was also a need for federal agencies and local communities to consider historic preservation in developing new programs or redevelopment plans, as frequently, historic preservation was not adequately considered in those efforts. At this point, the ACHP determined that a hard look at rightsizing and historic preservation was needed.

In an effort to better understand the effects of rightsizing on legacy communities with extensive amounts of historic properties, the ACHP convened a panel of three experts at its May 2011 meeting: the Honorable Jay Williams, then-Mayor of Youngstown, Ohio; Brian Conway, Michigan SHPO; and Royce Yeater, former director of the Midwest Regional Office of the National Trust. Their presentations highlighted myriad challenges associated with rightsizing proposals, particularly those that did not consider the benefits of historic preservation in rapidly changing cities. Based upon the follow-up discussions between the ACHP membership and the panelists, ACHP Chairman Milford Wayne Donaldson empaneled an ACHP task force to more thoroughly investigate the challenges of rightsizing to communities and the role of historic preservation in assisting cities to recalibrate for the future.



Task Force Chairman Bradford White and Kathleen Crowther of the Cleveland Restoration Society discuss rightsizing during the Cleveland on-site meeting in June 2012.

The Rightsizing Task Force (Task Force) was chaired by ACHP Citizen Member Bradford White, and co-chaired by the National Trust for Historic Preservation. Other members included HUD, the Departments of Transportation (DOT), Agriculture (USDA), and the Interior (DOI), Environmental Protection Agency (EPA), National Conference of State Historic Preservation Officers (NCSHPO), National Alliance of Preservation Commissions (NAPC), Mayor Michael Coleman of Columbus, Ohio, and ACHP Vice Chairman Clement Price. The Task Force held monthly meetings, conducted on-site visits, and undertook relevant research and surveys. The goal was to develop a final report that

assembled the Task Force's findings and recommendations, and to explore specific actions that could be implemented by members.

At the outset, the Task Force concluded that it needed to have a consistent definition of rightsizing, as well as a concise mission statement. The Task Force agreed to define rightsizing as:

"...the redevelopment of the community in response to prolonged job and population loss, housing vacancy and abandonment, and deterioration of infrastructure, all of which create challenges in the management of stabilization and reinvestment efforts in existing neighborhoods. The community's response to rightsizing would typically be a holistic approach to developing and implementing plans and activities that improve land use, real estate, infrastructure, and other systems needed to enhance quality of life, job creation, and the delivery of social services."

To clarify the Task Force's purpose and goals, the following mission statement was developed:

"The ACHP's Rightsizing Task Force encourages the awareness and use of historic preservation as a tool for federal, state, and local governments in the revitalization of communities confronting rightsizing. The Task Force seeks to integrate federal policies and program initiatives with regulatory mandates in innovative and creative ways to stabilize and revitalize challenged communities."

Common characteristics of rightsizing communities were important for the Task Force. The most significant characteristics identified in these communities include the following:

- » urban areas with substantial decline in population;
- » eroding tax base;
- » excessive poverty compared to the metropolitan area;
- » excessive amount of vacant and abandoned houses in neighborhoods;
- » depressed center cities surrounded by strong suburbs;
- » excess infrastructure based upon existing number of residents;
- » majority-minority demographic profile;
- » changing demographics;
- » high rate of poverty;



- » high crime rate;
- » poorly functioning educational system;
- » substantial loss of industry and manufacturing; and
- » prolonged high rates of unemployment.

The Task Force engaged PlaceEconomics, a Washington D.C.-based real estate and economic development consulting firm, to survey 20 legacy cities that were listed in the 2007 Brookings Institution report, *“Restoring Prosperity.”* These cities were expected to be the hardest hit by the rightsizing crisis, due to high unemployment, significant population loss, and aging infrastructure. The survey utilized both online surveys and phone interviews to better understand the problems associated with long-term population loss, the municipalities’ use of federal resources, and the role historic preservation currently plays in revitalization efforts. PlaceEconomics completed its report, *“Historic Preservation and Rightsizing”* in May 2012. This report was well-received and contained noteworthy findings. Two that were important to the Task Force were related to: (1) many cities are unaware of federal programs that can assist in rightsizing efforts, and (2) cities do not associate their redevelopment activities with rightsizing.

To ensure that its work was not conducted in a vacuum, the Task Force members individually or collectively conducted on-site visits to learn more about the intersection among federal, state, and local rightsizing efforts. The Task Force conducted on-site visits to the following cities:

- Detroit, Michigan (July 2011)
- Saginaw, Michigan (July 2011)
- Buffalo, New York (November 2011)
- Cleveland, Ohio (June 2012)
- Newark, New Jersey (August 2012)

These visits enriched the Task Force’s understanding of rightsizing and provided an opportunity for Task Force members to interact directly with affected community residents and local officials. While the Task Force was unable to go to all 20 legacy cities, it determined that this sample was particularly



The Task Force consults with the community during the Newark on-site meeting; residents opened houses on this block to demonstrate adaptive reuse.

illustrative of the depth and breadth of the rightsizing issues that are currently being addressed. Although the visits focused on the Rust Belt and the Northeast, it was clear that the phenomenon of rightsizing also occurs on the west coast and in the Midwest and South, and in cities perceived to be healthy and stable. The location of other rightsizing cities can be gleaned from Census Bureau data, foreclosure statistics, and the allocation of HUD NSP funds. The site visits clarified that legacy cities undergo changes for a variety of reasons, but the symptoms and consequences of rightsizing are generally the same, even if the causes are different.

BACKGROUND AND HISTORY

Rightsizing has been occurring in cities for decades as communities respond to transformative events, which brought major changes within legacy cities. Urban planners, preservationists, mayors, academics, and federal research agencies have observed increases in property vacancies, abandonment, homelessness, eroding tax base, increased crime, and other systemic issues in many older cities. The census data has documented declining urban populations since the 1960s, when manufacturing and industries reached their peak. Despite the recognition by residents and local officials that there was increasing abandonment of buildings, rapid decline of municipal services, increasing homelessness and poverty rates, and declining educational opportunities, it did not result in coordinated federal intervention or targeted resources. As populations declined, federal block grant funding decreased based on population figures. Communities were forced to seek other sources of funding like competitive federal grants and philanthropic assistance to fund redevelopment activities. Since 1980, it has been challenging to define a consistent public policy to deal with shrinking cities and the rightsizing challenge.

HOUSING DENSITY CASE STUDY



HOUSING DENSITY CASE STUDY

Tax calculations are based on a household income of \$30,000 and housing value of \$50,000. The resident income tax rate is 2.5%, and the current millage rate for the City of Detroit is 65.14 per 1,000.

DENSITY CAPACITY

+/- 185 HOMES
\$440,023 IN TAXES
540 PEOPLE
23 PEOPLE/ACRE

CURRENT DENSITY

+/- 40 HOMES
\$95,140 IN TAXES
116 PEOPLE
5 PEOPLE/ACRE

Many people remember urban renewal during the 1950s and 1960s and the devastating impact it had on communities. In fact, some communities are still recovering from its effects decades later. While on the surface rightsizing may appear to be the new version of urban renewal due to similarities in widespread demolitions and efforts to reduce blight, the two concepts differ in several ways. Urban renewal primarily utilized a top-down decision-making approach for its redevelopment strategy, where the federal government determined which projects would best benefit a city without necessarily involving the public. Today, rightsizing is generally conducted on a local level with state assistance and a greater emphasis on public-private partnerships to maximize returns on assistance from federal programs. Urban renewal focused on moving people out of city centers and into

Today's legacy cities are a recognized component of larger regional or metropolitan areas that are home to millions of residents.

the suburbs. Rightsizing recognizes the need to sustain cities, especially the downtown core and neighborhoods, and tries to build on their assets.

During urban renewal, distressed cities were perceived as independent of activities in the surrounding suburbs. Therefore, the well-being of the community was limited to its downtown core and surrounding neighborhoods. Today's legacy cities are a recognized component of larger regional or metropolitan areas that are home to millions of residents. Local heritage and culture are often considered in a regional context and not exclusively on a particular community. Regions in the Northeast such as Massachusetts, Rhode Island, and Connecticut, and those in northern Ohio: Cleveland, Toledo, and Youngstown, are comprised of diverse neighborhoods with ethnic communities built around historic churches and schools. When the neighborhoods change due to deteriorated housing, shuttered institutions, limited retail and entertainment, and the closure of businesses, social and cultural values may change, and adverse impacts on historic properties become pervasive, particularly in historic districts. The cumulative effect of these local changes is demolition or abandonment of residential historic properties and the long-term vacancies of institutional properties that reflect declining populations or poverty. Residents with financial wherewithal often relocate from these older, distressed communities to suburbs that have the services and amenities they feel are critical to their quality of life. These shifts mean that existing infrastructure is not appropriate for the population that remains.

Rightsizing is a response to economic and social conditions that require more expansive and comprehensive planning and project implementation than occurred in past urban renewal programs. Legacy cities undergoing rightsizing must make timely decisions about the long-term physical, economic, and social conditions of their community, recognizing that the city is part of a region where it functions as an interdependent unit. Local officials have realized that such decision making must involve federal and state government and the private sector if redevelopment strategies are to be funded and implemented.

In the 1960s and 1970s, federal programs addressed many of the systemic issues that were occurring in legacy cities in an ad hoc manner. Historic preservation and environmental reviews established by legislation were in their infancy, and regulations and guidance documents were not developed, leaving federal agencies to interpret the requirements according to their program needs. In 1979, the ACHP and the Council on Environmental Quality first issued regulations to implement Section 106 of the NHPA and the National Environmental Policy Act (NEPA) respectively, establishing formal historic preservation and environmental reviews for federally supported activities. Subsequent to the issuance of these regulations and their requirements that federal agencies engage stakeholders in project reviews, local governments began to address historic preservation in a more systematic manner. However, it should be noted that considerable adverse effects to historic properties occurred prior to 1979 from such programs as HUD's Federal Housing Administration loan guarantees and Section 312 Rehabilitation Program, the Economic Development Administration's planning and redevelopment programs, Federal Highway Administration funding, and Small Business Administration loans.

CENSUS DATA ILLUSTRATES EFFECTS OF RIGHTSIZING

The economic ills, increased crime rates, ineffective education systems, declining tax bases, and changing demographics associated with rightsizing communities often exist in otherwise economically robust metropolitan areas. This is a dilemma that many state and local officials find difficult to reconcile. During the identification of rightsizing communities, several were found to be located in a strong census Metropolitan Statistical Area (MSA), which is defined as a large population nucleus together with adjacent communities having a high degree of social and economic integration with that core. An MSA

may comprise one or more entire counties. Typically, the core population is centered in the city, with the remaining population spread throughout surrounding suburbs and smaller cities. In rightsizing cities, however, the MSA population is flipped: there is a higher population in the surrounding area than in the central city. Examples of this reverse trend include Detroit, Philadelphia, Indianapolis, and St. Louis. This reversal revealed that many residents had begun to exit the central city and relocate into neighboring suburbs with lucrative businesses, diverse housing types, stronger tax bases, better school systems, and low crime rates. Moreover, the infrastructure in suburbs tends to be newer and, due to a tax base of primarily middle- and upper-income residents, well-maintained. The systematic relocation of stable, more prosperous families away from the core cities in a region has resulted in many of the issues associated with rightsizing. As the populations declined and the tax base eroded, the existing infrastructure became excess to the needs of the cities and difficult to sustain financially.

CITY	POPULATION 1950	POPULATION 2010	% CHANGE
Baltimore, MD	949,708	620,961	-34.6%
Binghamton, NY	80,674	47,376	-41.3%
Buffalo, NY	580,132	261,310	-55.0%
Canton, OH	116,912	73,007	-37.6%
Cincinnati, OH	503,998	296,943	-41.1%
Cleveland, OH	914,808	396,815	-56.6%
Dayton, OH	243,872	141,527	-42.0%
Detroit, MI	1,849,568	713,777	-61.4%
Flint, MI	163,143	102,434	-37.2%
Harrisburg, PA	89,544	49,528	-44.7%
Huntington, WV	86,353	49,138	-43.1%
Newark, NJ	438,776	277,140	-36.8%
Pittsburg, PA	676,806	305,704	-54.8%
Rochester, NY	332,488	210,565	-36.7%
Saginaw, MI	92,918	51,508	-44.6%
Scranton, PA	125,536	76,089	-39.4%
St. Louis, MO	856,796	319,294	-62.7%
Syracuse, NY	220,583	145,170	-34.2%
Utica, NY	100,489	62,235	-38.1%
Youngstown, OH	168,330	66,982	-60.2%
	8,591,434	4,267,503	-50.3%

There are compelling indicators of this shift of economic resources. June 2013 census data indicated that one in seven people in the U.S. received food stamps. The same data indicated that the amount of recipients in legacy cities was triple this amount. The 2011 American Community Survey Data documented disproportionately higher high school dropout rates, a growing percentage of elderly and single mother households, and escalating numbers of children who qualify for federal subsidized lunch programs in these communities. Another important indicator in legacy cities experiencing rightsizing is the level of homelessness among families and single individuals. Prolonged periods of unemployment are documented as the reason for protracted homelessness and increasing rates of foreclosures. These changing trends in population and demographics not only diminish the tax base in legacy cities but also lead to a growing reliance on federal, state, and local programs to support the financially-challenged residents that remain.

VACANCIES AND ABANDONMENT

Rightsizing's effects on legacy cities include significant financial burdens and maintenance challenges, particularly as they relate to historic properties. The cost of dealing with abandoned properties has had major adverse impacts on local budgets as vacant lands and properties require attention and public expenditures. Supplemental resources are needed to secure vacant properties and protect them from vandalism, provide expanded public safety, conduct judicial and administrative hearings regarding code enforcement and property laws, and safeguard the neighborhood from crime. In addition, local governments have had to allocate scarce resources for demolition of blighted properties, recognizing that providing for the safety and welfare of residents is necessary to retain those who want to remain in once-stable neighborhoods. Without a resident to provide maintenance, properties, many of which may be historic, often deteriorate, become designated as dilapidated and "blighted," and are subsequently demolished. In neighborhoods with large numbers of blighted structures, local governments may feel that the only option is to demolish properties to provide safety for residents and to provide some form of community stabilization.

The cost of dealing with abandoned properties has had major adverse impacts on local budgets as vacant lands and properties require attention and public expenditures.

Blighted multi-family residential property has been cordoned off for safety purposes.



A recent article in the *New York Times* indicated that "large-scale destruction is not only underway in Detroit but also in Baltimore, Philadelphia, Cleveland, Cincinnati, Buffalo and other legacy cities at a cost of more than \$250 million." The goal of these demolition efforts is ostensibly to stimulate economic growth, reduce crime and blight, and increase environmental sustainability. Local officials, however, have not always explored alternatives to demolition, which worries some stakeholders. While local decision makers are not required to consider alternatives when using state and local monies, federal funds are subject to laws and procedures that mandate evaluation of viable alternatives in coordination with the public. For example, HUD's environmental regulations require communities that receive its funding to consider alternatives to demolition, such as rehabilitation in accordance with the recommended approaches in ["The Secretary of the Interior's Standards](#).

for the Treatment of Historic Properties” (Standards). Following the Standards rather than merely bringing properties up to code with incompatible materials and unsympathetic treatments can result in better preservation outcomes. Unfortunately, the dire situations confronting legacy cities appear to have led to relaxed environmental reviews, including historic preservation, and too often rehabilitation and reuse get only cursory consideration.

Residential abandonment in legacy cities typically occurs in a piecemeal manner: The proliferation of vacant and abandoned houses is normally first noticed by the residents who live within the neighborhood and who are powerless to stem the tide. Often the cumulative effect of excessive abandonment is considered to cause blight, which is defined by local and state laws and by HUD. Within planning and redevelopment, blight may refer to impacts on a city’s physical fabric (i.e. buildings). The Ohio Revised Code defines “blighted area” and “slum” as an area in which at least 70 percent of the parcels are blighted parcels, and those blighted parcels substantially impair or arrest the sound growth of the state or a political subdivision of the state, retard the provision of housing accommodations, constitute an economic or social liability, or are a menace to the public health, safety, morals, or welfare in their present condition and use.

In Ohio, for example, “blighted parcel” means the following:

A parcel that has one or more of the following conditions:

- (a) A structure that is dilapidated, unsanitary, unsafe, or vermin-infested and that because of its condition has been designated by an agency that is responsible for the enforcement of housing, building, or fire codes as unfit for human habitation or use;
- (b) The property poses a direct threat to public health or safety in its present condition by reason of environmentally hazardous conditions, solid waste pollution, or contamination; or,
- (c) Tax or special assessment delinquencies exceeding the fair value of the land that remains unpaid 35 days after notice to pay has been mailed.

