

Historic Preservation and Urban Housing Policy

Historic preservation is broadly concerned with maintaining the visible presence of history in our lives through a concerted effort to preserve culturally significant aspects of the built environment. Through their diversity of form and function, older buildings and areas provide continuity between the past and the present, contribute to the development of an aesthetic townscape, and evoke a sense of pleasantness and amenity. Such design considerations have traditionally had little relationship to the development of housing policy. Under the impact of a new emphasis on neighborhood conservation, this situation is rapidly changing. A realization that the built environment is a valuable asset must include an awareness of the design features and aesthetic value of the existing housing stock. In particular, housing strategists should recognize that areas of historic and architectural quality may appeal to certain portions of the housing market.

Historic preservation can play an important role in achieving the objectives of a local housing policy which stresses neighborhood revitalization. This article suggests the growing importance of preser-

vation as a housing strategy and illustrates how preservation in one North Carolina city, Wilmington, has helped to stimulate public investment and revitalization in the central city.

Early Preservation Efforts

The historic preservation movement initially focused on the conversion of individual buildings and landmarks into museums and cultural centers. By the late 1950's, the scope of preservation had widened to encompass an interest in restoring historic urban neighborhoods and districts, such as Georgetown in Washington, D.C., Ansonborough in Charleston, South Carolina, and Old Savannah, Georgia. With infusions of private sector investments, preservation activity turned decayed central-city neighborhoods inhabited by lower-income groups into stable higher-income communities.

While they may be criticized today for their displacement effects, these projects point to three conclusions: 1) the normal operation of the private market has almost inevitably resulted in the deterioration of historically and architecturally significant structures; 2) local governments have not been sufficiently aware of the value of historic areas, or capable of intervening in the process of decay; and 3) without the financial interest of higher-income groups, structures of great historic and architectural value would have been lost. Although early preservation efforts were basically elitist, they also served a public purpose in preserving objects of our cultural heritage.

Historic District Designation

Private sector investment typically occurs only after public designation of a historic district. There are two types of historic districts: those placed on the National Register of Historic Places, and those



Attractive design features draw people to Old Wilmington.

Photo by Bruce Stiffler

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adopted by local ordinance, usually pursuant to state enabling legislation. While local districts afford greater protection to an area, National Register designation also has merit.

The National Historic Preservation Act of 1966 authorized the Secretary of the Interior to establish and maintain a register of historic districts, sites, buildings, structures, and objects.¹ National Register designation is primarily an honorary status, but does confer one tangible benefit. The Advisory Council on Historic Preservation is required to review all federal or federally-assisted projects which affect National Register properties. Although the council has no legal power to halt a project, its findings of adverse effect carry considerable weight.

The number of state statutes authorizing local governments to establish historic districts has grown during the past ten years. North Carolina's enabling legislation, passed in 1971, is representative of these statutes.² A municipality may designate historic districts by amendment to its zoning ordinance. The area may be treated as a separate-use district, or may be an overlay district superimposed on regular zoning districts. A historic district commission is empowered to approve plans for exterior alterations or new construction and to impose a ninety-day delay period before a building can be demolished.

With the advent of public regulation, it became necessary to establish criteria defining the term "historic." The most widely accepted criteria are those used to evaluate National Register nominations. These criteria stress the "quality of significance in American history, architecture, archaeology, and culture" and the "integrity of location, design, setting, materials, workmanship, feeling and association." Historic places or objects must be associated with historic events or historic persons; or embody distinguishing characteristics of an architectural type, period, or method of construction; or represent the work of a distinguished architect or builder; or be archaeological sites of

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scientific importance.³ The workability of the system depends on the informed judgment of architectural historians. Within the narrow range of the specified criteria, however, there may be varied opinions on what is worthy of preservation due to the nature of changing tastes and values.

The Changing Nature of Preservation

The gulf which formerly separated historic preservationists from housing rehabilitation and urban renewal specialists is narrowing. Too often, housing strategists have lacked an awareness of the design ramifications of their rehabilitation work, while

preservationists have been ignorant of market economics and federal housing programs. The preservation movement has recently been evolving toward a new stage which centers around the desire to maintain viable, livable central-city neighborhood environments. Many have labeled this wider focus "neighborhood conservation" in an attempt to de-emphasize the elitist associations of historic preservation and to add social and economic considerations to the traditional design orientation.

