#### **ABSTRACT**

Title of Document: COMMUNITY ACTIVISM, PUBLIC MEMORY,

AND THE RIGHT TO URBAN SPACE: AN EXAMINATION OF EQUITABLE

DEVELOPMENT IN BALTIMORE'S OLDTOWN

HISTORIC DISTRICT

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This thesis explores the intersection of community planning and historic preservation in Baltimore City's Oldtown historic district. While the historic district has preserved important architectural and social histories, it has thus far only functioned as a zoning boundary that restricts urban growth and has negatively impacted the neighborhood's long-term prosperity. This study finds that the Oldtown historic district has also played critical roles in communicating Oldtown's enduring racial inequality and traditions of local civil rights activism, as a physical record of failed urban renewal. Community groups are reclaiming the historic district as a space to understand and transform established urban planning practices that normalize racialized poverty and craft new political identities in the present. Oldtown highlights the need for critical analysis of historic districts' influence on social and economic development, and in turn, this study draws upon the assets of historic districts to position the urban zones as sites for innovative urban policies for cooperative enterprises that address structural and racial inequality.

## COMMUNITY ACTIVISM, PUBLIC MEMORY, AND THE RIGHT TO URBAN SPACE: AN EXAMINATION OF EQUITABLE DEVELOPMENT IN BALTIMORE'S OLDTOWN HISTORIC DISTRICT

By

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# Dedication

This thesis is dedicated to my parents, John Dublin and Millie Campbell-Dublin. Thank you for your endless love, support, guidance, and unwavering belief that I can achieve so much.

## Acknowledgements

I would like to acknowledge everyone who helped me throughout this project. First, thank you to my committee members, Dennis J. Pogue, Jim Cohen, and Michele Lamprakos for their direction, insights, and patience throughout this process. I couldn't have completed it without such dedicated advisors. Thank you to all of the University of Maryland faculty members who offered their guidance at various stages of the project, including Connie Ramirez, Al Tetrault, and Howell Baum. I'm very appreciative of my classmates who've also been there as sources of support and assistance from the very beginning.

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Lastly, thank you to Gregory Morton for bringing me to Oldtown Mall some years ago to wander through the historic buildings and marvel about what could be its future. I am eternally grateful to my parents, John and Millie Dublin, my sister, Alisha Dublin, and my brother, Jared Dublin. You've helped me to finish this journey in more ways than you know.

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## **Chapter 1: Introduction**

A walk through Oldtown Mall reveals a ghost town of great promises and expectations, and a reminder that social movements of the 1960s and 1970s brought substantial changes to race relations, but limited changes in terms of structural inequality in Baltimore City's urban space and policy. Oldtown Mall is an outdoor pedestrian shopping mall composed of historic rowhouse buildings, some dating to the founding of Oldtown and the City of Baltimore. Situated one mile north of Baltimore's Inner Harbor-the city's festival marketplace of financial services and tourism—and one-half mile west of the major medical institution and top city employer, Johns Hopkins Hospital, the pedestrian mall covers a one-quarter mile southwestern stretch of the historic Gay Street commercial corridor. Currently, only 30 percent of the stores are open and the others are boarded and deteriorating. The pedestrian mall opened in June 1976 to anchor a \$10 million (\$41 million inflation adjusted) 90-acre Oldtown urban renewal project that rehabilitated Gay Street's historic commercial row houses and constructed approximately 800 units of affordable housing.<sup>2</sup> Although first proposed in 1963, the urban renewal project commenced in 1970 after much community pressure and the damages caused by the 1968 Baltimore City Riot. As the centerpiece, the southwestern portion of Gay Street was rehabilitated and transformed from a working street into a pedestrian-only retail promenade replete with public amenities. In the 1970s, Oldtown Mall was aligned with the Inner Harbor's vision for redevelopment and the project was elevated internationally as a model for inner-city renewal in the context of poverty and post-riot damage.<sup>3</sup>

Since the 1990s, population loss and the suburbanization of housing and retail have been cited as the main reasons for Oldtown Mall's decline. The current economic desperation of the mall reflects the neighborhood's low social and economic viability: between 2010 and 2011 alone, the Oldtown population declined by approximately 1,800 to 9,735 residents with a median

<sup>&</sup>lt;sup>1</sup> William Julius Wilson, More Than Just Race: Being Black and Poor in the Inner City (New York: W.W

<sup>&</sup>lt;sup>2</sup> "Planners Adopt 10.7 million Oldtown Renewal," *Baltimore Sun*, December 6, 1969.

<sup>&</sup>lt;sup>3</sup> "Oldtown: an Urban Renewal Success Story," *Baltimore Department of Housing and Community Development*, 1976.

household income of approximately \$13,400.<sup>4</sup> The story of Oldtown is not only one of regional exurban migration, but also the influence of race, class, and power on historically African American communities of Baltimore. Turning north from Baltimore's downtown skyline, a representation of affluence and power, to the landscape of Oldtown, one is presented with the realities of racialized neighborhood disinvestment, the rise of the service industry and reduction of blue-collar unionized employment, and the growing influence of foreign investments in the Baltimore economy.<sup>5</sup>

Older post-industrial cities like Baltimore pose particularly challenging issues. Baltimore faces a 15.8 percent housing vacancy rate, one of the highest housing vacancy rates in the country. Of Baltimore City's 300,000 housing units, approximately 47,400 are currently vacant, and roughly 25 percent (or 11,850) of these properties are city owned.<sup>6</sup> Across the US, cities like Baltimore, Detroit, Pittsburgh, and Cleveland have been afflicted by population loss for decades and are dealing with the phenomenon of neighborhoods that are distressed or virtually abandoned. Long-term vacant housing and properties have adverse effects on local budgets and public welfare, and are often adjacent to properties that are still the homes of residents who are the most marginalized and disempowered.<sup>7</sup> Investment in these neighborhoods is often seen as a great financial risk, unless it is premised upon the displacement of the existing population.

Little has been implemented to systematically address Oldtown's concentration of public housing, its decreasing tax base, and the neighborhood's close proximity to the state maximum-security prison. Oldtown's residents are generally perceived as a "high-risk" to dominant real estate and financial institutions. As explained by geographer Katherine McKittrick, racial essentialism situates black populations and their geopolitical concerns to the margins of society, to "elsewhere," hidden behind the mythical spaces of normalcy (like the Inner Harbor). The daily

<sup>&</sup>lt;sup>4</sup> U.S. Census Bureau American Community Survey estimates, accessed December 2013, https://www.census.gov/acs.

<sup>&</sup>lt;sup>5</sup> David Harvey, *Spaces of Capital* (New York: Routledge, 2001), 144.

<sup>&</sup>lt;sup>6</sup> Office of the Baltimore City Mayor, "Mayor Announces 'Vacants-to-Value' Plan to Reduce Blight," accessed May 2014,

http://www.baltimorecity.gov/OfficeoftheMayor/NewsMedia/tabid/66/ID/691/Mayor\_Announces\_Vacants to Value Plan to Reduce Blight.aspx.

<sup>&</sup>lt;sup>7</sup> "Managing Change: Preservation and Rightsizing in America," Advisory Council on Historic Preservation, accessed May 2014, http://www.achp.gov/RightsizingReport.pdf.

lives and struggles of communities are rendered invisible and left unaddressed. But, within these concealed communities are often significant political acts and expressions. Black narratives of urban geography need to be taken seriously in the work for the sustainable and just city; lived experiences of marginalization produce visions of urban life that are not dominated, enclosed, and segregated, but built by alternative processes that support cooperation, stewardship, and social justice in community building. The shift in vision, from seeing the neighborhood's African American residents from a "risk" to valuable and active components of equitable renewal is currently taking place in Oldtown through the work of local community-based organizations and institutions, notably the Change4Real Coalition based in Sojourner Douglass College, and the Ingoma Foundation.