Excessive numbers of blighted structures in a community lead to plummeting real estate values, increases in crime, and a lack of community services. Blighted residences and deteriorating infrastructure also affect whether families will remain in their homes or move to suburbs or other cities, causing further population loss and increasing concerns about safety, return on investment, and overall quality of life. In neighborhoods with increased vacancies, officials have observed that homes that remain occupied have blended intergenerational families due to financial hardship, unemployment, and foreclosures. Systemic community changes such as these, which seriously undermine the local tax base, often lead to massive disinvestment in local services and resources necessary to maintain excess infrastructure.

Representatives of legacy cities challenged by rightsizing acknowledge the daunting changes that increased vacancies have caused to the built environment. A Government Accountability Office (GAO) study from November 2011 entitled, “Vacant Properties: Growing Number Increases Communities’ Cost and Challenges,” analyzed data from the Census Bureau, the Federal Housing Administration, the United States Postal Service, and two housing-related government-sponsored enterprises, Fannie Mae and Freddie Mac. Congress requested this study to determine the effect of foreclosures and unemployment on property vacancies. It also sought to clarify how vacancies were defined and what factors were considered to differentiate vacancies related to seasonal housing versus those related to foreclosures and abandonment. This study revealed which states and cities were experiencing the most serious problems with vacancies.

The proliferation of vacant and abandoned houses is normally first noticed by the residents who live within the neighborhood and who are powerless to stem the tide.

Following their abandonment, industrial and manufacturing buildings typically suffer from demolition by neglect... As such, they are easy targets for arson, vandalism, and other public nuisances.

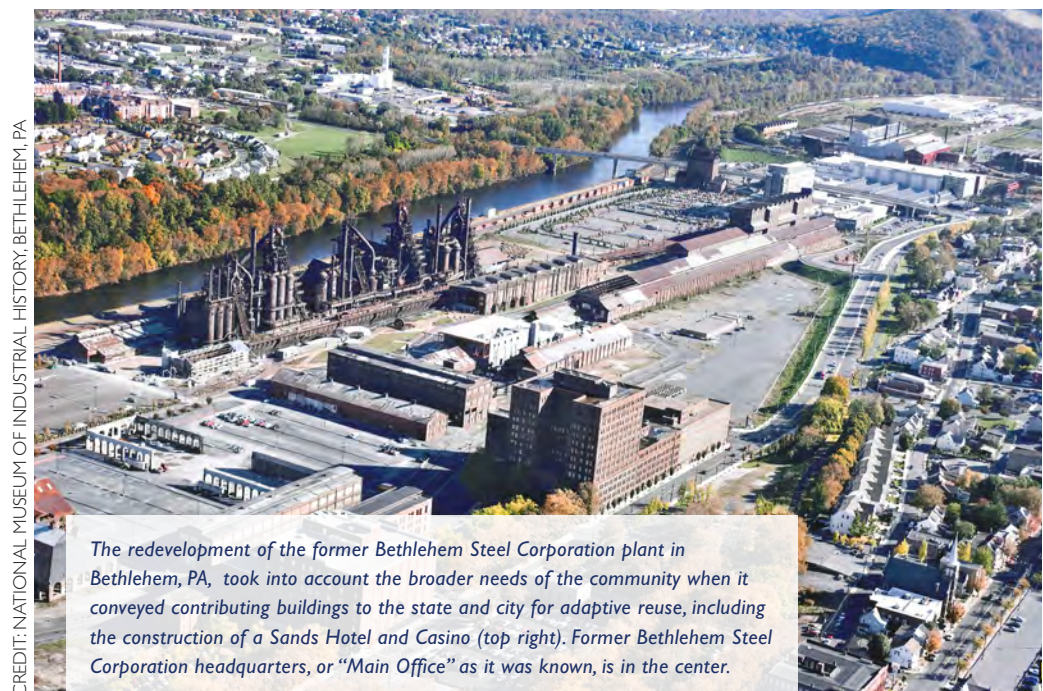
Census data showed that “non-seasonal vacant properties increased 51 percent nationally between 2000 and 2010, with 10 states seeing increases of 70 percent or more.” GAO’s report noted that officials in Baltimore, Chicago, Cleveland, and Indianapolis found that unattended vacant properties in those cities are largely concentrated in economically distressed and blighted areas. The report’s data confirmed that the increase in vacancies contributed to worsening local economic conditions, demonstrated by staggering unemployment rates, seizure of properties for tax delinquencies, inability of investors to sell residences quickly, and population decline.

INDUSTRIAL ABANDONMENT AND REUSE

The shuttering of manufacturing and industrial complexes often occurs prior to the loss of population in cities. In fact, it is often the loss of employment opportunities that result in a domino effect of foreclosures, vacancies, and blight. As such, any discussion of rightsizing must address the challenges of repurposing and reusing industrial and manufacturing sites.

Local officials are typically not forewarned by businesses when closures are imminent. Thus, the city is rarely prepared for, or capable of, planning for the necessary transitions. The location and nature of these businesses can result in challenges to developing reuse strategies. In older, industrial cities, it is particularly complicated to identify new uses for obsolete trades and services that have been replaced by new technology or outsourced in the global economy. Factories that built obsolete equipment and industrial facilities that have been upgraded in new locations are often overlooked when exploring redevelopment opportunities in rightsizing communities. It should be noted, however, that factories, mills, and warehouses also may have important associations with community development history and civic identity, like the tobacco mills located throughout North Carolina.

Following their abandonment, industrial and manufacturing buildings typically suffer from demolition by neglect. These facilities are often not properly secured, nor are they mothballed or stabilized following their closure, marketing, or transfer to third parties. As such, they are easy targets for arson, vandalism, and other public nuisances. The Buck Hosiery Mill in Philadelphia is a tragic example of



The redevelopment of the former Bethlehem Steel Corporation plant in Bethlehem, PA, took into account the broader needs of the community when it conveyed contributing buildings to the state and city for adaptive reuse, including the construction of a Sands Hotel and Casino (top right). Former Bethlehem Steel Corporation headquarters, or “Main Office” as it was known, is in the center.

arson which resulted in the death of two firefighters. These abandoned industrial facilities, while posing challenges such as environmental remediation, can serve as valuable assets in addressing rightsizing. Preservation strategies offer effective tools for their stabilization and reuse as vibrant hubs of community life and economic development. Unfortunately, local officials too often view them as signs of decay and a threat to redevelopment, rather than the assets that they can be.

The redevelopment of the iconic and historic Bethlehem Steel Corporation plant (1857–2003) in Bethlehem, Pennsylvania, demonstrates how an industrial site can be successfully repurposed and contribute to community rejuvenation. Bethlehem Steel recognized the historical significance of the property, listed on the National Register, and based on extensive input from the local community, agreed to redevelop the site. The project included the state's largest brownfields remediation in preparation for the construction of a casino and hotel, which opened in 2010 and 2011 respectively. Through a strong public-private partnership, a reuse alternative was developed that not only used major elements of the historic site but also replaced some of the jobs and income that were in jeopardy with the closure of the plant.

BASE CLOSURE AND RIGHTSIZING

As the Task Force explored the range of legacy cities that are rightsizing, military communities could not be overlooked as the Department of Defense (DoD) was actually one of the first federal agencies to confront rightsizing. Over the past two decades, communities tied to military bases experienced excessive population loss and high rates of residential vacancy following the relocation of the military and closure of the facility. The cities adjacent to bases selected by the DoD's BRAC Commission and Congress often experience major economic decline like legacy cities. Similar to the loss of industry or manufacturers, the closure of military bases entails the loss of military personnel and support services that comprise an economic engine for the region. Base closures can have catastrophic impacts on local employment, local businesses, housing, and the tax base. Unlike the situation legacy cities are left to confront in determining next steps with limited resources, base closure cities have had support from the DoD's Office of Economic Adjustment (OEA). The OEA provides planning assistance to communities, helps establish redevelopment authorities, and assists with work force development to avoid a local financial crisis. This is a model from which other federal agencies would benefit in their work with legacy cities.

The selection of military installations to be closed by DoD began in 1990. The Secretary of Defense developed a list of proposed closures and realignments in coordination with the BRAC Commission and submitted them to the President for approval. Upon approval by the President, the list went to Congress for its approval. There have been several rounds of BRAC actions, with the last occurring in 2005 when 182 installations were closed or realigned.

In 1991, Congress approved the closure of Fort Ord, a 28,000-acre U.S. Army post established in 1917 located near Monterey, California. This BRAC action resulted in the loss of a major employer in the area and the need to find alternative employers to capitalize on a unique historic asset. As part of the closure of this installation, the Army had to comply with a variety of federal requirements to determine whether portions of the base would be used for other federal purposes or supportive services for the homeless or conveyed through public benefit transfers, public auctions, negotiated sales, or Economic Development Conveyances (EDC). EDCs include historic property preservation, rehabilitation, and marketing for development and reuse. Immediately following the base's closure, the Fort Ord Reuse Authority was established to allow local, state, and federal agencies and the private sector to develop a reuse plan. The development of the reuse plan, which was intended to take a holistic approach to redevelopment, was informed by the federal screening process as well as NEPA and Section 106 reviews.



CREDIT: CALIFORNIA STATE UNIVERSITY-MONTEREY BAY

As part of the closure of the Fort Ord, CA, Army base in 1991, a Reuse Authority, comprised of federal, state, and local representatives, was established to determine a redevelopment strategy for the base. A portion of the installation was transferred to California State University, which reused a number of the historic buildings (like these former bachelor officers quarters) for dormitories.

In accordance with the federal screening process, most of the land was returned to the State of California and was used by California State University, Monterey Bay, as a secondary campus. The Veterans Transitional Center obtained a substantial portion of the base to serve veterans by providing training and counseling. The City of Marina received a substantial site through the Economic Development Conveyance process, which was ultimately used to develop a mixed use project that included retail, residential development, and open space with recreational amenities. Finally, in 2012, President Obama designated another part of Fort Ord as a National Monument, to be managed by the Bureau of Land Management. This 14,651 acre site captures the historic nature of the site and highlights its natural beauty and abundant wildlife. The monument includes 83 miles of biking, hiking, and equestrian trails for the greater public to enjoy.

Without the successful federal screening of the installation and the interagency collaboration and flexibility, the installation's closure would have resulted in a huge swath of unused land in the community. Instead, today it is an example of a repurposed property that was redeveloped in the public interest and acts as catalyst for economic development in the city and state. The critical element in this success story was an integrated planning process that recognized from the outset the important historic characteristics of the property; engaged all levels of government, stakeholders, and the public; and viewed the resources as assets.

II. The Role of Historic Preservation Tools in Rightsizing

When residents are asked what they enjoy most about their communities, their responses are frequently things like access to public transportation; proximity to services like schools, banks, and stores; the sense of place; distinctive architecture; and neighborhood character. Historic districts, many of which are residential neighborhoods, often have all these features. Maintaining the historic integrity of these areas preserves the sought-after local color and character, providing an important element of maintaining community stability, livability, and walkability. At the same time, historic preservation strategies advance sustainable redevelopment and capitalize on existing transportation systems and infrastructure.

Legacy cities across the country have used a number of tools to address rightsizing that have historic preservation implications. The PlaceEconomics survey was an overview of the types of federal programs available to local communities. Additional programs are identified in this report to demonstrate how they also could be used to preserve and reuse historic properties. In its policy on redevelopment issued in 2004, the APA specifically cites historic preservation as a tool for effective redevelopment. However, projects that are funded at the federal level often overlook the options that involve historic properties. Consistent with the policies of the NHPA, federal agencies should show leadership in introducing historic preservation to prospective state and local applicants and non-governmental organizations that may be interested in applying for their programs. After all, historic preservation is a proven strategy to use federal resources to assist cities addressing current challenges and plan for a strong, revitalized community.

PLANNING AND ZONING

The Rightsizing Task Force concluded during its meetings that in most legacy cities, current zoning practices are focused only on land use or density and frequently lack protocols for newer practices like adaptive use and infill construction that could stabilize historic streetscapes or allow for other innovative uses that can benefit the community. By amending zoning ordinances, cities are able to redevelop and reuse vacant parcels as productive pieces of land for economic development. Through revisions to its zoning regulations, the City of Cleveland has now been able to implement innovative land uses with much success. Other cities have developed programs where side yards are provided to adjacent landowners for food and flower gardens. Where zoning ordinances have been reviewed to ensure their relevancy to new conditions and circumstances and subsequently updated, they have been shown to be useful tools for dealing with rightsizing challenges.

However, zoning and building codes are only as effective as their enforcement, which is carried out by local employees who handle administrative and technical reviews. In a climate of declining revenues and staff reductions, the ability of local officials to implement zoning ordinances and building codes is challenged. Accordingly, enforcement is not always consistent and cannot be presumed to identify all vacant and underutilized properties. In the Cleveland suburb of Lakewood, Ohio, officials recognized this challenge and used staff to proactively survey the entire area and classify each property according to its code compliance. The city then targeted its efforts on those properties that needed the most intervention, offering the owners financial and technical assistance to fix their property. This creative

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Once a community experiences widespread demolition, it is difficult, if not impossible, to rebuild in full or replicate the original neighborhood, its buildings, setting, and landscape.

“Mapping” Distressed Neighborhoods

A February 17, 2014 *New York Times* article profiled the City of Detroit’s efforts to tour neighborhoods and document each house, business, and vacant lot to quantify the level of blight in the city. The proposed evaluation of approximately 380,200 parcels will document current conditions and occupancy status. This type of documentation is referred to as “mapping.” The information collected from mapping is used to create local databases that assist local and state decision makers in managing blight and planning redevelopment strategies. GIS is a versatile mapping tool widely used by cities to address planning issues. While mapping is not a new phenomenon in legacy cities such as Philadelphia, Chicago, St. Louis, and Boston, its 21st century use is attached to GIS applications and Web sites that make it easier than ever to identify properties suited to preservation-based redevelopment approaches. Additional information can be obtained at <http://mappingdecline.lib.uiowa.edu/links/>.

approach has also been successful in coordinating historic preservation with implementation of local administrative activities such as the issuance of building permits required for infill construction.

Most communities have a separate regulatory mechanism to address land use and design issues related to historic preservation. These are often administered by separate bodies with their own staff. As a result, to ensure that historic preservation is considered in comprehensive planning and redevelopment planning, collaboration among planning and historic preservation staff and local preservation commissions is required. Such collaboration must be consistent and transparent to inform residents of decision making efforts. The key is to get survey information into comprehensive plans so redevelopment proposals can properly factor in historic properties. Comprehensive plans developed in a holistic manner can serve as a blueprint for protecting and reusing existing assets. Such plans address the location and proposed treatment of diverse land use and infrastructure. The plans also identify different development or redevelopment strategies prepared to meet goals such as sustainability and smart growth. Accordingly, a working relationship between the planning department and the local redevelopment agencies responsible for allocating HUD funds is necessary. They can assist in expediting the implementation of neighborhood master plans, once the local preservation commission approves design principles for future projects. This approach was used in New Orleans as part of the Hurricanes Katrina and Rita federally funded disaster recovery efforts.

URBAN AGRICULTURE AND FORESTRY

The reuse of vacant urban spaces created by extensive demolition often presents major challenges in many rightsizing communities. Once a community experiences widespread demolition, it is difficult, if not impossible, to rebuild in full or replicate the original neighborhood, its buildings, setting, and landscape. New concepts such as urban agriculture and forestry are beginning to make effective use of vacant lots and assist communities in pursuing healthy-living initiatives highlighted in sustainability and planning literature.

The Summer Sprout program in Cleveland is a partnership between the city and the Ohio State University Extension that supports more than 170 community gardens. The program provides seeds and other garden resources to eligible gardens based on an application from a “garden leader.” Many gardens have the potential to bring local residents together around a shared resource and experience.



Other cities such as Philadelphia and Indianapolis have utilized vacant land to grow and harvest fresh produce, which can then be sold at a farmers' market. This well-received agricultural strategy brings healthful food into areas that may not have easy access to grocery stores otherwise. Markets and urban agriculture provide entrepreneurial opportunities and can create jobs for the local residents. They also are becoming an integral component of local educational curricula.

Another innovative use of vacant parcels in rightsizing communities is urban forestry. Using trees and greenery provides benefits such as cleaner air and better storm water management systems. The Greening of Detroit, a nonprofit organization that regularly partners with local, state, and federal agencies, has planted more than 6,000 trees in a strategic landscape plan to make the most of vacant lots and provide a cleaner, healthier environment. Although forestry is not traditionally viewed as a historic preservation strategy, it actually helps stabilize historic districts by adding environmental and aesthetic amenities that reinforce existing neighborhoods.