No consensus has been reached concerning criteria for defining the characteristics of a conservation neighborhood. The National Register is under some pressure to expand its criteria to include a new category of "conservation areas." Suggestions for expanding the criteria often focus on the design concepts of "special charm or character," the overall effect achieved from the grouping of buildings and spaces, and the sense of continuity and historical development that older neighborhoods may exemplify. Some suggestions, however, attempt to interrelate design and socio-economic factors. The Task Force on Land Use and Urban Growth (1973, p. 23) has recommended that National Register criteria be broadened to include urban neighborhoods which exhibit a "mix of uses," a "vitality of street life," and "a physical integrity."

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Using the Task Force's criteria as a base, Houghton (1975, pp. 25-6) of the U.S. Department of Housing and Urban Development, proposed a comprehensive set of evaluation criteria. These criteria include:

- the utility and attractiveness of an area due to the overall effect of its structures and spaces;
- the presence of a variety of facilities and activity opportunities (housing, employment, shopping, recreation, and education);
- association with groups of residents who have contributed to the city's development (i.e., ethnic heritage);
- a special activity associated with the area, such as central markets, wharves, or educational facilities;
- a sense of place enhanced by natural or urban features, such as canals or rivers, hillsides, vistas, parks or public squares; and
- a clear sense of the area as a place with definable boundaries.



Restoration is currently taking place in the Tarboro, N.C. Historic District. Photo courtesy of E. Watson Brown, Town of Tarboro

In stressing viability and utility in addition to the traditional preservationist concerns of beauty and history, Houstoun believes that a basis for rapprochement exists between urban redevelopment specialists and historic preservationists.

Government Policy and Preservation

Federal housing policy has been shifting toward an emphasis on the rehabilitation of the existing housing stock within the framework of a neighborhood conservation strategy. Although federal housing programs have long included a rehabilitation component, they have largely stressed the production of new housing units. The objectives of the Housing and Community Development Act of 1974 include both the conservation of the nation's housing stock and the "restoration and preservation of properties of special value for historic, architectural or esthetic reasons."⁴ Guidelines for the mandated housing assistance plan require "the restoration and rehabilitation of stable neighborhoods to the maximum extent possible," pursuant to a congressional finding that "policies designed to contribute to the achievement of the national housing goal have not directed sufficient attention and resources to the preservation of existing housing and neighborhoods."⁵

Objective Six of the 1974 act supports the adoption of a local housing strategy which encompasses both the improvement of lower-income housing conditions and the attraction of higher-income groups back to the central city. It calls for:

. . . the reduction of the isolation of income groups within communities and geographical areas and the promotion of an increase in the diversity and vitality of neighborhoods through the spatial deconcentration of housing opportunities for persons of lower income *and the revitalization*

*of deteriorating or deteriorated neighborhoods to attract persons of higher income.*⁶ (emphasis supplied)

The 1974 act expresses newly emerging directions in federal housing policy and provides a guiding framework for local revitalization efforts.

This analysis assumes that local central-city revitalization policy includes the objective of attracting middle- and upper- income groups back to the city. Little attention has been given to the kinds of rehabilitated housing that might appeal to these groups. Local government officials need to recognize that historic preservation can play a major role in attracting middle- and upper-income residents to the central city. Whether they be areas of traditionally defined "historic quality" or areas of "special charm and character" as identified by the new neighborhood conservation approach, certain neighborhoods of high aesthetic and design potential can appeal, or be upgraded to appeal to selected portions of the housing market.⁷ This assertion contradicts an accepted notion of housing market dynamics, namely, that the aging housing stock is physically obsolete and cannot satisfy the residential preferences of middle- and upper-income households.