The Baltimore City Department of Planning *2010 Oldtown Mall Redevelopment Plan* states the city's intentions to re-open the pedestrian mall to vehicle traffic and to integrate the historic district into a mixed-use development featuring grocery-anchored retail and mixed-income housing. Pedestrian malls were once elevated in the US as a novel urban form with connections to 19<sup>th</sup> century urban spaces such as the 1893 Chicago Columbian Exposition, the boulevards of Paris and Milan, and the modern pedestrian malls of West Germany. Following the first pedestrian mall in Kalamazoo, Michigan in 1957, nearly one hundred malls were implemented in the US. Yet, as many cities tried their hand at the urban form, more than 80 percent failed economically and have been transformed back into a street open to vehicle traffic. 11

The Oldtown area master plan proposes the construction of 2,148 multi-family and townhouse residential units, 580,000 square feet of retail, grocery, and office space, and 87,000 square feet of community and college-related centers. Although the Baltimore Development Corporation has

<sup>&</sup>lt;sup>8</sup> Katherine McKittrick, "No One Knows the Mysteries at the Bottom of the Ocean," *Black Geographies and the Politics of Space* (Cambridge: South End Press, 2007), 4-5.

<sup>&</sup>lt;sup>9</sup> "2010 Oldtown Mall Redevelopment Plan," Baltimore City Department of Planning, accessed September 2013, http://archive.baltimorecity.gov/Portals/0/agencies/planning/public%20downloads /2010/Oldtown%20Redevelopment%20Plan.pdf.

<sup>&</sup>lt;sup>10</sup> M. Cheyne, "No Better Way? The Kalamazoo Mall and the Legacy of Pedestrian Malls," *Michigan Historical Review* 36 (2010), 103-128.

<sup>&</sup>lt;sup>11</sup> Mark Harden, "Many Cities have Tried Pedestrian Malls, but Most Have Failed," *Denver Business Journal* (2013), accessed December 2013, ttp://www.bizjournals.com/denver/news/2013/07/25/16th-street-among-a-rare-breed-most.html?page=all.

solicited proposals for Oldtown's redevelopment since 1993, none have been implemented. The latest developers, Continental Realty and McCrary Development discontinued the project in Fall 2012 because of the financial risks. The Baltimore Development Corporation released a new Request for Proposals (RFP) in April 2014, with less emphasis on grocery-anchored development.<sup>12</sup>

Recognizing its historic value as one of Baltimore's earliest commercial districts, residents and property owners successfully petitioned for the mall's designation as a local historic district in 2004, protecting the historic building fabric from the on-going demolition of compromised structures. While the Oldtown commercial historic district is an anchor to redevelopment plans its rehabilitation will most likely occur once new infill construction is completed.<sup>13</sup> Significant private expenditures will be required to revive the corridor physically and economically. Individual property owners hold about 70 percent of the 64 historic district properties, with the remainder owned by Oldtown Mall LLC and Baltimore City. Currently, the significance of the historic district is tied closely to its economic benefits, notably the Baltimore City Historic Rehabilitation Tax Credit.

Within these challenging dynamics, what draws one back to the vacant promenade is not solely the 200 years of commercial architecture history present on the mall or the expectation of new real estate, but also the potential for Oldtown to be a model for human-centered urban redevelopment built off a foundation of the historic district's local history and organized resilience in the community.

As written by Marisela Gomez in *Race, Class, Power, and Organizing in East Baltimore*, "[u]sually we see [developers] as 'saving' a neighborhood's residents from themselves. And seldom do we include the residents of the area in the process of rebuilding their community. Usually, we remove the people, rebuild the place, and invite [new] people with power to live,

<sup>12</sup> Kristen Mitchell, Baltimore Development Corporation, Conversation with Author, October 18, 2013.

<sup>&</sup>lt;sup>13</sup> Al Tetrault, University of Maryland School of Real Estate Development, Conversation with Author, November 11, 2013.

work, and play in the renewed community."<sup>14</sup> Instead, what is necessary is a community-directed rebuilding process that acknowledges that the social, economic, and housing issues have not been systematically addressed. When an urban area has a challenging set of issues and redevelopment is premised upon an imagined future populace, steps of the rational, systematic planning process—including defining problems, fairly evaluating policy alternatives, and building consensus among existent resident-stakeholders--become exceedingly difficult to maintain.<sup>15</sup>

Visioning beyond the empty storefronts and vacant lots into open possibility, Oldtown's grassroots organizations Change4Real Coalition and the Ingoma Foundation see Oldtown's residents as resources and the keys for Oldtown's equitable redevelopment. As explained by Change4Real organizer and Dean of Sojourner Douglass College School of Urban Planning, John Morris, the coalition of residents, organizers, and community institutions are building an alternative redevelopment strategy that works against historic barriers to opportunity and social mobility; ultimately, poverty is perceived as only a transitional phase. Change4Real has been recruiting a team of socially conscious real estate developers and industries and submitted a bid for the 2014 Oldtown RFP in April.

Central objectives of the Change4Real's alternative strategy include the redevelopment of the Oldtown economy through a sustainable local industry and cooperative entrepreneurship; occupational skill development; a community land trust; and a local community development corporation. For Change4Real, residents must be incorporated within a planning process structure that allows them to participate actively with the developer, investors, and other financial participants in the venture. Resident stakeholders, although perceived from the outside as disempowered, can and will add "Human Value" to the development as organizers, entrepreneurs, and skilled workers, and secure due financial return for the value they add. <sup>17</sup> As

<sup>&</sup>lt;sup>14</sup> Marisela Gomez, Race, Class, Power, and Organizing in East Baltimore: Rebuilding Abandoned Communities in America" (Lanham: Lexington Books, 2013).

<sup>&</sup>lt;sup>15</sup> Carl Patton, David Sawicki, and Jennifer Clark. *Basic Methods of Policy Analysis and Planning* (New York: Pearson Education, 2013).

<sup>&</sup>lt;sup>16</sup> "S-DC and Change4Real Coalition," Sojouner Douglass College, accessed April 2014, http://www.sdc.edu/departments/outreach/c4r/articles/sdc-c4r-coalition.asp

<sup>&</sup>lt;sup>17</sup> "An Alternative Vision for Comprehensive Economic Development Optimizing the Value of People," Sojourner Douglass College School of Urban Planning and Community Economic Development, received by Author during community meeting April 5, 2014.

examined extensively by economist Jessica Gordon Nembhard, cooperative enterprises are asset building local development mechanisms based on the pooling of resources, democratic economic participation, and profit sharing, allowing low-income people to create new economic opportunities. <sup>18</sup> Community-based organizations like Change4Real enable members to exercise a degree of control over the community and a part of the city. <sup>19</sup>

Within the context and dynamics of Oldtown, there is also an opportunity to examine and strengthen the connection between historic preservation and urban planning in the 21<sup>st</sup> century, namely the potential for historic preservation—in this case Oldtown's historic district—to be situated as a tool in equitable rebuilding processes. Historic district zoning emerged in the 1930s to protect entire landscapes of historic buildings, structures, and sites in the interest of tourism and increased property values. The rise of historic districts in the second half of the 20<sup>th</sup> century reflects not only an increased interest in local history, but also a broader context of growing citizen-led community planning.<sup>20</sup> Previously disempowered groups are organizing themselves to define their community's future and protect their important historic sites after decades of "top down" urban planning that disrupted and displaced neighborhoods. Historic districts are a growing part of the community planning toolkit and this paper will explore their significance to previously disempowered groups that are organizing for control over their futures in new periods of urban transformation.