REHABILITATION AND REUSE

Rehabilitation is often the preferred redevelopment strategy among residents who reside in the legacy city neighborhoods. The rehabilitation and adaptive reuse of historic buildings is perhaps the most significant contribution historic preservation can make to revitalized and sustainable communities. Rehabilitating these properties can provide serviceable structures that can be put back in use quickly to meet contemporary needs while providing continuity with a community's unique past. It can also galvanize the citizens around preserving local history and culture.

Rehabilitation is defined as the process of returning a property to a state of utility, through repair or alteration, which makes possible an efficient contemporary use while preserving those portions and features of the property that embody its historic, architectural, and cultural values. Incentive programs have been developed at the federal and state level that provide tax credits for income-producing properties, and in some states, owner occupied residences. In order to take advantage of

HUD defines mothballing as the temporary stabilization and protection of a property from the elements while alternative uses or funds for its rehabilitation are sought.

the 20 percent credit offered in the Federal Historic Preservation Tax Incentive Program, a private sector investor must rehabilitate an income-producing “certified historic structure,” as defined by the NPS. The rehabilitation of the property must also adhere to the recommended approaches in the “Secretary’s Standards for Rehabilitation” and be approved by the SHPO and NPS. A credit of 10 percent is available for income-producing buildings that are not historic but placed in service before 1936. The rehabilitation of these properties does not require a review by the SHPO or NPS.

When rehabilitation of a historic property is not a short-term option, property owners and state or local government often consider the interim step of mothballing. HUD defines mothballing as the temporary stabilization and protection of a property from the elements while alternative uses or funds for its rehabilitation are sought. Decisions to mothball historic properties require thoughtful evaluation of reuse opportunities as part of a holistic planning process. While this strategy requires an initial investment for securing, monitoring, and protecting properties as reuse plans are being explored, it can save valuable historic assets for future use.

A land bank is defined by HUD as a public or quasi-governmental agency created to acquire, hold, manage, and develop foreclosed, dilapidated, tax delinquent, or abandoned properties for which owners cannot be identified for a short-term period (10 years). While these properties, most of which are older buildings, are secured, they have a negative impact on the community and convey a sense of blight and neglect. Since many of the properties included in land banks are located in historic districts or potentially eligible historic districts, they may adversely affect the character of the district. Proposals to redevelop neighborhoods often fail to consider these properties as it is assumed that the cost for rehabilitation exceeds that for new construction. Therefore, too often land banks are not perceived as an effective tool unless the goal is to identify properties for demolition and redevelopment.

Some states and localities have created land banks that have a solid mission that promotes reuse and rehabilitation. Included in its policy is a commitment to rehabilitate properties and sell them according to an approved formula. Another noteworthy provision is the land bank’s ability to hold the title of properties for community development corporations or other entities for a specified time period while they determine how to reuse the property according to the terms of agreement.

In December 2013, Philadelphia passed legislation to establish a land bank to manage more than 40,000 vacant and blighted properties, 30,000 of which are privately owned. A percentage of these properties are “storefronts and boarded row houses located along bustling corridors in middle-income neighborhoods,” it was reported. However, the goal of the land bank will be to consolidate vacant parcels and erase past debts so that they can be sold. The city will require private bidders to have an actual plan for the lots or property, which must be approved by the city council representative for the neighborhood. This will allow residents to have a voice, and most important, it will allow them to comment on the disposition of the lots with the improvements.

Rehabilitation and reuse of properties embody sustainability principles. Since 2009, the Preservation Green Lab, a Seattle-based program of the National Trust for Historic Preservation, has been working to strengthen the fabric of communities by leveraging the value of existing buildings to reduce resource waste, create jobs, and bolster a strong sense of community. In 2011, it published *The Greenest Building: Quantifying the Environmental Value of Building Reuse*, summarizing research that documents that rehabilitating a historic building produces superior results to new construction in reducing greenhouse gas emissions over the life cycle of the building. The findings cast serious doubt on the wisdom of communities nationwide demolishing a billion square feet of buildings annually. The evidence that preservation and rehabilitation of existing buildings is a key component of sustainability has been accepted by HUD, EPA, and other federal agencies that have researched this issue. In fact,

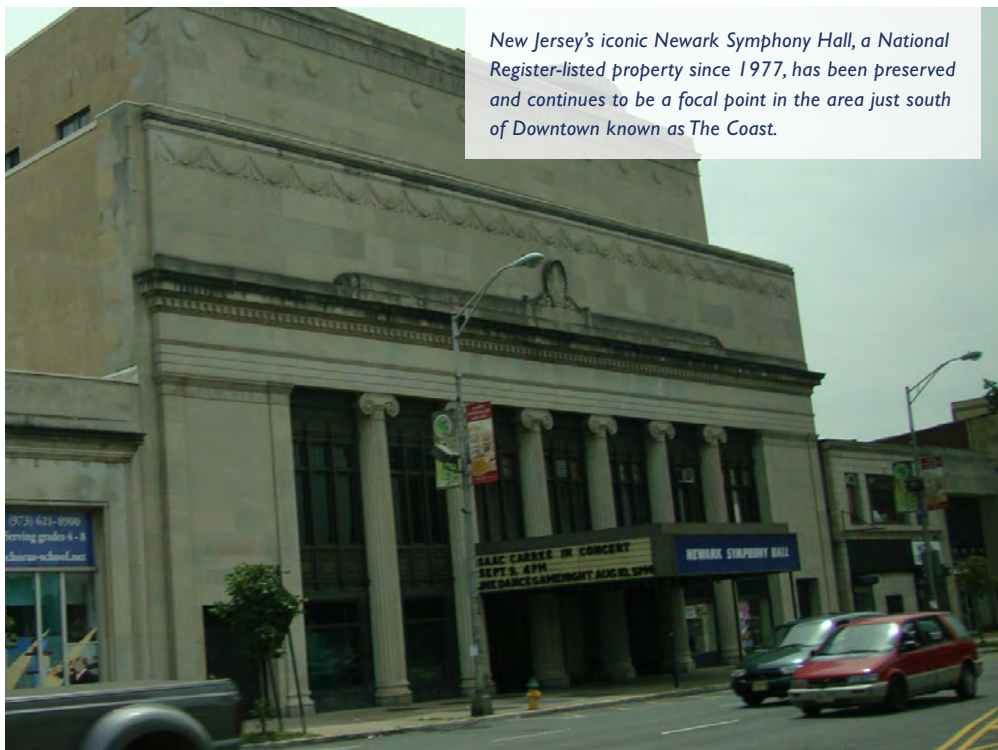
most states have established sustainability programs that acknowledge the benefits of preservation and reuse of older buildings. A disconnect exists, however, in whether states and local governments want to integrate sustainability principles in their policies and principles. As hundreds of millions of dollars are allocated for demolition, rarely are state or local agencies invoking sustainability principles to divert resources into rehabilitation or even the reuse of materials from historic properties.

TAX ACT

Despite the compelling evidence that preservation and rehabilitation offer substantial community benefits, local government officials often see historic preservation as an impediment to reducing blight and preparing areas for revitalization. While local officials have indicated they must overcome a number of challenges, including financing, code compliance, and lead abatement, they do not acknowledge that historic preservation tools such as rehabilitation techniques and financial incentives can often address these challenges. Combining federal historic rehabilitation tax credits (for income-producing properties) or state historic rehabilitation tax credits (which may include residential properties) with other creative financing sources, as well as using a developer who knows how to build upon the property's historic characteristics, can lead to the successful, sustainable reuse of a building or a cluster of buildings.

Based on the research conducted by the Task Force, it is clear that tax incentives at all levels (federal, state, and local) are strong inducements for integrating historic preservation into rightsizing response efforts. Principal among these is the Federal Historic Preservation Tax Incentive of a 20 percent credit for the rehabilitation of historic properties used for the production of income-commercial and industrial buildings, hotels, apartment buildings, residential rentals, and the like. The projects are subject to professional reviews by SHPOs and the NPS to ensure that the outcome is good preservation. A 2013 report by the Secretary of the Interior acknowledged that since 1976 the Federal Historic Preservation Tax Program had generated 2.4 million jobs and \$66 billion in private investment in the rehabilitation of historic buildings. It further noted that the program promotes community development and economic success in addition to

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historic preservation, and that it is a strong and effective tool for cities leveraging existing assets. An earlier 2011 NPS report on the program included the following overview about its successes:

"The incentives have been instrumental in preserving the historic places that gave cities and towns and rural areas their special character, and have attracted private investments to historic cores of cities and towns. The tax incentives also generate jobs, enhance property values, create affordable housing, and augment revenues for federal, state, and local governments. Through this program, abandoned and underutilized schools, warehouses, factories, churches, retail stores, apartments, hotels, houses, and offices throughout the country have been restored to life in a manner that retains their historic character."

Projects using federal rehabilitation tax incentives primarily involve historic commercial buildings that are often easier to list on the National Register of Historic Places because they are iconic and are important to the history of a community. Tax credit reviews customarily address issues regarding treatment of materials and significant features and focus on funding, design, and linkages to other projects. Quite often the resulting project becomes the centerpiece of a local renewal effort, restoring a cherished local landmark to its original place as an object of local pride and community identity.

Complementing the federal incentives are state and local tax credit programs that can be used for owner-occupied residential properties, which have arguably suffered the most from vacancy and abandonment. As of 2014, 31 states have established a State Historic Preservation Tax Credit Program, emulating the federal model by providing credits against an investor's state income tax obligation. Like those qualifying for the federal incentives, the historic properties eligible for these programs must be certified as listed in the National Register or are contributing resources in a National Register or local historic district. The state programs obviously will continue to play an integral role in preserving historic neighborhoods.

States with homeowner rehabilitation tax programs have been able to support local development and attract new residents. Local officials can encourage revitalized residential areas around a National Register district or Main Street area that is used for commercial purposes, thereby attracting federal tax credit projects. Such efforts are doubly successful, since they have the benefit of incorporating historic preservation into areas that are inherently sustainable, aesthetically appealing, and close to amenities, factors for many single residents and empty nesters that are choosing to relocate to cities.

Kentucky Showcases Investment in Historic Preservation

The Kentucky State Historic Preservation Officer indicated in the Lane Report in August 2013 that since 2005, projects utilizing both the state and Federal Historic Rehabilitation Tax Credits have resulted in total public and private investment of \$253 million in historic preservation across the state. This includes 425 completed residential and commercial projects, with average private investment of \$595,184 per project, facilitated by a state tax credit averaging \$44,801 and federal credit averaging \$193,121 per project. In 2013, all commercial and residential rehabilitation projects using the state tax credits alone are poised to generate nearly \$79 million of estimated investment in 113 projects in 31 counties. Individual project budgets range from \$23,000 to \$7.5 million, while tax credit allocations range from nearly \$2,300 to just under \$200,000 per project.

The exclusion of private owner-occupied properties from the federal tax incentive program has long been a major concern within the preservation community. Although preservationists have lobbied for years to get a federal residential tax credit, such legislation has not been enacted. The

preservation community continues to pursue legislation that it believes is desperately needed as local governments approve large-scale demolition in distressed communities. Legislation such as the currently pending historic homeowners tax credit has been repeatedly introduced in the Congress to extend tax credits to this larger pool, with provisions that tailor the benefits to the kind of housing for low- and moderate-income residents that is so commonly found in distressed communities. Enactment of such legislation, which has been endorsed by the ACHP, could be a major incentive to stabilizing rightsizing neighborhoods.

Another concern expressed about the tax credits is the lack of flexibility in applying the Secretary of the Interior's Standards for Rehabilitation, which must be met to receive the tax credits. The Standards are broad guidelines that outline the recommended approaches for the restoration, rehabilitation, and replacement of significant features of historic properties. Given that tax credit projects can be rejected when they do not meet the Standards, developers, in particular, are concerned that the SHPOs and the NPS are not sufficiently flexible when reviewing project designs and treatments. It has been suggested that the Standards should be updated to take into consideration new techniques and approaches to design and architectural treatments that protect the character of historic properties.

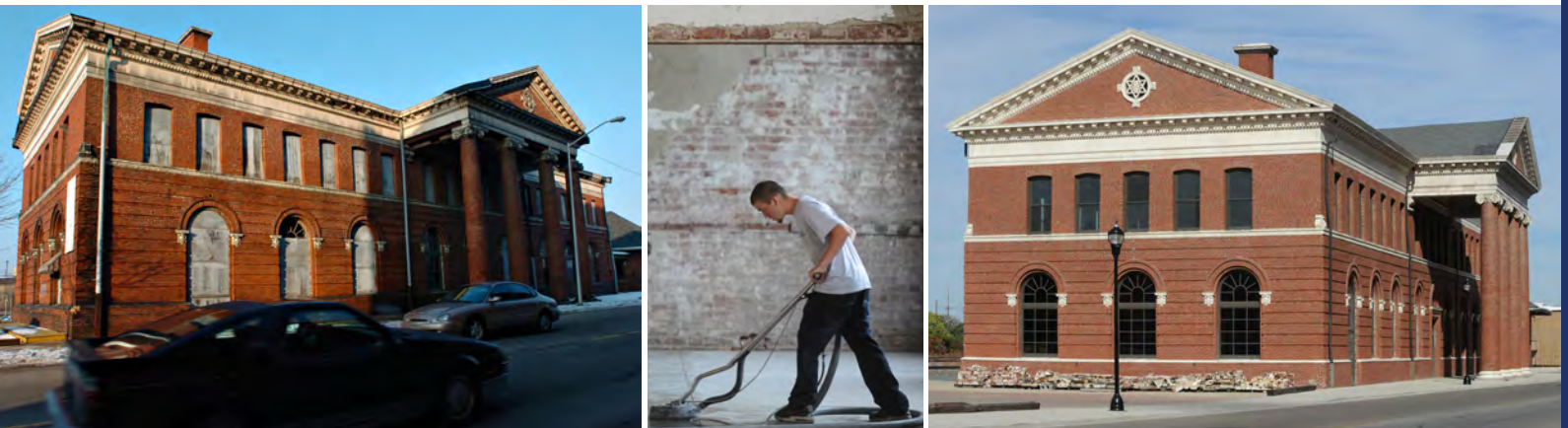
The Secretary of the Interior's 2013 report on the Federal Historic Preservation Tax Program, while acknowledging the effectiveness of the credits as a preservation and economic development tool, also concluded that the following improvements could be made to benefit cities:

- » Develop additional guidance to make the Secretary's Standards for Rehabilitation easier to use for interior spaces and new uses;
- » Provide greater training opportunities using both webinars and classroom training for state and local partners; and
- » Partner with the Administration's Strong Cities, Strong Communities initiative to incorporate the use of the federal tax credit program.

These changes may make the current Federal Historic Preservation Tax Incentive more useful for urban revitalization. However, until the tax incentives are expanded to cover not only income-producing properties but owner-occupied houses, thousands of historic residences will continue to fall outside the purview of this program that has demonstrated such success in turning vacant and underused historic structures into valuable community assets.

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CREDIT: PALLADIUM-ITEM



The former Pennsylvania Railroad Depot in Richmond, IN, fell into disrepair, but because of its importance to the community, local citizens secured funds for its rehabilitation.

Residents and local officials are most familiar with HUD's CDBG program as a tool for rehabilitation and reuse for abandoned properties in communities. Approximately 70 percent of annual funding from CDBG goes to entitlement communities, which includes most rightsizing communities. Other federal programs fund local rehabilitation efforts but few are well known by state and local officials and the private sector. An accessible and detailed list of federal programs could ensure that officials properly consider the feasibility of using historic properties when federal funds, grants, or loans were available. Currently, www.grants.gov lists available federal funding sources, as well as basic information about eligible activities. The ACHP has also developed a list of programs to assist with sustainability projects at www.achp.gov/funding.html. Case studies illustrate how historic preservation projects with co-mingled resources can make projects cost-effective while still being sensitive to historic preservation principles.

PRESERVE AMERICA

The [Preserve America](http://www.preserveamerica.gov) program is a federal initiative that encourages and supports community efforts to preserve and use heritage assets. The goals of the program include a greater shared knowledge about the nation's past, strengthened regional identities and local pride, increased local participation in preserving the country's cultural and natural heritage assets, and support for the economic vitality of our communities. A major component of this program is the designation of Preserve America Communities, which recognizes communities and neighborhoods that use heritage resources for economic development and community revitalization and encourages people to experience and appreciate local historic resources through education and heritage tourism programs. To date, there are 890 Preserve America Communities; many of them are located in legacy cities.