Residential Preferences

The obsolescence image depicts decline as the result of the market consequences of a taste for suburban living. Aging inner-city housing units cannot satisfy consumer preferences for low density and greenery. Housing rehabilitation programs, improved city services, and related neighborhood support programs will not stem the outward migration. The only viable alternative is demolition and eventual redevelopment (Grigsby 1975, pp. 197-98). If this image is an accurate one, the federal strategy of improving housing conditions for lower-income groups while simultaneously revitalizing neighborhoods to attract higher-income groups has little validity.

Some evidence exists to refute the obsolescence image and to support the contention that historic areas can appeal to middle and upper-income households and attract them to the central city. Surveys of planning officials and realtors conducted by the Urban Land Institute in 1974 and 1975 document a demand for older housing in central-city historic areas among single persons and young married couples with few or no children who tend to have middle to upper incomes and professional occupations. These surveys constitute the first evidence to support sentiments that the middle class is returning to the central city.

The 1974 survey found that renovation is being undertaken in the middle- and upper-income housing market by "aggressive young residents" who "appreciate the architecture and charm of the older houses and neighborhoods" (Priest and Black 1974, pp. 25, 28). After a series of workshops held in February 1975 by the Urban Land Institute in which

participants reported that "the most significant element of current private-housing market activity in central cities was the rehabilitation of older houses, particularly . . . in historic districts," the institute's research division undertook a more detailed study of this rehabilitation phenomenon (Black 1975, pp. 4-7).

Based on the results of a mail and telephone survey of 260 central cities with populations over 50,000, the institute estimated that 124 cities (48% of the sample) are experiencing some degree of private-market housing rehabilitation in older deteriorated areas. It was hypothesized that since 1968, about 54,600 units have been renovated as the result of private sector activity in these cities. Sixty-five percent of the cities had activity in officially designated historic areas; thirty-five percent were in "non-historic" areas. These neighborhoods tend to be relatively small areas (under 500 units), consist of predominately single-family units (around 80%), and are located close to the central business district.

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Downs advises private rehabilitation investors to locate their efforts in areas with the following features (1976, pp. 69-70):

- a housing stock with attractive design features, such as Victorian housefronts, stained glass windows, fireplaces, skylights, intricate molding, and wooden floors;
- local historic district or architectural review board regulations which protect the area's character;
- a high percentage of owner-occupants, or the presence of a neighborhood organization promoting homeownership;
- location near potential "anchors," such as parks, waterfronts, downtown, or universities;
- local government commitment to neighborhood improvements;
- accessibility to centers of shopping, dining, and entertainment which appeal to "adult-oriented" households.

These factors are congruent with the criteria for neighborhood conservation areas outlined by Houstoun and the characteristics of renovation neighborhoods studied by the Urban Land Institute. Portions of the central-city housing stock which possess some or all of these features are likely to be successful candidates for middle- and upper-income housing rehabilitation.

Trends Affecting the Market

The 1975 Urban Land Institute study cautions that a substantial movement back to the central city has not yet occurred. However, several current trends may increase the future demand for centrally located housing units: rising fuel costs and predictions of energy shortages; the skyrocketing costs of new housing construction; moratoriums on suburban development; the growth in office space in central-city areas; and certain demographic trends which point to a great increase in childless households (Black 1975, p. 3). Of these factors, changing demographic trends will probably have the most immediate impact on the housing market in the central city and on the demand for housing in historic areas.

Those segments of the market to whom rehabilitation in central cities appeals are increasing in size nationally. From 1970 to 1974, the number of households of married couples or related adults without children increased by 2.7 million to 25.3 million households; this increase represents 71% of the total increase in the number of all types of families since 1970. Single- and unrelated-individual households increased from 11.9 million households in 1970 to 14.9 million in 1974. Combining these two groups, adults-only households numbered 40.2 million, 57% of the total households in the United States in 1974. Between 1960 and 1970, central cities gained only 4% in residents in all occupational groups nationally, while central city residents in professional, managerial, and technical fields increased by 26% (Black 1975, p. 8). It appears there is a large potential market for rehabilitated housing.

Old Wilmington

The Old Wilmington historic district is a good example of the dynamics of recent private sector rehabilitation in historic areas. The thirty-five block residential district contains numerous buildings of national, state, and local historic significance whose distinguished architecture spans the range of late eighteenth and nineteenth century styles. Bounded on the west by the Cape Fear River, and on the north by the central business district, the historic area enjoys an attractive central location (see Figure 1).