Three primary research questions were developed to help illuminate the history and future of Baltimore's Oldtown. Can historic districts facilitate the equitable rebuilding of distressed urban communities? Can the interpretation of Oldtown's community history bolster the grassroots coalition's platform to debate the meaning of equitable development? What tangible interventions can ensure that the Oldtown historic district remains a vital social and commercial space that retains its character defining features?

<sup>&</sup>lt;sup>18</sup> Jessica Gordon Nembhard, "Community-Based Asset Building: The Role Played by Credit Unions, Cooperatives, and other Community-Based Businesses," (2013), accessed November 2014, http://www.coas.howard.edu/centeronraceandwealth/reports&publications/0413-community-based-assetbuilding.pdf.

<sup>&</sup>lt;sup>19</sup> Howell S. Baum, *The Organization of Hope: Communities Planning Themselves* (Albany: SUNY Press, 1997), 10.

<sup>&</sup>lt;sup>20</sup> Roberta Gratz, *The Living City* (New York: Simon and Schuster, 1989).

This paper interprets Oldtown as an important example of how historic districts can support the formation of activist group identities, by enhancing local political culture through public history. Historic districts are widely recognized in the literature as a policy designation that protects the historic building fabric and local culture, and increases property values. Uniquely, the Oldtown historic district has played a role in communicating enduring racial inequality and traditions of local activism as the physical record of failed urban renewal. Although currently underrepresented in formal interpretations of the Oldtown historic district, historical analysis reveals that earlier community-based political groups, including Baltimore's chapter of the national civil rights organization, the Congress on Racial Equality (CORE), were headquartered on Gay Street in Oldtown and played important roles in ensuring racial equity in Gay Street's redevelopment in the 1960s. As presented by Maurice Halbwachs in the seminal text *Collective Memory*, groups' relationships to the physical environment come to define a sense of collective identity and shared past.<sup>21</sup> The community histories of structural inequality and organized resilience give current organizations a platform to envision and debate the meaning of equitable development in Oldtown.

While Oldtown historic district has played important roles in shaping the collective memory and identity of Oldtown, ultimately, the Oldtown historic district—as the primary urban policy that has managed the area—has had less than favorable effects on neighborhood economic viability and sustainability. Protection of the 19<sup>th</sup> century 2-story commercial buildings has inhibited the long-term economic development of Oldtown, particularly as a low-income and isolated neighborhood. As represented in the literature by texts such as Don Rypkema's *The Economics of Rehabilitation* (19971), David Listokin, Barbara Listokin, and Michael Lahr's "The Contributions of Historic Preservation to Housing and Economic Development" (1998), and Baird Smith's "Case Study: Historic Alexandria: The Next Fifty Years" (2014), there are opposing research findings on the effectiveness of historic districts for community and economic

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<sup>&</sup>lt;sup>21</sup> Maurice Halbwachs, "Space and Collective Memory," *On Collective Memory* (Chicago: University of Chicago Press, 1992).

redevelopment.<sup>22</sup> Historic district designation is popularly accepted as an economic tool; a wide variety of economic impact studies demonstrate that district designation supports increased property values and programs that incentivize private investment in previously underserved neighborhoods. Alternatively, systems-based approaches that examine the long-term economic, social, and ethical effects of historic district designation find it a policy that does not create sustainable urban neighborhoods independently. Research has shown rapid socio-economic change in rehabilitated neighborhoods in multiple cities, including Philadelphia and Washington D.C.; long-term residents are displaced due to the lack of additional urban controls.<sup>23</sup>

This is not to recommend the removal of the Oldtown historic district designation as a solution. Instead, this paper argues that there is a unique opportunity for new urban policies for cooperative local economies in Baltimore, centered on the historic district. Oldtown Mall's small, relatively affordable buildings can become incubators for Change4Real's proposed cooperative community enterprises that address Oldtown residents' long-term poverty and structural inequality. Historic districts are increasingly becoming the stage where the rights to urban space are playing out in US cities, between long-term residents who have been isolated in the historic urban core for generations and new middle and upper income residents migrating back to cities. The lessons of historic districts—often heightened because of the symbolic weight of neighborhood history—can be applied to a variety of urban neighborhoods. The Oldtown historic district can become an urban space that represents a significant new alignment of activist and government visions for Baltimore city's future.

In addition to concerns of formal interpretation and urban policy, this paper will make practical recommendations for physical preservation. Historic preservation issues include district-specific historic preservation guidelines to guide decision making during the redevelopment process. Important aspects to be addressed include rehabilitation standards, principles of compatible

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<sup>&</sup>lt;sup>22</sup> Don Rypkema, *The Economics of Rehabilitation* (Washington D.C.: National Trust for Historic Preservation, 1997); David Listokin, Barbara Listokin, and Michael Lahr, "The Contributions of Historic Preservation to Housing and Economic Development," *Housing Policy Debate* 9, no. 3 (1998); Baird Smith, "Case Study: Historic Alexandria: The Next Fifty Years," *Change Over Time* 4, no. 1 (2014).

<sup>23</sup> Listokin, Listokin, and Lahr, "The Contributions of Historic Preservation to Housing and Economic Development," 464-465.

design for adjacent new construction, and new gateway signage to clearly identify the historic district.

At its core, the subject of this paper is the role of historic urban neighborhoods in supporting community activist groups that work for more equitable futures in the face of persistent structural and racial inequality. On its exterior, the buildings and streetscape of Oldtown Mall are physically crumbling and discarded; it is a failed urban renewal project that reflects the economic and social struggles of an underserved African American neighborhood. But, beyond the current exterior, the Oldtown Mall historic district has served important roles in the formation of black activist identities over its century-long existence. Through the bold community interventions of contemporary groups like the Change4Real coalition, and the contributions of residents and other local stakeholders, the historic district continues as a site to claim and produce urban spaces for equality. There is an opportunity to commemorate associated memories of collective struggle and resilience in Oldtown, particularly in this moment of community transformation and change.



**Figure 1.** Map of Oldtown's location in east Baltimore paired with a photograph of the historic Gay Street commercial corridor, Maryland State Archives, late 19<sup>th</sup> century.

# Chapter 2: The Oldtown Historic District Context and Current Conditions

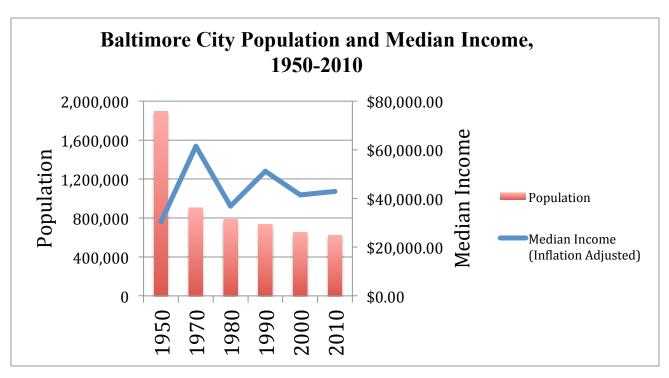
## **Brief Context of Present Day Baltimore**

Baltimore is a city of multiple stories—of social and economic growth and renewal, and of growing inequalities and a worsening of social and economic conditions—depending upon whom you ask. By many accounts, Baltimore is experiencing conditions similar to other US postindustrial cities attempting to recover after severe deindustrialization: unemployment due to blue collar industrial labor shifting to service and hospitality industries; declining public services through waning tax base; and a shift in public-private investment towards downtown and suburban development.<sup>24</sup> Baltimore is in a relatively advantageous location among major East Coast cities, located approximately 30 miles north of Washington D.C., on the coast of the Chesapeake Bay in the eastern portion of Maryland. In 2010, the city held a population of 620,961, with a population density of approximately 7,973 persons per square mile, making it Maryland's most populous city. It's an established center of medicine and biosciences, with Johns Hopkins Medical Center and the University of Maryland among the strongest city employers. Due to its strategic location on the Chesapeake, the city still holds important positions in the Mid-Atlantic sea trades. <sup>25</sup> Although the city continued to lose population during the last decade, the decline was well below the loss in the 1990s, and was the smallest 10-year decline since the 1950s (Figure 2). It is currently the 21<sup>st</sup> most populous city in the US. In 2010, almost two-thirds of the population was between the ages of 18 and 64 and was predominately Black (64%); 29 percent of the population was White, and 4.2 percent Latino. Currently, the median household income is approximately \$40,000, with a home ownership rate of 48 percent.<sup>26</sup>

<sup>&</sup>lt;sup>24</sup>. David Harvey, *Spaces of Hope* (Berkeley: University of California Press, 2000), 133-138.