As part of the Preserve America Summit, a meeting of preservationists, government officials, and stakeholders convened in 2006 to chart a path for the future of the historic preservation program, participants acknowledged the importance of communities embracing historic properties as critical assets that can generate revenues through heritage tourism. In that regard, these same assets can be an important component of any city's efforts to revitalize neighborhoods. The national network of these Preserve America Communities offers opportunities for sharing community strategies for



To date, there are 890 Preserve America Communities; many of them are located in legacy cities.

historic preservation to assist struggling localities, identifying management practices and innovative approaches for reusing historic assets to market and stabilize communities.

FINDING: Historic preservation offers a variety of tools and strategies that have proven useful over time in addressing issues of urban change and redevelopment.

FINDING: Historic preservation needs to be better integrated with local plans and economic development strategies in cities addressing rightsizing.

FINDING: Local governments need assistance from state and federal agencies, as well as organizations such as the APA and the National Trust, to provide guidance on the use of preservation as an economic and community development tool.

FINDING: Tax incentives, in particular the Federal Historic Preservation Tax Incentives Program, offer the greatest public financial stimulus to the redevelopment of historic properties and are invaluable tools that need to be broadened in their reach to realize their full potential to address rightsizing challenges.

GOAL: To make historic preservation tools available to local governments, investors and developers, and residents as they develop and implement strategies that will stabilize and revitalize legacy cities.

RECOMMENDATION: The NPS should collaborate with the National Trust, the ACHP, HUD, and SHPOs to determine how to best emphasize the value of the Federal Historic Rehabilitation Tax Incentive Program to legacy cities.

RECOMMENDATION: The Administration should support expansion of the current Federal Historic Rehabilitation Tax Incentive Program to apply to owner-occupied structures, with special emphasis on low- and moderate-income owners.

RECOMMENDATION: The National Trust, preservation partners, and organizations like APA and the Urban Land Institute, should explore new approaches and the adoption of best practices that incorporate preservation principles into general planning and zoning development.

RECOMMENDATION: HUD should develop and post on its Web site a consolidated report on federal programs available to assist in local planning and historic preservation strategies in legacy cities.

III. Federal Programs and Policies Related to Rightsizing

Federal urban public policies related to rightsizing date to the urban renewal program in the 1950s, a time when the federal government made an effort to remove dilapidated low- and moderate-income housing from urban areas to eliminate blight and develop cleared tracts for planned redevelopment projects. The effects of urban renewal were often destructive and divisive, removing residents to outlying areas without creating linkages to their community. Since the inception of the urban renewal program, subsequent federal policies to address vacant, deteriorated housing, and stabilization and new construction were designed to be more inclusive, reflect broader community goals, and improve the quality of life for diverse residents. Understanding the successes and limitations of these programs is essential to appreciating current challenges to developing comprehensive urban public policies and practices to manage growth and coordinate redevelopment efforts in legacy cities.

Understanding the successes and limitations of these programs is essential to appreciating current challenges to developing comprehensive urban public policies and practices to manage growth and coordinate redevelopment efforts in legacy cities.

The Model Cities Program was created in 1966 as part of the War on Poverty. It was an ambitious program that ended in 1974; during that time, 150 communities received approximately \$3 billion. The goal of the Model Cities Program was to improve the coordination of existing urban programs, such as urban renewal. Several legacy cities received funding from the Model Cities Program, such as Detroit, St. Louis, Minneapolis, New Orleans, and Newark. Under this program, local governments had to develop comprehensive plans that included rehabilitation as well as new construction; facilitate citizen participation; deliver social services to targeted areas; and improve local police protection. An example of a Model Cities project that involved historic properties is in New Haven, Connecticut. The Wooster Square Project redeveloped New Haven's Italian American neighborhood that was cleared as part of the construction of Interstate 91. Due in large measure to the Model Cities funds, the project was instrumental in preserving and rehabilitating a number of historic buildings for use by the residents.

This program was not universally viewed as a success as it was inadequate to address the impacts of the race riots which occurred between 1966 and 1969 in many legacy cities, resulting in white flight, blight, and increased suburbanization. As the nation's leadership changed in 1969, the urban public policies shifted and the priorities of the War on Poverty diminished as other urban issues became more pressing. Further, there was extensive conflict within Congress regarding the selection of Model Cities and the long-term benefits of implementing plans that no longer responded to community needs. As a result of the program's perceived failure, there was a shift in urban policies to focus on bricks and mortar projects rather than redevelopment that was integrally linked to social services.

Following the urban renewal and Model Cities Program, in 1978 HUD created the Urban Development Action Grant program (UDAG), which awarded \$4.6 billion to assist more than 3,000 economic development projects in center cities across the country during its 12 years in existence. This program received mixed reviews that were not always favorable among preservationists. UDAG was intended to complete urban renewal projects that were aborted due to economic changes in the nation. This program was predicated on public-private partnerships in which the local government played a major role in assembling parcels for redevelopment.

Holistic planning for UDAG projects was sometimes lacking, resulting in improperly sited projects that needlessly demolished historic properties and whole swaths of other buildings without firm financing or approvals for redevelopment projects.

The HOPEVI Program, established in the 1990s, was another urban program administered by HUD. It was focused on reducing the concentration of poverty resulting from decades of mismanagement and little maintenance by replacing obsolete public housing developments with mixed-income housing. By promoting mixed-income development, the program attempted to create viable urban neighborhoods where public housing once existed. Although the HOPEVI Program was administered on a competitive basis, many neighborhoods subject to rightsizing benefited from the program, and some legacy cities actually received funding for multiple projects selected by HUD. HOPEVI Projects were often coupled with federal and state Low Income Housing Tax Credits, which helped to augment HOPEVI funding with tax credit equity necessary to develop the replacement housing required for public housing residents, as well as affordable housing for low- and moderate-income residents. Unfortunately, as discussed in the 2004 report **“A Decade of HOPEVI: Research Findings and Policy Challenges,”** HOPEVI placed a disproportionate emphasis on demolition, and some communities were uprooted and scattered. In some cases, the demolished public housing projects, designed and built to high standards, were recognized as being of National Register quality. Examples of major HOPEVI projects that transformed distressed developments include Techwood in Atlanta, Georgia; Allen Parkway Village in Houston, Texas; Richard Allen Homes in Philadelphia, Pennsylvania; and LeMoyné Gardens in Memphis, Tennessee.

Other federal programs that were often combined with HOPEVI include the CDBG and Home Investment Ownership Program (HOME) programs. HOME was the largest federal block grant program to states and local governments designed to create affordable housing for low-income residents. HOME funds are often used for developing scattered site housing associated with HOPEVI Projects. The federal policies for communities varied depending on the Administration, its priorities, and urban policies. In the 1990s, HUD and the Economic Development Administration (EDA)



participated in a program viewed as transformative for revitalizing regional areas. The Empowerment Zone (EZ)/Enterprise Communities (EC) Program was established to revitalize impoverished urban and rural communities respectively. The EZ/EC Program was designed to encourage comprehensive planning and investment aimed at the economic, physical, and social development of the neediest urban and rural areas in the nation. Under the initial 1994 round of funding, 71 urban sites received EZ/EC designation. The major share of the federal funding went to the six sites designated as Empowerment Zones, and the remaining funds went to Enterprise Communities. Although considerable latitude was given to local decision makers regarding the selection of specific strategies and activities to pursue, each funded community's efforts at Enterprise Zone transformation were expected to reflect four key principles:

- » Economic opportunity
- » Community-based partnerships
- » Sustainable community development, and
- » A strategic vision for change.

There have been multiple EZ/EC rounds since 1994. By 2006, \$1 billion had been appropriated in federal grant funding. Grant recipients spent funds on community development projects, economic development opportunities, job training, and loan programs. In addition, tax incentives were available in the EZ/EC communities, supporting the program goal of leveraging federal funds with other non-governmental resources. While historic preservation was a component of redevelopment strategies in EZ/EC, the program preserved more downtown commercial properties than residences in distressed historic districts. HUD suspended funding for this program in 2009.

In 2009, the ARRA provided massive amounts of funding to various federal assistance agencies and their grantees to create new jobs and retain existing ones, stimulate economic activity, and invest in long-term redevelopment. The majority of ARRA funding was used for salaries and equipment in local communities that had dwindling budgets. Remaining funds in the \$787 billion appropriation were used for so-called "shovel-ready" projects. These are bricks and mortar projects focused on activities that would improve infrastructure; expand property acquisition; stabilize neighborhoods through the demolition of blighted housing; expand local weatherization programs; increase access to residential mortgage relief programs; promote urban agriculture; and support local business development and retention. Based on the data in www.recovery.gov, states that included large numbers of legacy cities were recipients of approximately \$13.6 billion in HUD funding. Although substantial amounts of funding were used to eliminate blight, considerable funding supported historic preservation activities such as rehabilitation, land banking, and infill new construction. The funding for states with large numbers of rightsizing communities included: Ohio \$549 million; Michigan \$487 million; New York \$545 million; New Jersey \$322 million; Pennsylvania \$420 million; and Indiana \$158 million. Despite this unprecedented level of assistance from federal agencies, ARRA proved inadequate to abate the unprecedented level of poverty, increased vacancies, unemployment, and shuttering of businesses.

On a more modest scale and more specifically targeted, the Administration created the SC2 Program in 2011. The program was designed to assist distressed cities and regions such as those selected in the first round (Detroit, Michigan; Memphis, Tennessee; New Orleans, Louisiana; Chester, Pennsylvania; Fresno, California; and Cleveland-Youngstown, Ohio). All of these communities had lost their economic drivers during the past four decades, and were in need of federal, state, and local resources to help identify innovative strategies to accomplish more with less. The SC2 initiative consists of four components:

1. Community Solutions Teams (CSTs), comprised of federal employees from a variety of agencies to assist cities directly in coordinating multiple sources of federal funding;
2. A Fellowship Program, supporting mid-career professionals serving multi-year terms in local government positions to provide additional capacity in cities;
3. An Economic Planning Challenge, assisting cities in developing comprehensive economic and land use plans; and
4. The National Resource Network, providing cities and regions with access to national experts for technical assistance and implementation support.

CSTs were embedded in select communities to work with mayors and city managers to identify their particular challenges and prioritize action areas that would benefit from CST support. Through federal technical assistance and capacity building, the use of Program Fellows, and public-private partnerships, the first seven cities were able to successfully identify revitalization priorities, coordinate federal reviews, and highlight best management practices.

Following the deployment of the CSTs, Executive Order 13602 was issued, which established a White House Council for SC2. The high-level placement of the Council within the Administration provides a vehicle for senior policy makers to shape government responses to the challenges facing distressed urban communities. Since future urban policies are likely to be informed by the work of the Council for SC2, it is this organization that should adopt and promote the historic preservation ethic important in distressed communities and regions around the nation. More importantly, the nexus between historic preservation and sustainability should be highlighted so that existing tools in the federal historic preservation program could be effectively used in the work of the Council for SC2.

Historic preservation and sustainability are viewed by many federal, state, and local governments as complimentary concepts. In fact, many local governments recognize that the improvement of existing built assets, including historic and older buildings, is foundational to developing green places, livable communities, and healthier neighborhoods. The renovation of historic properties can be the anchor of a redevelopment project that proposes to preserve the city's heritage, culture, sense of place, and investment in existing infrastructure. Sustainability promotes the repurposing of older, vacant buildings to minimize the need for new construction and its impact on the environment. Further, by reusing buildings, the waste associated with demolition is avoided and reinvestment in existing neighborhoods becomes a priority. The DOT, HUD, and the EPA developed a **Partnership for Sustainable Communities (Partnership)** in 2009 to assist communities with news, research, and best management practices on innovative sustainability activities. Cities confronting rightsizing can access the Partnership's technical assistance for planning, redevelopment, and economic development to explore options that preserve, rather than demolish, historic properties in urban and rural communities.

The federal government's commitment to urban communities in recent decades is evident by the variety of strategies devised and the level of funding committed. However, the funding has not always been provided after adequate consideration of its relation to local comprehensive plans or how funds could be leveraged to achieve broader redevelopment goals. One of the primary reasons to implement a coordinated approach to local redevelopment is to most effectively use the full range of available federal programs. For instance, formula grants, such as CDBG and HOME are distributed to states or entitlement communities based on population and a consolidated plan. These funds follow strict guidelines with sub-grantees limited in the type of activities they propose. Conversely, competitive federal grant programs, such as the Homeless Assistance Program and Continuum of Care Program that are tied to annual funding appropriations, allow for more innovative projects developed by a diverse group of applicants.

Historic preservation and sustainability are viewed by many federal, state, and local governments as complimentary concepts.

Developing a comprehensive local redevelopment strategy based on an understanding of the particular requirements of these various programs can ensure that they all contribute to advancing a unified vision of a community's future. Just as important is having access to a comprehensive list and explanation of federal assistance programs and available federal resources. The following overview is intended to provide potential avenues for communities to explore available funding for redevelopment efforts in legacy cities.

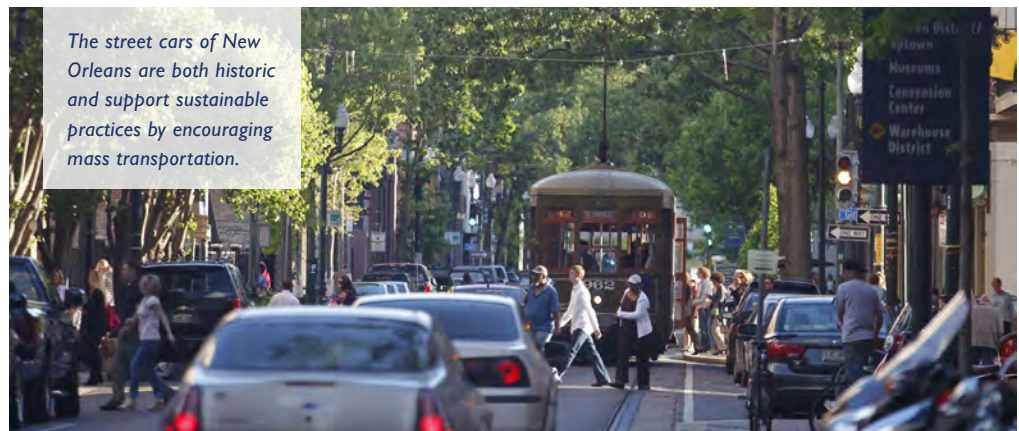
FEDERAL ASSISTANCE, LOANS, AND GRANTS FOR RIGHTSIZING ACTIVITIES

Over the years, many cities have used local funds to make significant investments in infrastructure and aid residents during transitional periods. Federal resources are used to augment, not replace, local redevelopment efforts. However, for many legacy cities, limited local resources have increased the urgency of identifying federal programs to help implement redevelopment activities. There are hundreds of federal programs available to provide loans and grants to states and local communities. Many of these programs are not known by local governments due to limited outreach efforts by federal agencies regarding the availability of appropriations and an explanation of qualifying requirements. Several HUD programs like HOPE VI have had success; however, Congress has not funded this program since Fiscal Year 2010. As such, local governments and potential applicants need to actively research all funding availability and qualifying criteria when seeking federal financial assistance, loans, and grants.

PlaceEconomics noted in the "Historic Preservation and Rightsizing" report that "out of 25 federal programs that could be used for reclaiming vacant property, only five seem to be used for rightsizing, and of those, most of the funds were used for demolition." The lack of creativity in using federal funds could be attributed to limited technical assistance and an absence of best practice guidance to help state and local officials explore other alternatives. The development of a toolkit for local governments that explains the nexus between federal programs and the preservation and protection of historic properties would be an invaluable tool for local officials as well as grassroots organizations that may not have extensive knowledge of the possible federal resources available for stabilizing neighborhoods.

While the full range of federal programs can be found on www.grants.gov, this report examines those programs that should be most helpful to rightsizing communities, foundations, institutions, and banks that seek resources including financial assistance, loans, grants, technical assistance, and best management practices to support redevelopment and economic development projects.

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The street cars of New Orleans are both historic and support sustainable practices by encouraging mass transportation.