By the late 1950's, a group of local citizens became concerned over rising levels of housing deterioration and demolition. Like many old central-city neighborhoods, the area's original well-to-do population had left and lower-income tenants had moved in. The rapid development of Wilmington's shipyard industry during World War II resulted in an influx of workers in search of cheap housing. Absentee landlords obligingly converted large old houses into rental units. Major traffic arteries brought high volumes of traffic to the neighborhood, while urban renewal and active code enforcement resulted in the loss of many buildings.

The enactment of a local historic district ordinance in 1962, since readopted to conform with

state enabling legislation, marked a turning point in the life cycle of the neighborhood. A Board of Architectural Review was established to judge the appropriateness of proposed alterations, construction, and demolition of buildings, providing a framework for the protection of the district's historic and architectural character.

In 1966, the Historic Wilmington Foundation (HWF), a private non-profit corporation, began to buy and restore endangered historic buildings in the district. HWF also actively promotes and markets the neighborhood. Annual house tours, special events, and media publicity keep Old Wilmington in the public eye and encourage private-market renovation. HWF assists homebuyers with technical advice on the various aspects of purchasing, financing, and rehabilitating historic houses. A neighborhood organization, Residents of Old Wilmington, Inc., was formed in 1973 to organize the district's residents and lobby for neighborhood improvements. The city of Wilmington employs a preservation planner to guide local revitalization efforts.

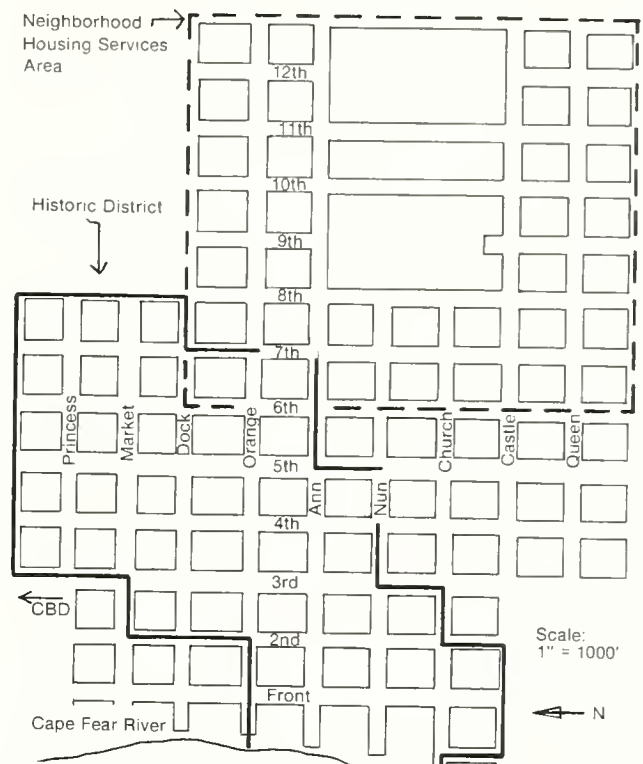
Today the historic district is becoming a viable middle-class neighborhood. Although rehabilitation activity developed slowly after historic district designation in 1962, the pace has rapidly accelerated during the 1970's. As of 1970, about 65% of the structures were single-family units, but less than 50% were owner-occupied. The area was over 90% white, and median income was \$5,300. Since that time, the historic district has attracted younger, middle-class homeowners. Rehabilitation activity is visibly present on many streets, and property values are beginning to rise (U.S. Department of Housing and Urban Development 1975, pp. 128-129; Herman 1977, Appendix B).

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(NHS) demonstration program will be the target of concentrated rehabilitation activity. The NHS program will promote lower-income homeownership by encouraging residents, lenders, and government officials to act together in the revitalization process. In a recent paper addressing the selection of the first blocks for rehabilitation in the NHS area, University of North Carolina planning students considered the impact of the historic district on the NHS area (Cox *et al.* 1977). They concluded that the preservation effort could have positive spillover effects on the NHS area, but emphasized the need

Figure 1
The Historic District and Neighborhood Housing Services Area of Wilmington, N.C.



for independence from the historic district to encourage neighborhood commitment and pride.