<sup>&</sup>lt;sup>25</sup> "Baltimore: Economy," City Data, accessed September 2014, http://www.city-data.com/us-cities/The-South/Baltimore-Economy.html.

<sup>&</sup>lt;sup>26</sup> "Baltimore City QuickFacts," U.S. Census Bureau, accessed September 2014, http://quickfacts.census.gov/qfd/states/24/24510.html.



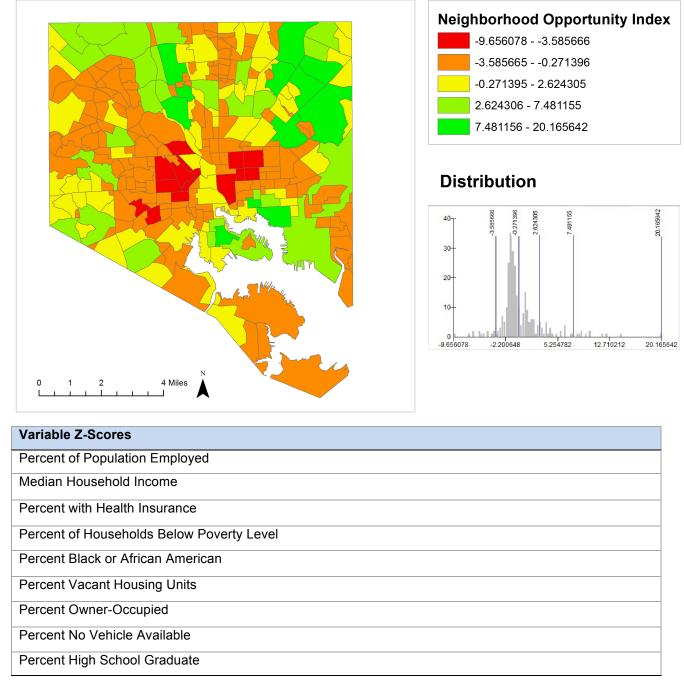
**Figure 2.** Baltimore City Population and Median Income 1950-2010, Social Explorer Tables–US Census Bureau.

Importantly, regional statistics oversimplify the dramatic differences that exist between various Baltimore neighborhoods in terms of race, class, health, and opportunity. In 2010, the Dissimilarity Index in Baltimore was 64.3 percent at the census tract level, ranking Baltimore as the 16<sup>th</sup> most segregated metropolitan area in the US.<sup>27</sup> The Index of Dissimilarity is a measure of residential segregation that captures the percentage of the population that would have to move from one neighborhood to another in order to create completed integrated neighborhoods. A higher percentage shows that the city is more segregated. Such on-going racial and class-based separations of populations have severe consequences for community conditions and life outcomes. In 2010, more than one-fifth of households in Baltimore had incomes below the federal poverty level. To compound the high level of poverty, the percentage of elementary school students below basic proficiency in reading, mathematics, and science was twice the state

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<sup>&</sup>lt;sup>27</sup> "The Persistence of Segregation in the Metropolis: New Findings from the US Census," Brown University: Spatial Structures in the Social Sciences, accessed September 2014, http://www.s4.brown.edu/us2010/Data/Report/report2.pdf.

average.<sup>28</sup> The spatial distribution of low opportunity is concentrated in predominately black neighborhoods of west and east Baltimore (Figure 3).



**Figure 3.** Baltimore Neighborhood Opportunity Map based on a composite index of U.S. Census Bureau American Community Survey 2013 variables.

<sup>&</sup>lt;sup>28</sup> "District Profiles: Baltimore City," National Center for Education Statistics, http://nces.ed.gov/nationsreportcard/districts.

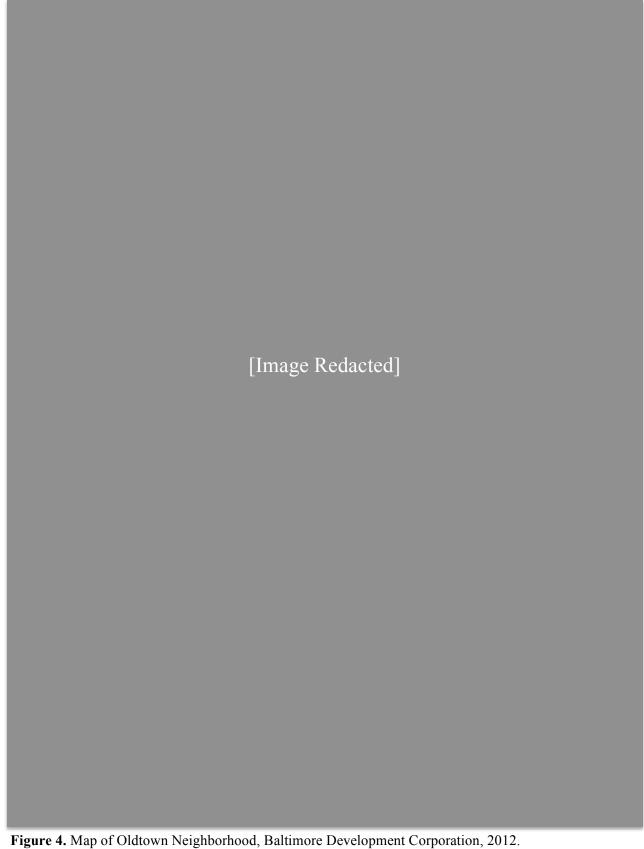
Baltimore has become notorious for its violence and incarceration rates, low educational attainment, low life expectancy, and large areas of vacant buildings. Over the past decade, the city has also seen new private and public investments in multiple arenas including social and economic development, education, and physical infrastructure. In 2000, Baltimore was considered the most violent city in the US. Currently violent crime has been decreased by 40 percent through youth intervention and more effective policing, reaching its lowest level since the 1960s. Similarly, improvements have been made in educational attainment among Baltimore residents; all grades are improving faster than the state average on the Maryland School Assessment. Per city also continues to invest in large-scale physical redevelopment projects including Harbor Point, Westport, and Oldtown Mall. But for many, Baltimore persists as two cities in one: on one hand, it holds the highest achieving medical, educational, and financial institutions in the world, and on the other, it is home to some of the most disempowered communities in the region.

#### **Oldtown Current Conditions**

Baltimore's Oldtown neighborhood has a complicated past, and an equally complex future as Baltimore City and the Baltimore Development Corporation begin plans to redevelop the area through an area master plan oriented around the historic commercial district. The Oldtown neighborhood is located in southern Baltimore City and covers approximately 150 acres (Figure 4). The neighborhood is bounded by Eager Street (North); Fayette Street (South); I-83 (West); and Central Avenue (East).

Oldtown is predominately residential, along with commercial and light industry land uses. Its distinctive feature and orienting landmark is the Oldtown Mall outdoor pedestrian mall. The one-quarter mile outdoor pedestrian mall is currently closed to vehicle traffic, and its stores are the preserved buildings of the historic Gay Street commercial corridor, which once cut a clear diagonal from the southwest to northeast corners of East Baltimore.