CREDIT: NEW ORLEANS CONVENTION & VISITORS BUREAU

Housing and Urban Development Programs

HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality, affordable rental homes; utilize housing as a platform for improving quality of life; and build inclusive and sustainable communities free from discrimination. HUD programs that are most useful for affordable housing, redevelopment, and economic development include the following:

- » [Community Development Block Grants \(CDBG\)](#)
- » [HOME Investment Partnership Programs](#)
- » [HOPEVI](#)
- » [Neighborhood Stabilization Program Grants \(NSP\)](#)
- » [Federal Housing Administration \(FHA\)](#)
- » [Choice Neighborhood Initiative](#)
- » [Public Assistance Housing and Section 8](#)
- » [Rental Housing for the Elderly](#)
- » [Single Room Occupancy](#)
- » [Healthy Homes and Lead Hazard Control](#)
- » [Mortgage Insurance for Healthcare](#)

In addition, HUD funds diverse planning programs used by local governments and housing authorities such as:

- » [Sustainable Communities Regional Planning Grant Program](#)
- » [HUD-DOT Community Challenge Grants](#)
- » [Choice Neighborhood Planning Grants](#)

Information on HUD programs can be found at <http://portal.hud.gov/hudportal/HUD?src=/topics/grants>.

Department of Transportation Programs

The DOT mission is to provide a fast, safe, efficient, accessible, and convenient transportation system that meets national interests and enhances the quality of life of the American people, today and into the future. DOT projects include highway, transit, and intermodal activities as well as neighborhood improvements.

- » [FHWA Innovative Program Delivery](#)
- » [New Starts \(FTA\)](#)
- » [TIGER Grants](#)
- » [Metropolitan Planning](#)
- » [Congestion Mitigation and Air Quality Improvement Program](#)
- » [National Highway Performance Program](#)
- » [Highway Safety Improvement Program](#)
- » [Livability Initiative](#)
- » [Economic Development Planning](#)
- » [Transportation Asset Management Program](#)

Information on DOT programs can be found at www.dot.gov/grants.





Environmental Protection Agency Programs

EPA's mission is to protect human health and the environment. Nearly half of its budget provides grants to state environmental agencies, non-profit organizations, educational institutions, and others to support the EPA mission of a clean, safe environment. These programs can assist legacy cities to remediate environmental concerns at industrial sites so that they can be used as infrastructure to support and facilitate redevelopment activities.

- » [Areawide Planning Program](#)
- » [Assessment Grants](#)
- » [Revolving Loan Fund Grants](#)
- » [Cleanup Grants](#)
- » [Environmental Workforce Development and Job Training Grants](#)
- » [Multi-Purpose Pilot Grants](#)
- » [Training, Research, and Technical Assistance Grants](#)
- » [Targeted Brownfields Assessments](#)
- » [State and Tribal Response Programs](#)
- » [Sustainability Pilots](#)

Information on EPA programs can be found at <http://www2.epa.gov/home/grants-and-other-funding-opportunities>.



Economic Development Administration Grants

The EDA helps states, regions, and local communities minimize poverty and increase economic opportunities by promoting a favorable business environment to attract private capital investment and higher-skill, higher wage jobs through capacity building, planning, infrastructure, research, and strategic initiatives.

- » Public Works
- » Economic Adjustment
- » Partnership Planning
- » University Centers
- » Research and National Technical Assistance
- » Local Technical Assistance

Information on these programs is available at <http://www.eda.gov/programs.htm>

Information on EDA grants can be found at www.eda.gov/ffo.htm.



Department of the Interior Programs

The Department of the Interior protects America's natural resources and heritage, honors our cultures and tribal communities, and supplies the energy to power our future. DOI's programs supplement local funding to preserve and stabilize local historic properties that help to distinguish heritage and culture.

- » [Save America's Treasures](#)
- » [Preserve America Grants](#)

- » [Land and Water Conservation Fund](#)
- » [SHPO Historic Preservation Fund Grants](#)
- » [Tribal Historic Preservation Office Grants](#)
- » [Historically Black Colleges and Universities Grants](#)
- » [Hurricane Disaster Relief Grants](#)

Information on DOI programs can be found at www.doi.gov.

National Endowment for the Arts (NEA) Programs

The NEA supports artistic excellence, creativity, and innovation for the benefit of individuals and communities. The NEA extends its work through partnerships with state arts agencies, local leaders, other federal agencies, and the philanthropic sector. In recent years, NEA has been a major participant in enhancing local redevelopment activities that support public art.

- » [Challenge America Fast-Track](#)
- » [Our Town Grant Program](#)
- » [Art Works Grant Program](#)

Information on NEA programs can be found at www.nea.gov/grants.

Health and Human Services (HHS) Programs

HHS is the principal federal agency for protecting the health of all Americans and providing essential human services, especially for those who are least able to help themselves. In recent years, HHS agencies such as the Centers for Disease Control and Prevention have played a pivotal role in creating healthy communities that promote livability.

- » [Service Area Competition](#)
- » [Social Services Block Grants](#)
- » [Head Start Program](#)
- » [Community Economic Development Program](#)
- » [Center for Faith-based and Neighborhood Partnerships](#)
- » [Centers for Disease Control](#)
- » [Community Services Block Grant](#)

Information on HHS programs can be found at www.hhs.gov/grants/index.html.

Department of Labor (DOL) Programs

The DOL fosters, promotes, and develops the welfare of the wage earners, job seekers, and retirees of the United States; improves working conditions; advances opportunities for profitable employment; and assures work-related benefits and rights. DOL works closely with local governments to ensure that they create pools of labor to support new and expanded business opportunities.

- » [Job Corps](#) (125 centers around the nation)
- » [Office of Recovery for Auto Communities and Workers](#)

Information on DOL programs can be found at www.dol.gov/dol/grants.





Department of the Treasury Programs

The Department of the Treasury's primary role is to maintain a strong economy and create economic and job opportunities by promoting the conditions that enable economic growth and stability at home and abroad. It manages a variety of programs which may impact historic properties but may not be considered federal undertakings subject to Section 106 when researched by Treasury due to the agency's limited authority.

- » The Hardest Hit Fund (HHF) is a program created by the Troubled Asset Relief Program (TARP), and is meant to provide targeted aid to 18 states and the District of Columbia for families most affected by the economic and housing downturn. This program also includes blight elimination.
- » The Low Income Housing Tax Credit (LIHTC) is administered by state housing finance agencies, with oversight and technical assistance from HUD and the Internal Revenue Service.
- » The U.S. Treasury Community Development Financial Institutions Fund promotes economic revitalization and community development through investment in and assistance to financial institutions.
- » The Federal Historic Preservation Tax Incentives program encourages private sector investment in the rehabilitation and reuse of historic buildings. The NPS and the Internal Revenue Service administer the program in partnership with SHPOs.



Federal Reserve System Program

The Federal Reserve, which has 12 separate banks across the country, oversees the nation's monetary policy. It influences the monetary and credit conditions in the economy in pursuit of maximum employment, stable prices, and moderate long-term interest rates.

- » The Community Affairs Program

Information on Federal Reserve System programs can be found at www.federalreserve.gov/communityaffairs/national/.



U.S. Department of Agriculture Programs

The USDA works to expand economic opportunities in rural America by promoting agriculture production, feeding state residents, preserving and conserving our nation's natural resources, restoring forests, and improving watersheds and privately owned lands.

- » Community Facilities Grants and Loans
- » Farmers Market Promotion Program
- » Community Food Projects Competitive Grants Program
- » Urban and Community Forestry Grants

Information on USDA programs can be found at www.usda.gov/wps/portal/usda/usdahome?navid=GRANTS_LOANS.



Small Business Administration (SBA) Programs

The SBA recognizes that small business is critical to the nation's economic recovery and strength and to building America's future. It provides loans and offers technical assistance to qualified enterprises that support the local economy.

- » CDC/504 for major assets (i.e., real estate or equipment)
- » General small business loans

Information on SBA programs can be found at www.sba.gov/category/navigation-structure/loans-grants.

Partnership for Sustainable Communities

The Partnership for Sustainable Communities provides information, news, research, and advocacy tools to assist communities with urban planning, land use, zoning, and development policies and practices that encourage locally and environmentally efficient development. The partnership agencies include HUD, DOT, and EPA. Livability principles are to:

1. **provide more transportation choices;**
Develop safe, reliable, and economical transportation choices to decrease household transportation costs, reduce our nation's dependence on foreign oil, improve air quality, reduce greenhouse gas emissions, and promote public health.
2. **promote equitable, affordable housing;**
Expand location- and energy-efficient housing choices for people of all ages, incomes, races, and ethnicities to increase mobility and lower the combined cost of housing and transportation.
3. **enhance economic competitiveness;**
Improve economic competitiveness through reliable and timely access to employment centers, educational opportunities, services and other basic needs by workers, as well as expanded business access to markets.
4. **support existing communities;**
Target federal funding toward existing communities—through strategies like transit-oriented, mixed-use development and land recycling—to increase community revitalization and the efficiency of public works investments and safeguard rural landscapes.
5. **coordinate and leverage federal policies and investment;**
Align federal policies and funding to remove barriers to collaboration, leverage funding, and increase the accountability and effectiveness of all levels of government to plan for future growth, including making smart energy choices such as locally generated renewable energy.
6. **value communities and neighborhoods;**
Enhance the unique characteristics of all communities by investing in healthy, safe, and walkable neighborhoods—rural, urban, or suburban.

Information on the Partnership can be found at <http://www.sustainablecommunities.gov>

Alabama's Multi-Agency Projects

A redevelopment project that illustrates a collaborative effort that used federal grants was the Selma to Montgomery National Historic Trail in Montgomery, Alabama. HUD's CDBG funds were used in the city of Montgomery for streetscape improvements, affordable housing, and repairs to the historic Mount Zion Church associated with the National Historic Trail. In addition, the Department of Labor Job Corps and the city trained young adults on green building techniques so they would be able to get employment in the private sector building community gardens and renovating homes in the Peacock neighborhood. The Department of Energy's Weatherization Program funds were used in the revitalization of houses, and EPA provided technical assistance to help the city rehabilitate a part of the trail under the interstates.

The partnership epitomizes the type of work that rightsizing communities need to have available to reinvigorate local planning. Moreover, it illustrates that when local officials develop their plans and visions with the community, federal resources can be targeted on implementation and serve as a catalyst for future economic development activities.

This project was recognized in the Partnership for Sustainable Communities' three year report available at http://www.sustainablecommunities.gov/pdf/partnership_accomplishments_report_508%20compliant_final_062112.pdf

Smart Growth

Smart Growth is a sustainable planning approach that emphasizes 10 principles. EPA helps communities grow in ways that expand economic opportunity, protect public health and the environment, and create and enhance the places that people love. Through research, tools, partnerships, case studies, grants, and technical assistance, EPA is helping America's communities turn their visions of the future into reality. The Smart Growth concept is implemented on an interagency basis that promotes holistic redevelopment that incorporates the following principles:

1. Mix land uses;
2. Build well-designed, compact neighborhoods;
3. Provide a variety of transportation choices;
4. Create diverse housing opportunities;
5. Encourage growth in existing communities;
6. Preserve open spaces, natural beauty, and environmentally sensitive areas;
7. Protect and enhance agricultural lands;
8. Utilize smarter, and cheaper infrastructure and green buildings;
9. Foster a unique neighborhood identity; and
10. Nurture engaged citizens

Information on the Federal Smart Growth Program can be found at <http://www.epa.gov/smartgrowth/partnership/>

ACCOMMODATING FEDERAL ASSISTANCE AND HISTORIC PRESERVATION: THE SECTION 106 PROCESS

Congress passed the NHPA in 1966 to develop a federal historic preservation program in response to widespread public concern about the loss of historic properties due to the implementation of federal programs such as the urban renewal program, the interstate highway program, and the U.S. Army Corps of Engineers Civil Works program. A key provision was Section 106, which requires federal agencies to take into account the effects of their undertakings on historic properties and afford the ACHP a reasonable opportunity to comment. This has evolved into a consultative process involving diverse stakeholders as well as the federal agency. Agencies must consider effects on historic properties, defined in the NHPA as districts, sites, buildings, structures, and objects included in, or eligible for inclusion in, the National Register of Historic Places, which is maintained by the Secretary of the Interior.

To successfully complete Section 106 review, federal agencies must do the following:

- » gather information to decide which properties in the area that may be affected by the project are listed, or are eligible for listing, in the National Register of Historic Places (referred to as "historic properties");
- » determine how those historic properties might be affected;
- » explore measures to avoid or reduce harm ("adverse effect") to historic properties; and
- » reach agreement with the SHPO/Tribal Historic Preservation Office (and the ACHP in some cases) on such measures to resolve any adverse effects or, failing that, obtain advisory comments from the ACHP, which are sent to the head of the agency.

While federal agencies assume responsibility for meeting the requirements of Section 106, an exception is made for certain HUD programs such as CDBG, Disaster Recovery Programs, and HOME which delegate the responsibility to comply with environmental reviews to state and local governments. HUD has included on its Web site information on historic preservation review requirements, HUD preservation awards, and case studies: <http://www.huduser.org>. While applicants and grant recipients for other federal programs do not have the same legal obligation, it is crucial that they have a good working knowledge of the Section 106 process. Early and inclusive consultation, involving both project sponsors and preservation stakeholders, ensures that the Section 106 review promotes historic preservation principles and helps to develop outcomes that integrate the protection of historic properties important to the local community into urban revitalization goals.

Initiating Section 106 review early in project planning provides a number of advantages to local governments, but such coordination often does not take place due to a lack of knowledge by federal agencies and project recipients regarding the utility of Section 106 as a planning tool. Early consultation with SHPOs to identify and to evaluate historic properties makes important information available during the consideration of alternative strategies for redeveloping neighborhoods. The Section 106 review can be helpful to neighborhoods impacted by rightsizing because it requires the development of project alternatives and requires public participation, identifying those historic properties that are important to the community. This review process also can spare historic properties from demolition that should be viewed as assets in redevelopment schemes. In addition, the information gathered during a Section 106 review may expedite related state and federal reviews by providing baseline data and analyses, saving time and money. The ACHP has recently issued a **toolkit** for applicants involved in the Section 106 review. It is helpful in explaining the review process and clarifying the role of developers, applicants, and other stakeholders.

Federal programs have frequently been used to assist local governments and non-profit applicants such as community development corporations with the implementation of activities that are part of a master plan or neighborhood strategy plan for targeted areas. Many of these activities are developed with input from residents and grassroots organizations that are unclear about federal programs and their missions. Therefore, residents are dependent on local officials when preparing grant applications,

Initiating Section 106 review early in project planning provides a number of advantages to local governments, but such coordination often does not take place due to a lack of knowledge by federal agencies and project recipients.

The ACHP members conduct regular business meetings and sometimes review individual Section 106 cases.



although residents may ultimately be the sub-grantee responsible for administering the project. Since grant applications are more likely to be successful when they address all of the relevant federal, state, and local policies, historic preservation and environmental reviews are required before funds are released. Section 106 is recognized as a planning tool that assists agencies and applicants with project planning. Not only does it require that diverse consulting parties participate in project planning to consider the effects of the project on historic properties, it also encourages agencies and applicants to avoid, minimize, and mitigate adverse effects, when feasible. Many federal agencies that are responsible for ensuring that Section 106 is completed are not always knowledgeable about the requirements of Section 106 and the creative outcomes that occur during this review. Section 106 is required by law and is often helpful to local governments and applicants as it provides an opportunity to negotiate better project outcomes. Furthermore, if agencies are to avoid delays in project reviews and the release of project funds, they must not only learn about the benefits of Section 106, but also ensure that pertinent background information necessary to complete grant applications is submitted or prepared by applicants, as appropriate.

FINDING: There is a wealth of existing federal programs that can support rightsizing in a manner that builds on community historic resources, but information about those programs is not readily available to local governments and other stakeholders.

FINDING: Non-profit organizations and developers often need help identifying federal grants to fund or provide supplemental financing for major redevelopment projects.

FINDING: Section 106 of the NHPA is an important planning process that engages diverse stakeholders to inform decision making and limit adverse effects on historic properties.

FINDING: Early initiation of the Section 106 process facilitates the analysis of alternative redevelopment strategies that can integrate historic properties important to the community.

GOAL: To better use federal resources and processes to pursue preservation-based strategies to address rightsizing in legacy cities.

RECOMMENDATION: Federal agencies providing assistance to local governments for redevelopment activities should ensure that the Section 106 process begins at the earliest stages of planning and that local governments coordinate planning and environmental reviews for all federal assistance in a comprehensive manner.

RECOMMENDATION: HUD, in consultation with the ACHP, should educate state and local grant administrators for legacy cities regarding effective measures to better consider opportunities to reuse historic properties during environmental reviews, including Section 106.

RECOMMENDATION: The SC2 initiative, working through its member agencies and in collaboration with the ACHP, should provide user-friendly guidance for state and local governments and stakeholders on federal assistance available when using historic properties in redevelopment projects.