The presence of a strong market for central-city housing is also spurring revitalization plans for downtown Wilmington. As the *Report of the Mayor's Task Force for Revitalization in Wilmington* recognizes, the upgrading of the historic district and NHS areas provides "a valuable market for downtown services. . . residential rehabilitation and commercial revitalization of the CBD are complementary activities" (City of Wilmington 1976, p. 5). A Downtown Development Board will be created to coordinate, promote, and market plans for new development and the rehabilitation of existing commercial buildings. Private-market investment in Wilmington's historic district has demonstrated the feasibility and attractiveness of rehabilitated central city housing, altered traditional consumer attitudes toward the central city, and is now stimulating public investment activity in other closely linked areas.

Implications for Urban Housing Policy

Historic preservationists and urban housing strategists are converging on the concept of neighborhood preservation. The inputs of both groups are needed in the formulation of programs to revitalize central cities. Such programs should include strategies to encourage and strengthen the potential market demand for centrally located housing of historic and architectural quality.

Planners and policy makers can begin to take design and aesthetic factors into account when

delineating neighborhoods for public programs. Preservationists have used architectural surveys to establish an information base for decision making, to educate the public, and to publicize and promote their objectives. Housing strategists should use a similar approach.

Local officials should identify areas of historic or architectural value, or areas with special distinguishing characteristics (as outlined by Houstoun and Downs above). These surveys should serve as one input into the development of comprehensive local housing strategies. The surveyed areas should be assessed for their attractiveness or potential attractiveness to the desired residents (current or future) as determined by local objectives and conditions. Neighborhoods suitable for preservation or conservation should emerge from this process. The distinctive qualities and features of selected neighborhoods should be promoted and publicized, using the survey information as a marketing tool. Identifying and marketing the positive features of central-city neighborhoods can begin to reverse the psychology of disinvestment, encourage voluntary upgrading of properties, and alter the attitudes of key decision makers (Ahlbrandt and Brophy 1975).

In some cases, an approach based on a neighborhood survey, a comprehensive housing strategy which includes a preservation component, and aggressive marketing may be sufficient to generate private investment. Generally, however, local officials will need to integrate these mechanisms with other key inputs: citizen involvement, public investment in capital improvements, and financial institution commitment. A small-scale demonstration program aimed at middle- and upper-income households may energize latent de-

mand and stimulate the entry of private-market forces.

Ironically, as rehabilitation attains greater economic viability, the displacement of lower-income families may lessen its political feasibility (Downs 1976, p. 72). Many cities may shy away from the activist stance advocated above, preferring to ignore the emerging return of the middle class to the central city, although welcoming the increased tax revenues gained from property improvements. Either way, the displacement issue must be squarely faced. When preservation is included as one component of a comprehensive housing strategy, local policy makers may then continuously explore possible conflicts between the objectives of improving lower-income housing conditions and attracting higher-income groups to the central city.

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Local revitalization strategists need to monitor the newly developing residential preference for older, architecturally interesting housing to encourage neighborhood upgrading in potential areas of market demand, to avoid investment of public money in areas for which sufficient market demand already exists, and to mitigate any harmful displacement effects. The Wilmington example suggests the positive impact which preservation may have on central-city revitalization.

Notes

1. 16 US Code §470 (1970).
2. NC General Statutes §160-A-395 to 399 (1976).
3. 36 Code of Federal Regulations §60.6 (1976).
4. 42 US Code §5301 (Supp. V, 1975).
5. 42 US Code §5304, §1441a (Supp. V, 1975).
6. 42 US Code §5301 (Supp. V, 1975).
7. It is assumed that the aesthetic concern which historic preservation connotes is not as important to lower-income households, as they are hard pressed to secure standard-quality housing. Historic preservation and low-income housing are not necessarily incompatible, if preservation programs can provide standard housing while also preserving valuable buildings.

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