<sup>&</sup>lt;sup>29</sup> "Neighborhood Characteristics and Health in Baltimore, Maryland," Virginia Commonwealth University Center for Human Needs, accessed October 2014, http://www.societyhealth.vcu.edu/DownFile.ashx?fileid=1386.



The 1970 Oldtown Urban Renewal Plan created two major transformations in the neighborhood which remain today: first, Gay Street was eliminated north of Eager Street and second, the one-quarter mile southwestern stretch of the Gay Street commercial corridor was closed to traffic and transformed into the Oldtown Mall—a pedestrian-only retail promenade. Drawing upon precedence from eastern European cities, the street was transformed into a walkable corridor with ample space for socializing, with notable design features including a decorative fountain, performance stage, and park area. Gay Street's historic Belair Market and historic commercial row houses were rehabilitated.

As part of the total \$10 million urban renewal plan the mall received about \$2.7 million in expenditures (approximately \$11 million if adjusted for inflation), with financial investment led by the city. Owners of the 82 small businesses collectively invested approximately \$1.7 million to rehabilitate their historic properties (\$7 million inflation adjusted) with significant financing from the federal Small Business Administration. Monument East, a new 187-unit high rise for senior citizens also bordered the mall. At the time renewal plans began in 1970 approximately 2,000 people lived in Oldtown with a median income of \$2,835. More than a quarter of residents were elderly and the neighborhood was the least wealthy of city renewal areas. The redevelopment plan had an immediate effect on attracting new shoppers and retaining businesses. Upon opening it was an important infusion of capital and resources, particularly for low-income residents.

Since the 1990s, Oldtown has declined as a result of population loss and the suburbanization of housing and retail. Once a bustling shopping area with a variety of stores, Oldtown Mall has become an unsafe "ghost town" of deteriorating buildings and unmaintained streetscape. Currently of the 64 properties in Oldtown Mall, only 30 percent are open and operating. The majority of stores remaining are convenience stores that serve the nearby residents and workers

<sup>&</sup>lt;sup>30</sup> Nancy Schwerzler, "Fountain Gushes on Mayor's Cue at Dedication of \$1.4 million First Phase of Gay Street Mall," *Baltimore Sun*, July 12, 1975, B1.

<sup>&</sup>lt;sup>31</sup> Carleton Jones, "Oldtown Mall 50 percent Complete," *Baltimore Sun*, February 1, 1976.

<sup>&</sup>lt;sup>32</sup> "Oldtown: an Urban Renewal Success Story," Baltimore Department of Housing and Community Development, 1976.

of the Monument East high-rise. The immediate context of urban poverty, housing demolition, and low-density townhouses has a negative impact on the neighborhood's economic viability.

Although Oldtown is currently one of the most economically disempowered neighborhoods in Baltimore, it is often described as situated at a "crossroads" of major institutions and business areas in the city. Oldtown is only one mile north of Baltimore's Inner Harbor, the city's downtown financial center and destination for tourism, and it is approximately one-quarter mile west of Johns Hopkins, Baltimore's major medical institution and top city employer. The neighborhood is also home to a number of important public institutions including Paul Laurence Dunbar High School, Sojourner Douglass College, and a local branch of the Enoch Pratt Library. There are also a number of historic churches, including First Charity Baptist Church, Fountain Baptist Church, and Waters AME Church.

Although in a relatively advantageous location, Oldtown remains "in the shadows" of major institutions, which do not offer direct benefits to the neighborhood by proximity. Oldtown presents additional challenges in terms of negative impacts by detrimental institutions and major roadways, vacant land, and its street network. Notably, the Maryland State Penitentiary—a maximum-security prison—occupies the majority of the northwestern section of the neighborhood. Land of the demolished Somerset Courts public housing immediately bordering Oldtown is a vacant lot. The diagonal pedestrian mall is a distinctive interruption in the urban grid, and the elimination of the northern section of Gay Street makes it a road with no direct northern or southern connections. The I-83 expressway divides Oldtown from the residents and businesses of east Baltimore.

Currently, there are approximately 11,553 residents in the Oldtown neighborhood. Oldtown's population has three notable characteristics. It is one of the poorest neighborhoods in the city. The median household income is \$13,400, which is well below the city and state averages and the majority of Oldtown residents are below the federal poverty threshold (Table 1). Oldtown residents are employed in service occupations in recreation and hotel accommodation, or

education and healthcare industries.<sup>33</sup> Furthermore, there is an uneven balance of men and women: the male population is approximately 70 percent and the female population is 30 percent. This is a reflection of the Maryland State Penitentiary, which is completely contained by one of Oldtown's major census tracts (census tract 1003); 88 percent of the population is imprisoned African American men. Finally, the overwhelming majority of Oldtown residents are renters, with only 10 percent of the population as homeowners.

Table 1.
Oldtown Select Demographics. 2010

Oldtown Select Demographic	Oldtown	<b>Baltimore City</b>	Maryland
Population Total	11,553	620,961	5,773,552
Male (percentage)	70%	47%	48%
Female (percentage)	30%	53%	51%
Average Household Size	1.4	2.4	2.6
Owner-Occupied Housing	9.5%	48%	68%
Median Household Income	\$13,400	\$40,100	\$72,419
Percent Families in Poverty	52%	18%	6.1%
Percent with HS Diploma/	51%	52%	70%
Some College			
Racial Diversity (percentage)			
Black	87.8%	64%	30%
White	9.5%	29%	61%
Latino	1.6%	4%	8%
Asian	1.2%	2%	6%
Other	0.5%	2.5%	

US 2010 Census; American Community Survey 2006-2010 5- Year Estimates; census tracts 1002, 1003, 2805; Baltimore Neighborhood Indicators Alliance, Oldtown/ Middle East Neighborhood

<sup>&</sup>lt;sup>33</sup> American Community Survey 5-Year Estimates: 2006-2010, Selected Economic Characteristics, US Census Bureau.

Oldtown is primarily residential, with a notable concentration of public housing owned by the Housing Authority of Baltimore City (Table 2). The five public housing buildings are Douglass Homes (constructed in 1941; 393 units), Latrobe Homes (1941; 701 units), Monument East (1976; 187 units), and Pleasant View Gardens (1998; 201 unit rental townhouses and 110 unit senior building). Monument East is the only high-rise in the neighborhood. Two large public housing projects have been demolished in Oldtown over the past decade. Lafayette Courts (1956; 805 units) was demolished in 1995. It was the housing authorities' first high-rise building community and the former site is currently occupied by Pleasant View Gardens. Additionally, Somerset Courts (1944; 257 units) was shuttered and demolished in 2008. Currently, the Somerset Courts Extension remains, but the vacant Somerset Court site is an important component in future redevelopment plans. Although closed due to poor living conditions and crime, each housing development contributed to the high level of population density in the neighborhood. Currently, Baltimore City is in the process of selling public housing to private developers who will renovate and manage them under a new model, as part of the federal Department of Housing and Urban Development Rental Assistance Demonstration program (RAD).34

The 2006-2008 Downtown Development Report: Downtown Baltimore Real Estate Overview has projected a housing demand in Oldtown for approximately 7,400 new units including 3,000 new multi-family rental units, 2,200 for-sale multi-family units, and 2,200 for-sale single-family townhomes. The local demand for housing in Oldtown is driven by existing residents, young singles, and professionals who seek employment in the nearby downtown area and neighboring institutions. The 2008 Social Impact Baltimore Neighborhood Market Drilldown has also identified a strong need for a full-service grocery store, local services, and national clothing retailers. The short distance from the Inner Harbor waterfront to Oldtown gives it the potential to be a regional retail and commercial area. Employment opportunities are also relatively high

<sup>&</sup>lt;sup>34</sup> Melody Simmons, "City Selling Baltimore's High-Rise Public Housing to Public Entities," *Baltimore Brew*, accessed September 2014, https://www.baltimorebrew.com/2014/02/27/city-selling-baltimores-high-rise-public-housing-to-private-entities/.