RECOMMENDATION: The ACHP, in consultation with historic preservation partners, should develop Web-based guidance that explains the federal historic preservation programs that can address rightsizing issues and publicize best practices and innovative strategies.

IV. Enhanced Federal Program Coordination

Federal initiatives such as sustainability have generated new public policies that are applicable to rightsizing and may offer the potential to provide much needed guidance to local communities. A 2009 survey conducted by the Living Cities Collaborative concluded that 80 percent of larger cities report that sustainability is among their top five priorities. The similarities between the goals of sustainability and historic preservation underscore the essential link between the two. In order to demonstrate the Administration's commitment to sustainability, the Partnership for Sustainable Communities was established with the goal of assisting communities by cutting red tape, getting the most out of federal resources, and attracting new state, local, and private funding. Legacy cities such as Detroit, Cleveland, Flint, Pittsburgh, and St. Louis have received funds from the Partnership for demonstration projects that focused on sustainable practices in transportation and housing. Local officials have indicated that their communities have benefitted from the Partnership support, particularly assistance on how to use holistic and collaborative approaches to build strong public-private partnerships.

Organizations like the Brookings Institution, APA, and Initiative for a Competitive Inner City (ICIC) have explored the issue of legacy cities and rightsizing to address the economic, social, and land use implications on the future of communities. While the research has been compelling, and the recommendations such as approaching local planning from a metropolitan or regional framework rather than local are sound, formal action has not been taken to manage rightsizing. Urban public policies, regrettably, have lagged behind the needs of legacy cities. Federal initiatives such as sustainability have generated new public policies that are applicable to rightsizing and may offer the potential to provide much needed guidance to local communities. If local officials are unfamiliar with sustainability or smart growth principles, they are likely to be unaware of actions and programs that could provide much needed financial and technical assistance.

The federal government has intermittently issued urban public policies related to legacy cities. Recently, SC2 has been recognized for improving federal project planning and implementation in select cities. Initiatives in which multiple agencies are involved must adhere to principles to ensure that programs inform long-term, bottom-up project planning. For instance, HUD programs that are designed to develop mixed income neighborhoods must consider HOME requirements for affordable housing, DOT livability principles, and EDA planning requirements to have a meaningful impact. However, missing from this otherwise laudable equation is a uniform approach to integrating historic preservation, both as a strategy and as a planning consideration. When that happens, this may result in lost opportunities for sustainable redevelopment and, worse, lost historic properties.

During 2013, the Treasury Department has taken an active role in assisting cities, particularly legacy cities, by providing reinvestment funds and extensive research. However, a failure to properly integrate historic preservation concerns into the delivery of this assistance bodes ill. The Treasury Department recently allocated hundreds of millions of dollars from the Hardest Hit Fund to three states (Indiana, Ohio, and Michigan) to assist cities or counties in implementing blight elimination activities. Although it is highly probable that these programs will affect historic properties, Treasury determined that they were not subject to Section 106 or other environmental review processes,

Federal initiatives such as sustainability have generated new public policies that are applicable to rightsizing and may offer the potential to provide much needed guidance to local communities.

so no formal consideration of historic properties was conducted with preservation authorities or local stakeholders prior to the disbursement of funds. Consequently, monitoring the prospective demolition of properties will fall to state and local processes, which are inconsistent and unlikely to be adequate to ensure that blight removal does not result in the decimation of National Register-listed and eligible districts.

The 2013 activities by Treasury with the Hardest Hit Fund would have benefitted from the best management practices of programs like the Partnership or SC2. The interagency collaboration in these programs could have addressed immediate and long-term goals for legacy cities receiving federal funds. In addition, the state and local governments could have identified the type of technical assistance and guidance that would help in identifying innovative approaches to repurposing historic properties to rebuild neighborhoods. At the 2013 Boston Federal Reserve Conference, Chairman Ben Bernanke shared with the audience his observation that, after decades of large-scale, top down federal efforts, it has become increasingly apparent that a one-size-fits-all approach did not serve local communities well. Most importantly, he indicated that resilient communities require more than decent housing; they require an array of amenities that support the social fabric of the community residents. This is a message that all federal agencies need to heed.

The Center for Housing Policy in its introduction to the report on “Local Policy Options to Support Sustainable and Equitable Development” stated that “local actors are recognizing the benefits of targeting infrastructure, housing, and economic development investments in a coordinated fashion to location-efficient areas.” This is a timely observation, as the future in sustainability efforts is in coordinating resources and allocating them based upon approved local and neighborhood plans for target areas. While this is not a new concept, it is one that is not always applied in the delivery of federal assistance. Rather than developing a framework that ensures local governments properly use federal funds to support redevelopment and revitalization activities in targeted areas, most federal assistance and grants are made without any type of coordination. While metrics are in place to track overall federal spending by agency, the federal government does not track spending by cities or redevelopment activities and often does not



provide targeted assistance. If metrics were established to monitor annual federal expenditures in legacy cities, the federal government might be able to improve the allocation of public resources so that funds can be leveraged with private resources.

Legislation related to metrics for federal resources to cities is the Digital Accountability and Transparency Act of 2013 (DATA) introduced in the House of Representatives in November 2013. This bill, pending in Congress, would require the Treasury Department to maintain the Web site already established by the Office of Management and Budget (OMB) in 2006 to provide public information about awards of federal funds. When the DATA bill was originally introduced in the last Congress, it was endorsed by 113 bi-partisan mayors from around the nation who sought reforms to improve reporting and transparency on federal grants. Although the reporting proposed in the bill would occur at the federal level, it would be coordinated with local governments. The City of Philadelphia, a supporter of the bill, provides an example of why the DATA bill would be useful. The city announced in July 2013 that Mayor Michael Nutter had signed an executive order establishing the “Mayor’s Office of Grants” to increase the city’s capacity and capabilities to compete for federal, state, and philanthropic grants and to manage funding with transparency. As a legacy city, Philadelphia has obtained a large number of federal grants in the past decades, receiving \$1.2 billion in federal and state grants in 2011. With a centralized grant process, the Mayor’s Office of Grants anticipated it would “easily apply for grants, monitor them, and improve the process.” Other legacy cities would also benefit from building capacity to receive resources since redevelopment activities are dependent on public-private financing, including Federal Historic Preservation Tax credits.

In addition to improved coordination of federal assistance, better planning in local governments is essential if legacy cities are to be successful in their rightsizing efforts. In *Facing the Urban Challenge: The Federal Government and America’s Older Distressed Cities*, Alan Mallach states “In retrospect, it is equally clear that few of the activities pursued by older cities themselves over the past decades were based upon a strategic framework designed to lead to a stronger future city.” He continues “cities have scattered billions in investments in new housing, new schools, and public facilities, without weaving them into larger strategies or targeting them to areas with strong assets for future revitalization.” This reference to strong assets brings historic preservation into the analysis, recognizing that a framework—which should include historic preservation—is necessary so that legacy cities do not take a piecemeal approach toward building new communities.

An example of where greater coordination among state and local officials and federal agencies would offer opportunities for preserving historic properties so that they could contribute to future revitalization efforts is land banking. HUD’s NSP programs authorized the use of funds to establish and operate land banks for foreclosed residential properties resulting in the creation of numerous local, regional, and state governmental organizations. In many jurisdictions, long-term abandoned homes are not eligible for land banking. This may limit the ability of legacy cities to use the land bank for a certain category of residential properties that would provide the greatest assistance to the community. Further, local officials must clarify whether land banking is intended to stimulate new development on cleared parcels or use vacant properties to stabilize existing neighborhoods and to promote homeownership to eliminate blight. Federal funding can be used only when specified criteria are met for the reuse of properties or land. If land banks are to be used to expand local affordable housing, strategies could be established to attract developers who could use federal and state tax incentives to rehabilitate income-producing rental properties. As it relates to rightsizing, land banking can be an effective tool if it is tied to a program with clearly articulated mission statements and project goals that include rehabilitation activities as well as demolition and new construction on cleared lots.

In many jurisdictions, long-term abandoned homes are not eligible for land banking.



CREDIT: GENESSEE COUNTY LAND BANK

Some states and localities have created land banks that have a solid mission that promotes reuse and rehabilitation. For instance, Genesee County, MI's land bank mission is to: "restore value to the community by acquiring, developing and selling vacant and abandoned properties in cooperation with stakeholders who value responsible land ownership." A noteworthy provision is the land bank's ability to hold the title of properties for community development corporations or other entities for a specified time period while they determine how to reuse the property according to the terms of agreement. <http://www.thelandbank.org/>

INCORPORATING HISTORIC PRESERVATION IN FEDERAL INITIATIVES

Historic preservation should be an integral part of federal initiatives like the current SC2 program, providing an opportunity for resource agencies like the ACHP and NPS to help shape policy and provide technical assistance during program formulation and project planning. To address the ACHP's lack of participation, the Administration needs to recognize the value of historic preservation and identify appropriate federal agencies to determine how best to incorporate historic preservation in federal programs. With regard to project implementation, SHPOs, CLGs that receive a portion of SHPO resources and are authorized to assist them in identifying and evaluating historic properties, and local historic preservation commissions can play major roles in local historic preservation activities. Unfortunately, new federal initiatives have not included them in local discussions as evidenced in the case studies for the first round communities of the SC2. CST's for each locale focused on a topic related to rightsizing communities, such as economic development, job creation, or public safety. There is no indication, however, that the teams brought in preservation practitioners or gave serious consideration to historic preservation as a tool to achieve program goals. The opportunity to demonstrate the value of historic preservation strategies in framing policies and creating innovative solutions, in both the target city and as a model for communities addressing similar issues, was lost.

The White House Neighborhood Revitalization Initiative (NRI) is a collaborative established in 2010 and administered by the White House Office of Urban Affairs dedicated to achieving innovative results through federal agency collaboration. The NRI provides technical assistance and grants for place-based programs, like HUD's Choice Neighborhoods Initiative (CNI). CNI supports locally driven strategies to address struggling neighborhoods through a comprehensive approach to neighborhood transformation. Best practices are shared through an annual report to demonstrate how communities have used federal funds and other resources to achieve comprehensive

neighborhood revitalization. While the NRI emphasizes the coordination of federal funds, it also provides an opportunity to leverage state and local resources for maximum impact. The NRI's place-based approach to transforming neighborhoods and communities is designed to be interdisciplinary, coordinated, flexible and data- and results-driven. Like the SC2 program, historic preservation is not an integral part of CNI, but the potential exists to work with local preservationists to adopt historic preservation principles as a means of achieving the program's goals.

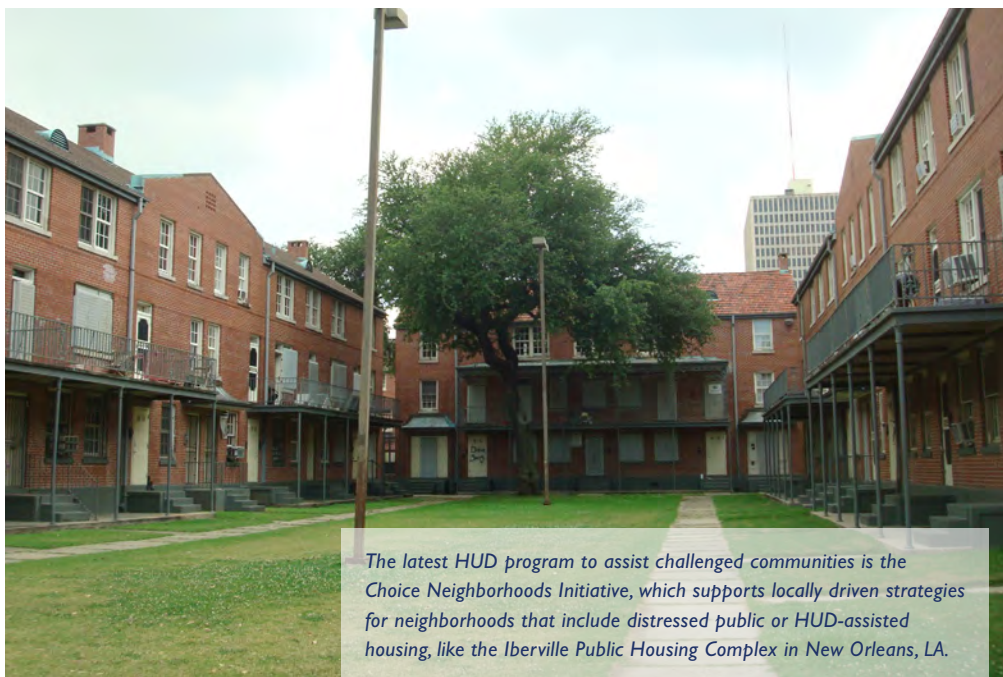
HISTORIC PRESERVATION IN FEDERAL GRANT PROGRAMS

As experience has ably demonstrated, historic preservation is a proven revitalization strategy that, if integrated into federal assistance and grant programs, can promote economic and community development. Similarly, historic preservation has been able to preserve the local heritage by protecting iconic resources that are important to the local identity. It can help local governments engage the public about the importance of the community's heritage and how redevelopment can build on rather than destroy those elements that define its character and culture. The federal Smart Growth initiative recognizes this essential truth, which EPA has highlighted on the initiative's Web site: http://www.epa.gov/dced/topics/historic_pres.htm

As experience has ably demonstrated, historic preservation is a proven revitalization strategy that, if integrated into federal assistance and grant programs, can promote economic and community development.

Smart Growth

The federal Smart Growth initiative has explained its importance on its Web site: "The preservation and renovation of historic properties is an important part of a sustainable, smart growth approach. The renovation of an historic property is often a starting point and anchor for the redevelopment of a block, street, or district. An historic building or district can be a tangible symbol of a community's interest in honoring its heritage, valuing its character and sense of place, getting the most out of prior investments in infrastructure and development, and encouraging growth in already-developed areas. Rehabilitating historic properties can also be a critical part of promoting energy efficiency by preserving the energy already represented by existing buildings (known as "embodied energy"), rather than expending additional energy for new construction."



The latest HUD program to assist challenged communities is the Choice Neighborhoods Initiative, which supports locally driven strategies for neighborhoods that include distressed public or HUD-assisted housing, like the Iberville Public Housing Complex in New Orleans, LA.

CREDIT: HUD

Unfortunately, federal grant managers do not have a uniformly high level of knowledge about historic preservation. Consequently, when agencies establish qualifying characteristics for funding programs, historic preservation is often not considered an important ranking factor in reviewing grant applications. Likewise, the federal notices of funding availability published by agencies to announce grant opportunities rarely note that historic preservation strategies can be used to meet primary program goals such as affordable housing.

Beyond failing to encourage beneficial uses of federal grants for historic preservation purposes, too often funds that are made available cause harm to historic resources. For example, current state and local proposals seeking federal funding for blight elimination activities are focused exclusively on demolition as they were not developed in public forums or by engaging preservation experts. Demolition not only affects the target structure but also has cumulative effects on the viability of historic neighborhoods. Similarly, redevelopment projects may change the character of historic districts in harmful ways if they do not properly factor in the existing historic environment.

Integration of historic preservation into the planning and delivery of federal assistance is the clear remedy to this situation. The tools are available to do this, at the federal, state, and local level. Collaboration, education, and commitment are needed to achieve the desired result.

FINDING: Federal agencies do not regularly collaborate with each other in the delivery of assistance to communities, resulting in lost opportunities to use preservation as part of a comprehensive redevelopment strategy.

FINDING: Federal policies are inconsistent in their approach to redevelopment, often failing to incorporate historic preservation programs.

FINDING: The Administration's SC2 initiative can be an effective tool in the development of federal public policies and practices that promote interagency coordination and benefit long-term local preservation goals.

FINDING: Federal programs that are targeted to demolition do not always reflect the preferences of the residents of the community, especially when they are seeking historic preservation options.

GOAL: To encourage collaboration among federal agencies, state and local governments, and the public so that funding for rightsizing efforts can be channeled in a holistic manner, with due consideration of historic preservation issues and opportunities.

RECOMMENDATION: The ACHP should work with SC2 and Promise Zone initiatives to promote an understanding of the value of historic preservation strategies among federal agencies and local governments involved in planning federally assisted redevelopment efforts and to encourage collaboration among them.

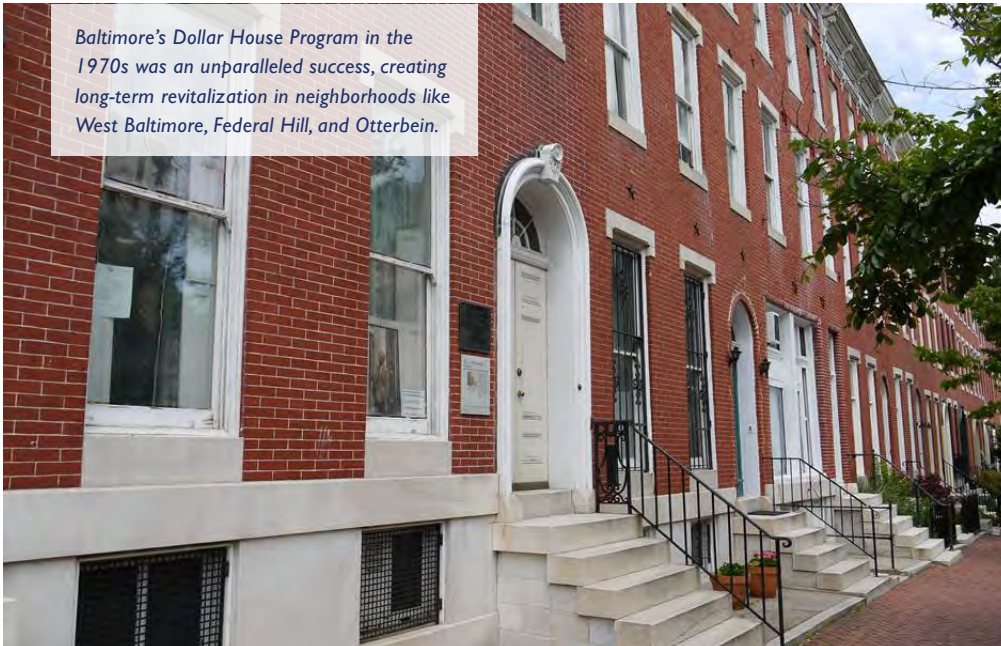
RECOMMENDATION: HUD should work with the Treasury Department to develop metrics to effectively monitor the annual expenditure of federal resources in legacy cities.

V. Leveraging Federal Funds for Local Preservation Initiatives

Former Mayor Mark Mallory of Cincinnati, Ohio, noted during the 2012 conference “Reclaiming Vacant Properties” that he was not a “big tear-down fan.” He stated that he “prefers working with community-based groups to renovate empty properties and put people back in homes.” He also was known to tour all buildings proposed for demolition by local officials to understand the impact on communities. Based on the number of large-scale demolition plans proposed by legacy cities in recent years, it appears that his thinking is uncommon among city leaders. The standard operating procedure is for local officials to take federal funds to demolish properties and create cleared parcels for unknown future development. However, creative public-private partnerships led by non-profits, and supported by foundations, are trying to persuade local governments to use federal funds to assist in recovery and rehabilitation efforts, which can have many positive effects for historic preservation and local assets.

Urban homesteading is a practice for addressing blight that has been discussed many times throughout the years, and several cities have had success in implementing such a program—most notably, Baltimore. Following a failed attempt at an interstate construction in 1973, the city found itself as the owner of a large cluster of vacant properties in marginal neighborhoods. To address this issue, the city developed the Dollar House Program as a public-private initiative which was implemented from 1973 to 1980. People were invited to purchase a home in targeted areas for \$1. As the properties required a significant amount of renovation and rehabilitation, traditional banks would not provide the necessary loans for such efforts, so the city issued bonds and provided low interest loans to the new homeowners. The city also eventually used HUD funds to assist with rehabilitation costs

Baltimore’s Dollar House Program in the 1970s was an unparalleled success, creating long-term revitalization in neighborhoods like West Baltimore, Federal Hill, and Otterbein.



CREDIT: WIKIMEDIA COMMONS

and provided technical assistance with design and construction. The earlier rehabilitation program was different from many of today's programs that require homeowners to reside in the property for a minimum period of time. The Dollar House Program was considered a success, as it redeveloped neighborhoods by people who were invested not just in a property but in the community. Because of this program, a large number of urban blocks became successful neighborhoods, and generated profits for the city. Although urban homesteading is not currently widely promoted given the massive number of foreclosures and their complex financial liabilities, this program may have merit when properties acquired by local governments and land banks have clear titles and are not assets of banking institutions and mortgage companies.

An important technique for leveraging federal funds is through partnerships between state or local agencies and the private sector. The National Council on Public-Private Partnerships (NCP3P) defines a public-private partnership (P3) as a contractual arrangement between public and private sector parties, whereby the resources, risks, and rewards of both the public agency and private company are combined. Partnerships provide access to capital and improved compliance with government regulations. The use of P3s in legacy cities can be a method for local and state agencies to overcome challenges in obtaining traditional financing. Finally, P3s can have a "snowball effect," where one successful project leads to other projects being undertaken in the same geographic area with positive cumulative impacts.

P3 historic preservation projects have followed this model for years. Federally funded projects are frequently used as "collateral" by communities when seeking private sector funds or financing. As community action plans are developed and approved by local officials, the plans strategically use the private sector resources. Such partnerships are a promising way for cities experiencing economic downturns to provide sustained levels of service despite the need for budget cuts. The value of these partnerships is summed up in a 2013 press release from Dave Adkisson, President of the Kentucky Chamber of Commerce: "The pressure on public resources is compounded by an economy that is still recovering from the recession as well as by unsustainable spending in several areas of state government... We believe Kentucky can take an important step... to create a system for partnerships that will make the best use of tax dollars to deliver the services Kentuckians need and deserve."

THE ROLE OF NON-PROFITS AND INSTITUTIONS IN RIGHTSIZING

Useful resources are not limited to those provided by government programs. Because legacy cities often have a significant number of historic properties, many downtown areas in smaller cities have benefited from the Main Street Program, a non-profit program incorporating historic preservation into urban revitalization. Created by the National Trust for Historic Preservation, the program has received widespread accolades for its sound business model and its success in renewing downtowns and neighborhood commercial areas. This program has assisted approximately 2,000 communities to improve their older commercial districts. By adopting the Main Street program, communities have created more than 450,000 jobs, and 229,000 historic buildings were rehabilitated during the past 33 years.

The four-point approach used in the Main Street Program is organization, promotion, design, and economic restructuring. This framework can address many of the actions that legacy cities need to take to revitalize distressed neighborhoods and capitalize on historic assets. Moreover, the research and resources provided by Main Street augment local economic development plans for targeted neighborhoods to facilitate the creation of commercial hubs that support housing programs. Main Street works closely with chambers of commerce, universities, foundations, and others to support

By adopting the Main Street program, communities have created more than 450,000 jobs, and 229,000 historic buildings were rehabilitated during the past 33 years.



This Smethport, PA, streetscape illustrates how a Main Street/Preserve America Community can be used for sporting events as well as shopping.

reinvestment opportunities in historic areas. Through the program, local planners can learn the value of revitalizing legacy cities one historic neighborhood at a time, rather than taking on major redevelopment projects which may not provide long-term, lasting economic benefits to the cities.

An example of an urban Main Street is the “H Street District,” one of the earliest commercial corridors within the District of Columbia. The area was substantially impacted during the race riots in 1968 and for decades economic development in this distressed area occurred only sporadically. Local revitalization efforts focused on automobile traffic traveling through a major corridor to the suburbs rather than building on the neighborhood’s proximity to the Capitol and the downtown core. Beginning in 2002, the DC Office of Planning led a community-based planning



The H Street Main Street, established in 2002, is an example of an urban Main Street, and includes one of the earliest historic commercial corridors within the District of Columbia.

CREDIT: H STREET MAIN STREET

Foundations often provide gap financing for projects that may fall short of federal or state match requirements.

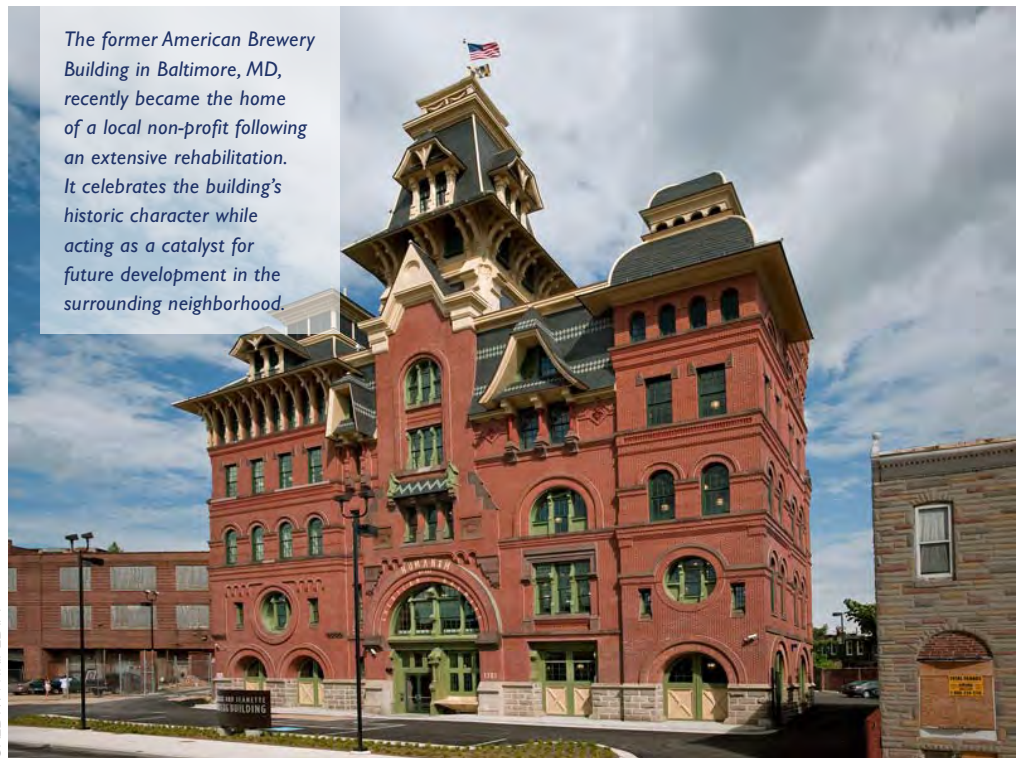
effort to invigorate the 1.5 mile street corridor. The H Street Main Street (HSMS) organization was subsequently created to support these planning efforts. HSMS used the National Main Street principles in developing its goals for being the non-profit voice of the area, which emphasized comprehensive, incremental changes and partnerships with other entities. The resulting strategic plan focused on the area's access to transportation, historic housing stock, and its potential for a retail and entertainment district. Over the past decade, the H Street District has re-imagined itself into an area with affordable housing, market rate new construction, expanded public transportation, and an entertainment corridor. This urban Main Street program was able to develop public-private partnerships that helped to create a model for redeveloping a distressed, disadvantaged community with historic properties into a livable community.

Larger established foundations, including the Rockefeller, Ford, Annie Casey, Bank of America, W. K. Kellogg, DuPont, Prudential Insurance Company, Kresge, MacArthur, and Citi Foundation, assist projects that contribute to neighborhood revitalization, as they have available resources that may not have as many restrictions as federal programs. Foundation support can often encourage other innovative solutions that can be incorporated into projects which can then utilize federal funding. These foundations have an intensive interest in promoting successful, healthy communities. Foundations often provide gap financing for projects that may fall short of federal or state match requirements. Non-profit and grassroots organizations generally have a degree of familiarity and comfort with large foundations, as foundation staff spend considerable time in the community learning about the day-to-day complexities in delivering services and implementing projects.

One of the foundations actively involved in neighborhood revitalization programs is the Citi Foundation, which invested more than \$10 million in 2012 in distressed communities. The foundation is committed to maintaining economically vibrant communities by increasing the flow of capital to low- and moderate-income residents. These resources are available to develop and preserve affordable housing, rehabilitate commercial corridors, and develop community facilities such as charter schools

The former American Brewery Building in Baltimore, MD, recently became the home of a local non-profit following an extensive rehabilitation. It celebrates the building's historic character while acting as a catalyst for future development in the surrounding neighborhood.

CREDIT: WIKIPEDIA



and community centers. Citi Foundation's Web site <http://www.citigroup.com/citi/foundation/invest/revitaliz.htm> explains how to access grants and includes case studies of successful projects.

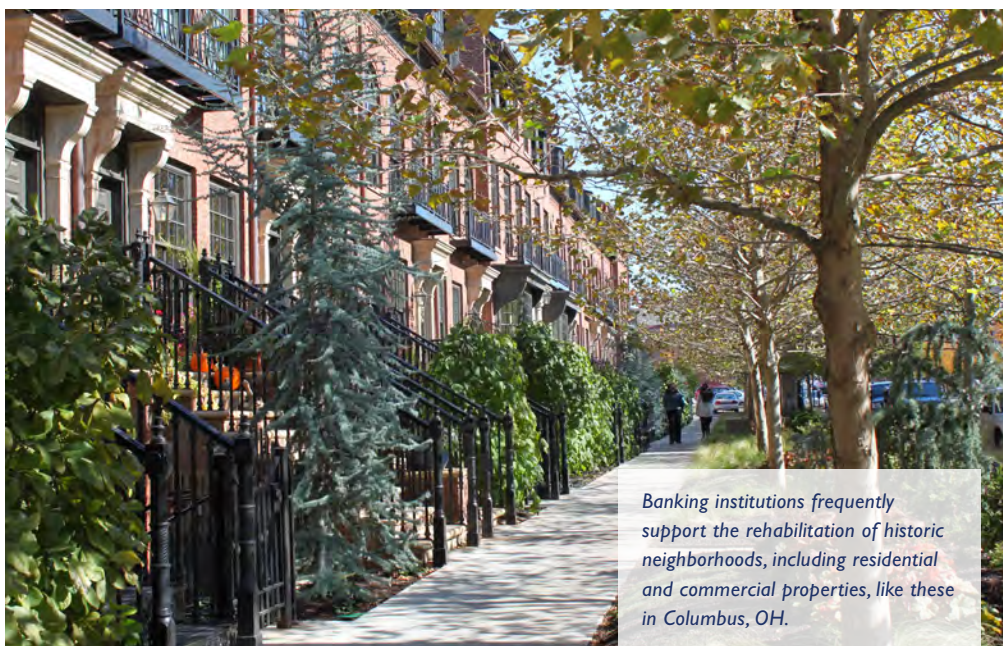
In February 2013, a diverse group of foundation leaders met in Beaverton, Oregon, to explore opportunities for working more effectively with local and state governments. They indicated that they were sometimes skeptical about developing public-private partnerships because of limited understanding of public agency constraints; inconsistent positive experiences from previous grants; and lack of respect for the breadth of their non-financial contributions.

During a panel discussion, local foundation representatives indicated that planning local redevelopment projects has unique challenges, such as funding, community support, and land assembly. Projects that had received positive federal recognition were presented as models of how to overcome local challenges such as communities with excess vacancies and increased residential abandonment.

Despite challenges articulated by foundation leaders, they still recognize the benefits of collaborating with public agencies. Likewise, they acknowledge the necessity of public-private involvement in developing viable redevelopment strategies. A list of the foundations that are actively involved in resolving urban affairs issues can be found at <http://foundationcenter.org/findfunders/topfunders/top100giving.html>.

THE ROLE OF BANKS IN HISTORIC PRESERVATION

Banking agencies such as the Federal Deposit Insurance Corporation (FDIC), Office of the Comptroller of the Currency (OCC), and Federal Reserve are key players in the fate of legacy cities. The Community Reinvestment Act (CRA), first passed in 1977, requires banks and savings associations to help meet the needs of the communities in which borrowers are located, including those residing in low- and moderate-income neighborhoods. One of the congressional goals in passing this legislation was to eliminate the practice of redlining, the refusal of lending institutions to lend in targeted areas. This was accomplished by requiring supervisory financial agencies to encourage regulated banks to help meet the needs of local communities through lending, sound yet flexible underwriting standards, and helping small businesses. Since the effectiveness of the program was not tied to performance goals, in 1989 and



CREDIT: CAPITAL CROSSROADS SPECIAL IMPROVEMENT DISTRICT



again in 1995, Congress reformed CRA to improve the process of examining insured institutions and to require performance ratings. In addition, institutions were encouraged to be less process-oriented and work more closely with communities to achieve outcomes.

On June 24, 2010, the banking agencies collectively published revisions to the rules implementing CRA to revise the term “community development” to “include loans, investments, and services that support, enable, or facilitate projects or activities” that meet the criteria described in the Housing and Economic Recovery Act of 2008 (HERA) and are conducted in designated target areas identified under the Neighborhood Stabilization Program established by HERA and the ARRA. These revisions allowed institutions to use CRA to assist middle-income borrowers as well as low- and moderate-income borrowers. While this change was viewed favorably, tangible outcomes in distressed communities were not substantial.