<sup>&</sup>lt;sup>35</sup> "2010 Oldtown Mall Redevelopment Plan," Baltimore City Department of Planning, accessed September 2013, http://archive.baltimorecity.gov/Portals/0/agencies/planning/public%20downloads /2010/Oldtown%20Redevelopment%20Plan.pdf.

<sup>&</sup>lt;sup>36</sup> "2008 Baltimore Neighborhood Market Drilldown," Social Impact Inc., accessed December 2013, http://socialcompact.org/images/uploads/Baltimore\_DrillDown\_Report.pdf.

immediately outside of the Oldtown area, with positions available downtown, as well as in the nearby Inner Harbor and Johns Hopkins Medical Center. Although in proximity, there are formidable barriers to employment for Oldtown's low and moderate-income households however, due to limited job training and educational attainment.

Table 2.
Oldtown Public Housing

	Housing Name	Date of Construction	Units
Existing	Douglass Homes	1941	393
	Latrobe Homes	1941	701
	Monument East	1976	187
	Pleasant View Gardens	1998	201 unit rental townhouses and 110 unit senior citizen building
	Somerset Courts Extension	1944	60
Demolished	Somerset Courts	1944 (Demolished 2008)	257
	Lafayette Courts	1956 (Demolished 1995)	805

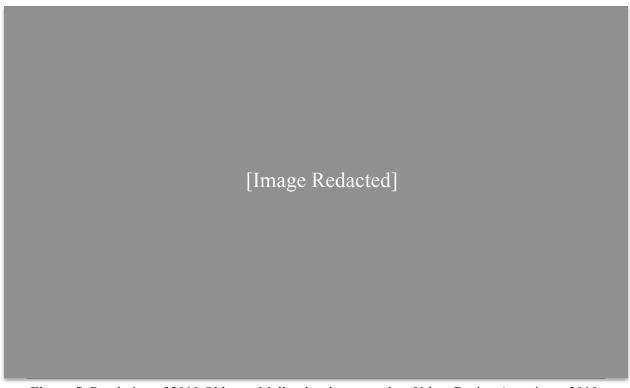
### **Current Redevelopment Plans by City and Baltimore Development Corporation**

Oldtown Mall will be redeveloped via a combination of public and private investments, led by the City and the Baltimore Development Corporation, a 501(c)(3) corporation and public-private agency contracted with the City of Baltimore to provide economic development services.<sup>37</sup> The Baltimore City Department of Planning states intentions to re-open the pedestrian mall to vehicle traffic and to integrate the historic district into a mixed-use development featuring grocery

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<sup>&</sup>lt;sup>37</sup> "About BDC," Baltimore Development Corporation, accessed September 2014, http://www.baltimoredevelopment.com/about-bdc/.

anchored retail and mixed-income housing (Figure 5). The changes are most likely to occur in the next 10 to 15 years with current market conditions.<sup>38</sup>



**Figure 5.** Rendering of 2010 Oldtown Mall redevelopment plan, Urban Design Associates, 2010.

The transformation of Oldtown Mall into a mixed-use town center is to be coupled with the construction of new housing at the former Somerset Courts site and the Baltimore Edison Gas and Electric Company maintenance yards; the revitalization of Douglass Homes and the Fayette Street corridor; and finally, Sojourner Douglass College intends to reuse historic buildings for the School of Allied Health and the School of Hotel Management. Current redevelopment plans remain oriented around Oldtown Mall as the anchor and central shopping district, with aims to make the business area a destination for multicultural shops, restaurants, cultural venues, and a residential community. Residents and property owners would reoccupy the spaces above ground floor retail. In total, the area master plan aims to create 2,148 multi-family and townhouse

<sup>&</sup>lt;sup>38</sup> Al Tetrault, University of Maryland School of Real Estate Development, Conversation with Author, November 11, 2013.

residential units, add 580,000 square feet of retail, grocery, and office space, and add 87,000 square feet of community and college-related centers.<sup>39</sup>

In developing the master plan, the Baltimore Department of Planning worked with the consulting firm, Urban Design Associates, along with a number of sub-consultants, including Cobalt Group and E&J Development, and a Steering Committee of 20 local stakeholders ranging from Baltimore City Health Department to the Oldtown Merchants Association. The intended changes aligned with multiple aspects of the Baltimore City 2007-2012 Comprehensive Master Plan, including: Live Goal 1: Build Human and Social Capital by Strengthening Neighborhoods; Live Goal 2: Elevate the Design and Quality of the City's Built Environment through mixed-use development to reinforce neighborhood centers and main streets; and Earn Goal 2: Improve Labor Force Participation Rate among City Residents.<sup>40</sup>

Although the Baltimore Development Corporation has solicited proposals for Oldtown's redevelopment since 1993, none have been implemented. The latest developers, Continental Reality and McCrary Development terminated the project in Fall 2012 due to the financial risks of investing in a high poverty area. A new Request for Proposals was released by Baltimore Development Corporation in April 2014 with two important new components that are intended to entice dedicated investment: reducing emphasis on grocery-anchored development and making the Somerset Courts sites available for new residential construction.<sup>41</sup>

#### Oldtown Historic District's Role as Community Main Street

Oldtown Mall is a unique pedestrian mall, but its physical attributes and context align closely with downtown "Main Streets" of small businesses that directly serve the local community.

Oldtown's stores were once part of the Gay Street commercial corridor that stretched from the

<sup>&</sup>lt;sup>39</sup> "2010 Oldtown Mall Redevelopment Plan," Baltimore City Department of Planning, accessed September 2013,

http://archive.baltimorecity.gov/Portals/0/agencies/planning/public%20downloads/2010/Oldtown%20Red~evelopment%20Plan.pdf.

<sup>&</sup>lt;sup>40</sup> Baltimore City Department of Planning Memo, "City Council Bill #11-0754" (September 12, 2011), accessed September 2014, http://legistar.baltimorecitycouncil.com/attachments/7988.pdf.

<sup>&</sup>lt;sup>41</sup> Kristen Mitchell, Baltimore Development Corporation, Conversation with Author, October 18, 2013.

Jones Falls waterway northeast to North Avenue. Main Street development is highly dependent upon the overall context of urban form in the neighborhood. <sup>42</sup> Gay Street established itself early on as a major thoroughfare connecting Baltimore's harbor with the farms surrounding the city limits. It quickly became a path of linear circulation in the city due to historic travel patterns; it was an oblique angled street that was a hub of commercial activity in an otherwise predominantly residential urban grid. <sup>43</sup>

In response to Gay Street's development as a trade route, in 1818 Baltimore City established Oldtown's Belair Market, an important open-air produce market in the city's multi-site market system. By 1836, the 500 block of Gay Street was built-up with unbroken brick rowhouse buildings that served a mix of residential and commercial purposes. <sup>44</sup> The scale of Gay Street was suited to its users. Entrepreneurs found the two and three-story buildings to be relatively affordable, and they offered considerable convenience to those living above stores or in adjacent residential areas. <sup>45</sup>

Through the 19<sup>th</sup> century and into the early 20<sup>th</sup>, Oldtown was made up of segmented German, Irish, Jewish, and African enclaves of various social classes. The first floors of rowhouse homes were used as small family-run clothing, goods, and services shops, with families living above the stores. <sup>46</sup> Department stores later emerged on Gay Street in the mid-19<sup>th</sup> century, along with theaters, taverns, and other entertainment attractions. The 1880 Sandborn Fire Insurance map of Oldtown depicts Gay Street as a well-developed commercial corridor, with an established pattern of residential areas bordering a concentration of businesses (Figure 6).