Academics and think tanks have had mixed views on whether CRA has helped minority communities which are often in distressed areas of the cities. Without a doubt, changes in lending practices and business loans helped to preserve some older communities. Institutions have been a major source of funding for Federal Historic Preservation Tax Credit projects since the passage of the federal tax act program. OCC has prepared a [fact sheet](#) for its Community Affairs officers to use when encouraging banks to work with local communities. The fact sheet and related list of contacts of participants in federal historic tax act projects is the type of outreach that other non-banking federal agencies can develop to incorporate historic preservation in their activities.

During the Rightsizing Task Force on-site visits, it was noted that the Federal Reserve, as part of its CRA compliance requirements, is actively involved with legacy cities as it provides a nexus between project proponents and non-profit organizations. The Federal Reserve is an important conduit between banking agencies and investors with capital to invest in communities and community development corporations with creative redevelopment schemes. Federal Reserve Banks are located across the nation and are effective at establishing opportunities for foundations and local communities to explore partnerships that can assist in the economic development of distressed communities. Since not all legacy cities have demonstrated an understanding of the role of partnerships in rebuilding stable, resilient communities, the guidance and toolkits provided by the Federal Reserve Banks are sorely needed.

As foundations and banks can be sources of assistance to legacy cities, so are local universities and social and religious institutions with an interest in planning and urban affairs. Not only can they educate residents, they can also provide additional resources such as college internships and externships to conduct research. In Camden County, New Jersey, collaboration between Rutgers University and Rowan University resulted in the creation of a tool that will assist in identifying federal, state, county, and local resources to assist with redevelopment. This innovative tool creates a “one-stop shopping” directory that will establish efficiencies in identifying redevelopment funding. Specifically, the Web site database will assist governmental and non-governmental entities to learn what resources the county is eligible to apply for either individually or as part of a region. Resources that can support historic preservation planning efforts within the county are also included in the database. The county intends to ask towns to become part of a shared services agreement if they want to use the database.

All of the non-governmental organizations (NGOs) that are sources of funding for local government projects have acknowledged the value of historic preservation in publications, social media, and Web sites. Although the NGOs would not necessarily say that historic preservation was a priority, their support of local preservation projects is evident throughout most communities. It is apparent to many of their board members that NGOs have a preservation ethic given their mission to preserve local assets and promote the city’s history and culture. With additional education about historic preservation and more case studies that illustrate how they help to leverage federal and state resources, NGOs, banks, and local educational institutions will better appreciate their role in historic preservation.

FINDING: Public-private partnerships can help to leverage scarce public funds needed to implement major redevelopment projects.

FINDING: National foundations and local educational institutions can provide essential expertise, funding, and administrative skills to assist legacy cities.

FINDING: The role of the banking industry, most notably the Federal Reserve, is not widely understood by preservationists, and the banking industry does not fully appreciate the value of historic preservation as an investment strategy.

GOAL: To encourage communities to work with multiple partners to resolve the impacts of rightsizing, including local institutions and national foundations and businesses.

RECOMMENDATION: The ACHP should collaborate with the National Trust to develop historic preservation briefing materials to distribute to foundations and institutions involved in public-private partnerships.

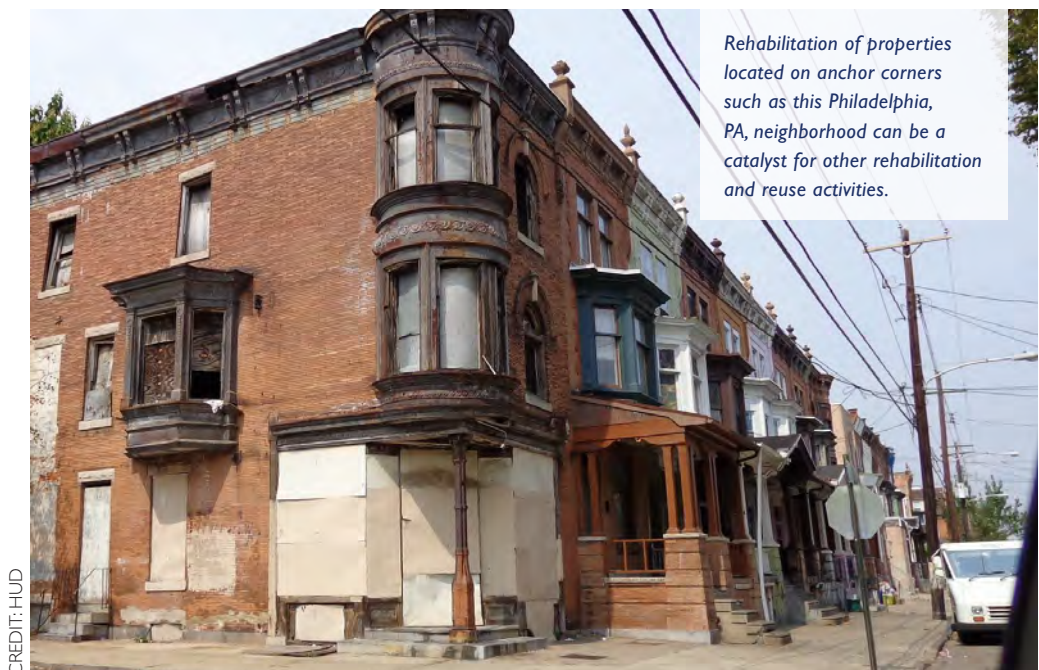
RECOMMENDATION: The ACHP, in collaboration with the National Trust, should host a blog on the effect of rightsizing in legacy cities so that redevelopment strategies to protect historic assets can be shared with diverse stakeholders.

RECOMMENDATION: The ACHP and the preservation community should coordinate with the Federal Reserve, FDIC, and other banking agencies to encourage them to promote preservation strategies in their programs.

VI. Public Policy and Historic Preservation

It is apparent that rightsizing in legacy cities is a burgeoning urban policy issue that will have an effect on hundreds of thousands of historic properties in the coming years. Beginning in 2009 with the creation of the Partnership for Sustainable Communities, and the Department of Labor's Office of Recovery for Auto Communities and Workers, the federal government has indicated its commitment to assisting legacy cities, in particular to explore holistic interagency approaches to rebuilding sustainable, resilient communities. While such initiatives are more often considered under the issue of "sustainability," rightsizing and redevelopment have many of the same characteristics. In fact, it would be practical to combine the two concepts as the Administration moves forward with developing urban public policies. The federal government is to be applauded for its success with SC2. However, a more expansive urban policy is needed that integrates sustainability, affordable housing, economic development, smart growth, and historic preservation.

Historic preservation has long been in the forefront of sustainable development, and the idea of "sustainability" is where society or community, the environment, and the economy come together. Many historic buildings are inherently "green" in their materials and construction and can have their energy efficiency maximized by sensitive retrofitting. Reinvestment in historic districts and communities promotes reuse of existing buildings and infrastructure and supports areas that generally are walkable and have good transit access options in order to reduce greenhouse gas emissions. When it comes to historic buildings, in most cases the greenest building indeed is the one already built. The repair and retrofitting of existing and historic buildings is considered by many to be the ultimate recycling project.



Rehabilitation of properties located on anchor corners such as this Philadelphia, PA, neighborhood can be a catalyst for other rehabilitation and reuse activities.

CREDIT: HUD

The ACHP, in its implementation of Section 106 and its advisory role on policy matters, can play a role in helping other federal agencies enhance their sustainability efforts as it did with the Department of Energy's weatherization programs: Energy Efficiency and Conservation Block Grant Program (EECBG), State Energy Efficiency Programs (SEP), and Weatherization Assistance Program (WAP). It is important that representatives of federal, state, tribal, and local interests; preservation organizations; and private sector experts be brought together to mesh preservation goals with other public needs. Sustainability offers an opportunity to inform other urban policies as well. Since applicants who are recipients of federal assistance, grants, and loans rely on agencies to outline sustainability goals that must be met, it is incumbent on them to highlight agency policies and practices so that federally assisted projects can incorporate them in redevelopment projects.

In April 2013, the SC2 released its first annual report, which included accomplishments in the pilot cities as well as policy lessons and next steps to be taken. The report emphasizes the need for partnerships at all levels to achieve the maximum use of each dollar but also discusses the expansion of the SC2 program to areas that are designated as "Promise Zones." Over the next four years, these Promise Zones will include 20 urban, rural, and tribal communities hardest hit by the long term-economic decline and recession and will likely include numerous legacy cities. While the Promise Zones will not receive direct federal funds, they will have access to federal technical assistance and resources. The first five Promise Zones announced by the Administration on January 8, 2014, are Los Angeles, San Antonio, West Philadelphia, Southeastern Kentucky, and the Choctaw Nation of Oklahoma.

The success of the Partnership and commitment of the Administration to the SC2 initiative makes the ultimate expansion of these programs in all cities a logical progression. However, the Administration needs to include a strong historic preservation ethic in future programs like the Promise Zones to ensure that the use of federal resources to transform distressed cities preserves their assets and builds on their history and culture. The lack of involvement of the ACHP in past SC2 initiatives was a missed opportunity as qualified preservation professionals who could have provided cities with technical assistance to preserve historic properties and reuse them as focal points for neighborhood redevelopment were not involved. In addition, historic preservation expertise could have been shared with stakeholders who were developing public-private partnerships as well as grassroots community organizations to help build a local preservation ethic.

*Infill construction can revitalize dilapidated blocks
and add a physical edge to neighborhoods.*

As the federal government focuses on developing sustainable communities, historic preservation will need to be part of the discussion.

As the federal government focuses on developing sustainable communities, historic preservation will need to be part of the discussion. To fill a perceived policy gap, a growing group of preservationists, local officials, and planners from around the nation, especially legacy cities, established the Preservation Rightsizing Network in 2013. This initiative attempts to expand the conversation about solutions beyond government officials and “reach people who live in places whose revitalization members can foresee and assist: the people who live in the neighborhood.” It recognizes the need for racial and socio-economic diversity in historic preservation. More important, the Network acknowledges that “many preservation battles don’t involve demolition—they involve keeping homeowners and renters in their homes so that the buildings don’t become vacant.” The geographic diversity of members of the Network and their varied experience in working with historic assets will generate much needed discussions as legacy cities are redeveloped. At the November 1, 2013, Network meeting held in Indianapolis, Indiana, participants expressed concerns about the need for a national clearinghouse to facilitate discussions among preservationists as legacy cities develop blight elimination proposals that many described as the “wholesale clearance” of historic properties. Although it was acknowledged that several organizations exist to address distressed communities, it was evident that these organizations do not address historic preservation, and that this gap needed to be addressed in the public and private sectors.

It is clear that government agencies and their partners must consider the role of historic preservation in developing policies and programs to address blight, homelessness, and other social and economic challenges for legacy cities. As these cities define local and regional heritage and culture, it is important to plan for their future while building on the strength of their past. Even though the population may be smaller, the infrastructure deteriorated, and neighborhoods recalibrated, those who have lived in or were raised in legacy cities still have fond memories and emotional ties. Thus, it is incumbent on local officials and regional leaders to eliminate existing silos and recognize historic preservation as an integral component of urban strategies, whether they are called rightsizing, redevelopment, rebuilding, revitalization, or any other term used to define the process of change in the existing community. By acknowledging the importance of historic preservation, communities will not only be able to stabilize and revitalize neighborhoods but also have valuable marketing tools to attract new investors and residents seeking to enjoy and promote existing culture, heritage, and tourism.

FINDING: Historic preservation shares common principles, goals, and practices with sustainability as a policy and can contribute to sustainable urban redevelopment.

FINDING: Rightsizing, sustainability, and historic preservation are often considered separate policy issues.

GOAL: To work with the Administration to recognize and incorporate rightsizing as an integral part of sustainable communities’ policy.

RECOMMENDATION: The Administration should engage the ACHP as an active participant in shaping federal urban policies to ensure historic preservation goals and practices are incorporated.

RECOMMENDATION: Federal agencies should support the Preservation Rightsizing Network and take advantage of its access to grassroots organizations and local organizations interested in historic preservation in legacy cities.

VII. Next Steps for Integrating Historic Preservation in Federal Programs

With the news of Detroit's bankruptcy filing in the summer of 2013 and the announcement of the Hardest Hit Fund Program by the Treasury Department in Indiana, Ohio, and Michigan, preservationists and grassroots organizations have expressed concern about losing more historic properties to programs designed to eliminate blight through demolition rather than innovative solutions. These developments underscored the urgency of finding solutions for rightsizing in legacy cities. Historic assets, like public art museums and Carnegie libraries, are at risk and may be used to pay off debts as part of the bankruptcy. If their value as assets for the future is not properly recognized by officials, historic properties will be absent in redevelopment equations, leading to demolition or left to deteriorate by neglect, causing irreparable long-term harm to historic neighborhoods. The federal government in funding demolition of thousands of buildings to eliminate blight in Indiana, Michigan, and Ohio overlooked the opportunity to create healthy, sustainable communities by mothballing, rehabilitating, or reusing properties located in historic districts or iconic institutional buildings. Instead of proceeding to demolish historic properties without a clear redevelopment strategy, a wiser course of action would have been to provide for the retention of usable historic properties as building blocks for rejuvenated communities.

The ACHP's examination has brought home a compelling point: only when historic preservation considerations are integrated into federal, state, and local planning will public urban policies and programs really be holistic and honor the desires of residents to rebuild their communities with respect for their heritage and culture. Historic communities and neighborhoods have been foundational in many legacy cities. Those entities that are in a position to manage change, whether in government or as a partner, need to recognize this and act on it.

Historic communities and neighborhoods have been foundational in many legacy cities. Those entities that are in a position to manage change, whether in government or as a partner, need to recognize this and act on it.



Reusing historic buildings for urban schools in cities like Detroit, MI, can give students a sense of community pride as well as teach them the value of historic preservation.

CREDIT: DETROIT ACHIEVEMENT ACADEMY

The ACHP presents at the National Preservation Conference to further the conversation about rightsizing in America.



A primary mission of the ACHP is to advise the Administration on historic preservation matters. The ACHP has an obligation to convey to senior policy makers the importance of the role that historic preservation plays in building resilient, sustainable, and vibrant communities. This report is intended to facilitate a dialogue among federal agency leadership actively involved in the redevelopment of legacy cities, recognizing that historic preservation is critical to the future of those places. As the 50th anniversary of the NHPA approaches, it is sobering to note the similarities of the challenges facing the historic fabric of the nation's cities. When NHPA was created in 1966, downtowns were being reshaped and neighborhoods eradicated at unprecedented levels. Today, our legacy cities face many of the same threats and too often the problems are being addressed in the same manner. It is worth noting that since 1966, historic preservation helped the nation to turn the corner and rebuild vibrant

The sale of churches in neighborhoods (like this one in Baltimore, MD) illustrates creative reuse options for iconic buildings important to the community.



historic communities in which residents could work, reside, and socialize. The same resources exist to achieve these outcomes as legacy cities are redeveloped in the 21st century.

Historic preservation, given the opportunities recommended in this report, can be a powerful force in ensuring that future generations will experience the rich history and stimulating environment of the nation's cities and neighborhoods. To that end, the ACHP, in collaboration with the preservation community and its federal agency partners, intends to address rightsizing in legacy and non-legacy communities alike by implementing the recommendations outlined in this report using the following four-pronged approach:

1. Educate stakeholders about historic preservation and encourage local governments to use this indicator when determining redevelopment goals.
2. Collaborate with federal agencies to ensure that historic preservation values are incorporated in their programs and in new and updated urban policies.
3. Communicate noteworthy historic preservation outcomes with diverse stakeholders via social media, Web sites, newsletters, and other multi-media products to keep preservationists aware of current developments in rightsizing.
4. Promote historic preservation through programs such as Preserve America that reach out to local communities, neighborhoods, youth, and culture and tourism programs.

Cities across the country are facing daunting challenges, but there is a growing library of success stories where these challenges have been met with creative solutions based on heritage assets. As these strategies and techniques gain broader appreciation and application, 21st century American cities will find they can have a vibrant and sustainable future by maintaining continuity with the history and culture that defines them as unique places.

Selected Bibliography

The works and sources listed in this extensive bibliography are a record of the diverse materials reviewed and consulted to prepare this report. It summarizes the substance and range of books, reports, articles, and Internet materials published over the past seven years related to rightsizing, shrinking cities, legacy cities, urban policies, and historic preservation. We hope it will be useful to those who want to conduct additional research, review the relevant resources, or visit Web sites with timely ideas and best management practices.

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