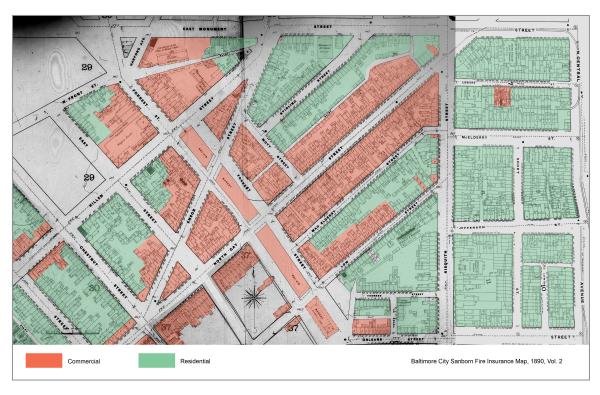
<sup>&</sup>lt;sup>42</sup> Richard V. Francaviglia, *Main Street Revisited: Time*, *Space*, *and Image Building in Small-Town America* (Iowa City: University of Iowa Press, 1996), 67.

<sup>&</sup>lt;sup>43</sup> "Oldtown Mall Local Historic District Designation," Baltimore City Commission for Historical and Architectural Preservation, July 13, 2004.

<sup>44</sup> Ibid.

<sup>&</sup>lt;sup>45</sup> Carole Rifkind, *Main Street: The Face of Urban America* (New York: Harper and Row, 1977), 63-74.

<sup>&</sup>lt;sup>46</sup> D. Randall Beirne, "Late Nineteenth Century Industrial Communities in Baltimore," *The Maryland Historian* 11 (1980), 40.



**Figure 6.** 1890 Sanborn Fire Insurance Map showing the concentration of businesses along Oldtown's Gay Street surrounded my residential areas, Sanborn Map Publishing Company.

The Gay Street commercial corridor has been a neighborhood anchor since the 1800s. It remained a bustling Main Street and market area through its shift to a predominantly African American community in the mid-20<sup>th</sup> century. The businesses of the 19<sup>th</sup> century commercial rowhouses remained as Oldtown neighborhood's shopping center and the Belair market its major food supplier, but there were significant changes in neighborhood dynamics. White flight and a growing concentration of segregated public housing transformed Oldtown into one of the city's lowest income neighborhoods. Poor housing conditions, loss of population by urban renewal demolition, and inadequate public services soon followed. <sup>47</sup>

Citywide racial inequality erupted into the 1968 Baltimore City Riot that began on Gay Street and the majority of white-owned businesses there were severely damaged. After the riot, dynamics between black residents and white storeowners remained contentious. Store owners who remained invested less in their businesses and contributed to an environment of distrust; storefronts were worn, heavy with over-hanging signs, and windows were barricaded with "riot-proof" barriers. Panels were tacked over worn architectural features. After the riot, neighborhood

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<sup>&</sup>lt;sup>47</sup> Councilman Carl Stokes, Baltimore City Council, Conversation with Author, September 8, 2014.

organizations and activist groups criticized Gay Street shops for charging exorbitant prices, selling inferior goods, and disrespecting customers. 48 According to residents and community leaders alike, Oldtown changed dramatically after the damages caused by the riots.<sup>49</sup>

The 1970 Oldtown Urban Renewal Plan made major alterations in the neighborhood, beginning with the transformation of Gay Street into Oldtown Mall and the rehabilitation of Belair Market. The addition of new affordable housing reinvigorated the diminishing population. Gay Street's role as a community main street was again revived, and attracted additional customers who could now reach the mall easily by car because of the new, metered parking lots. Storeowners were initially skeptical about the city's willingness to invest in the project, but began to make façade improvements once construction began on the new pedestrian mall streetscape. Additionally, the city focused on increasing black ownership of Oldtown stores. Beginning from 99 percent white at the time of the riots in 1968, more than a quarter of the 70 stores were black-owned by 1976.<sup>50</sup> At the time of renewal there was a wide variety of stores from clothing stores to record shops, with a mix of long-term and new business owners, and Belair Market served as the local grocery (Figure 7).



Figure 7. Oldtown Mall at time of opening in 1971, Harvey Rubenstein, *Pedestrian* Malls, Streetscapes, and Urban Spaces. New York: John Wiley & Sons, 1992.

<sup>48</sup> Stephen J. Lyton, "Gay Street Gets a Going Over," *Baltimore Sun*, March 26, 1970.

<sup>&</sup>lt;sup>49</sup> Councilman Carl Stokes, September 8, 2014.

<sup>&</sup>lt;sup>50</sup> Tracie Rozhon, "First Such Mall in US: Gaiety Marks Gay Street's Oldtown," Baltimore Sun, April 25, 1976.

Baltimore's continued population loss and the suburbanization of housing and retail took its toll on Oldtown's residents and businesses, however Oldtown was hurt by an influx of drugs and crime in the 1980s and was further deprived of customers after the demolition of the public housing complexes Lafayette Courts and Somerset Courts. <sup>51</sup> Businesses on the mall began to close or relocate, and local residents were not in a position to own property due to enduring racial inequalities. The historic Belair Market, which provided important local access to fresh produce and other foods, was demolished in 2002. <sup>52</sup> Currently, Baltimore City owns the 41 vacant buildings and land areas outside of the historic district and the city continues to request funds from the Maryland Department of Housing and Community Development for the demolition of compromised properties. <sup>53</sup>

### **Economic Analysis**

While the Oldtown Mall historic district is a main feature of redevelopment plans, its rehabilitation will most likely occur only after new infill construction is completed.<sup>54</sup> While redevelopment remains anchored by the historic district, the majority of the properties are privately owned; the city will not directly invest in the rehabilitation of the historic district. Significant private expenditures will be required to revive the corridor physically and economically.

The Oldtown Mall Merchants Association supported advocacy for the historic district's designation in 2004 with hope of an economic benefit; the 64 properties are largely individually owned small businesses struggling to survive in a neighborhood experiencing enduring poverty and population loss. <sup>55</sup> Each property owner must adhere to the Baltimore Commission for

<sup>&</sup>lt;sup>51</sup> Natalie Sherman, "City Tries Fresh Effort in Oldtown," *Baltimore Sun*, April 17, 2014.

<sup>&</sup>lt;sup>52</sup> Brennen Jensen, "Shopworn: Is Redevelopment Finally Coming to Oldtown Mall, or will the Battered Strip Remain a Boulevard of Broken Dreams?" *Baltimore City Paper*, October 9, 2002, accessed September 2014, http://www2.citypaper.com/news/story.asp?id=3392.

<sup>&</sup>lt;sup>53</sup> Larry Brown, Maryland Department of Housing and Community Development, Conversation with Author, November 5, 2013.

<sup>&</sup>lt;sup>54</sup> Al Tetrault, University of Maryland School of Real Estate Development, Conversation with Author, November 11, 2013.

<sup>&</sup>lt;sup>55</sup> "Oldtown Mall Local Historic District Designation," Baltimore City Commission for Historical and Architectural Preservation, July 13, 2004.

Historical and Architectural Preservation (CHAP) procedures and guidelines for exterior modifications or demolition proposals, and in turn, owners can receive the benefits of the Baltimore City historic tax credit. Research has supported historic districts as an important tool for private investment, economic redevelopment, and the appreciation of property values. <sup>56</sup> As argued by *The Value of Historic Preservation in Maryland*, Maryland's historic districts help to set up an environment that is conducive for investment in commercial and residential properties by creating a distinctive character for shoppers and economic incentive programs for property owners <sup>57</sup>

Economic analysis of Oldtown Mall based upon property values and ownership pattern shows a rather bleak picture in terms of the costs of vacancy to the city and neighborhood residents (Figure 8). Dimensions of cost analysis for vacant mid-size commercial buildings include state property and sales taxes, local property and sales taxes, rents, bank loan demands and interest, insurance and legal fees, and especially, employment wages. Overall, the total 111 properties are currently valued at \$5.3 million. With a significant portion of the properties and land held by the city, Baltimore City gains approximately \$77,000 in annual local property taxes and loses \$44,000, taxing at a rate of 2.248 percent. The state's real property tax rate is .112 percent resulting in significant losses with only \$38,000 gained against \$22,000 lost. With so few stores open, property owners are failing to collect rents with losses that exceed \$2 million, based upon the average Baltimore commercial square foot rental rate of approximately \$18. Oldtown currently generates only \$7,400 in local retail and food service taxes, with a loss of \$23,000 considering the number of properties closed or vacant (Table 3).

<sup>&</sup>lt;sup>56</sup> Don Rypkema, "Measuring the Economics of Preservation: Recent Findings," Advisory Council on Historic Preservation, (June 2011), accessed December 2013, http://www.achp.gov/docs/final-popular-report6-7-11.pdf.

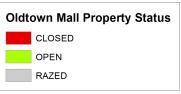
<sup>&</sup>lt;sup>57</sup> "The Value of Historic Preservation in Maryland," Preservation Maryland, accessed

<sup>&</sup>lt;sup>58</sup> "Getting Results: The Economic Impact of Main Street Iowa 1986-2012," Place Economics, (May 2013), accessed December 2013,

http://www.iowaeconomic development.com/userdocs/documents/ieda/MainStreetReportMay 2013.pdf.

<sup>&</sup>lt;sup>59</sup> "Baltimore MD Market Trends," Loopnet, accessed December 2013,





**Figure 8.** Oldtown Mall Property Status Map, showing properties that have been demolished, and properties that are currently operating or closed 2013.

Table 3. Oldtown Mall Property Summary

111 Buildings and land parcels Property value, \$5.3 million		
	Gains	Losses
Local Property Tax 2.248 percent	\$77,000	-\$44,000
State Property Tax .112 percent	\$38,000	-\$22,000
State Retail and Food Tax 6 percent	\$7,400	-\$23,000
Property Rents \$18 per commercial square foot	\$2 million	-\$4.3 million

As the historic district is still made up of small businesses, future rehabilitation expenses will be the responsibility of the private property owners. Using the methodology outlined in the 2013 *National Building Cost Manual*, the rehabilitation of the historic district's buildings would cost approximately \$24 million, excluding the costs of heating and cooling equipment, and updated display fronts. Although daunting, this figure is not too far from the combined public and private building rehabilitation expenditures for the mall in the 1970s, which totaled to approximately \$18 million (inflation adjusted). The city's investment built the merchants' confidence and willingness to take on private rehabilitation expenses.<sup>60</sup>

Ultimately, the revitalization of Oldtown historic district would have strong economic impacts while contributing positively to neighborhood identity and continuity. Utilizing the National Park Service–Rutgers University Historic Preservation Economic Impact Model to forecast the economic effects of rehabilitation, the revitalization of the historic district at a total development cost of \$24 million would generate approximately: 300 total jobs, including 150 construction and 60 service positions; \$11,000 in wages for workers; \$10,700 in income for each business; and \$12,500 in household incomes (Table 4). If these employment positions were to be filled by local residents, the rehabilitation would have a significant positive influence on the neighborhood.

Table 4.
Oldtown Mall Historic District Rehabilitation Economic Impact Summary

<b>Number of Projects</b>	64
<b>Total Number of Jobs</b>	300
<b>Construction Jobs</b>	150
Service Jobs	60
<b>Business Income Generated</b>	\$10,700
<b>Household Income Generated</b>	\$12,500
Wages	\$11,000
<b>Total Development Cost</b>	\$24 million

<sup>60</sup> Gary Moselle, ed. 2013 National Building Cost Manual (Carlsbad: Craftsman Book Company, 2013).

#### Who are the Stakeholders and what are their Interests?

Although experiencing formidable challenges, Oldtown remains at a "crossroads" of neighboring assets. As such, a variety of public and private interests are converging on the neighborhood, each with its own expectations and desired outcomes for Oldtown's future. Given the mix of commercial and residential land uses, important stakeholders range from Fountain Baptist Church and Somerset Courts Resident Council, to the Oldtown Merchants Associations and the local East Baltimore Community Corporation. The following describes the four strongest stakeholder interests in Oldtown: Sojourner Douglass College and the Change4Real Coalition; Somerset Courts Resident Councils; Oldtown Business Owners; and City Government.

#### Sojourner Douglass College and the Change4Real Coalition

The Change4Real coalition is a local activist group based in Sojourner Douglass College that is planning an equitable redevelopment strategy for Oldtown. Sojourner Douglass College is a private university founded in 1970, with a focus on administration, social sciences, and empowerment of the local community. The college's outreach department leads and organizes the Change4Real coalition of community members and core institutions. Founded in September 2012, Change4Real is a member-driven organization that seeks to coordinate the capacities and collective action of local stakeholders. Its members vote to elect the Board of Directors, the entity with decision-making powers in the organization.

Utilizing a grassroots approach, Change4Real believes that Oldtown's residents–perceived as poor and powerless–can plan their own development when supported with the necessary resources. Importantly, the coalition has organized a group of socially responsible developers to submit a bid to the Baltimore Development Corporation's (BDC) Oldtown Request for Proposals (RFP). The organization's plans are represented in the document, *The Promissorium: A Commercial Space Designed to Optimize and Realize the Promise of People- Particularly People Beset by Poverty*. <sup>61</sup> Their alternative redevelopment plan proposes urban planning,

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<sup>&</sup>lt;sup>61</sup> "The Promissorium: A Commercial Space Designed to Optimize and Realize the Promise of People-Particularly People Beset by Poverty," Change4Real Coalition, received by Author during meeting.

housing, and economic strategies that resist gentrification and intends to help residents address barriers to upward mobility by creating "socially responsive interventions." 1st vision is to build a local micro-economy capable of addressing historical economic and social barriers through self-employment and cooperative enterprises, a community land trust, a local community development corporation, and a community economic broker to monitor the interaction of the city-proposed economy with Change4Real alternatives. 63 The organization has multiple ties with local organizations and institutions, including its role as part of the Sojourner-Hopkins Collective, which ensures positive relations with nearby Johns Hopkins Medical Center leadership. Although Johns Hopkins has not made direct financial contributions, the institution has a clear investment by proximity.<sup>64</sup>

The Ingoma Foundation is a non-profit consulting organization that seeks to develop sustainable economic development models in distressed communities and currently supports Change4Real's work. Ingoma Foundation was founded in 2007, and is collaborating with Change4Real and Oldtown stakeholders as its first pilot program. The foundation serves important "backbone" responsibilities, by supporting the coalition's communication and administrative activities in its ambitious efforts to secure the Oldtown redevelopment bid. Ingoma also runs an important local youth development program, "Youth Unlocked," and has played a major role in incorporating multiple populations in the current redevelopment process. The foundation notes a high level of disillusionment among Oldtown's younger generations due to local economic and physical conditions, and works to engage young people in leadership and employment training projects.<sup>65</sup>

## The Role of Residents and Housing Tenant Council Members

Like other local community-based organizations, the Change4Real coalition holds the residents accountable as the primary drivers of local change. As elaborated in Change4Real public meetings, the majority of Oldtown residents are experiencing economic desperation and are often

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<sup>&</sup>lt;sup>62</sup> "S-DC and Change4Real Coalition," Sojourner-Douglass College, accessed December 2013, http://www.sdc.edu/departments/outreach/c4r/articles/sdc-c4r-coalition.asp

<sup>&</sup>lt;sup>63</sup> Marisela Gomez, Race, Class, Power, and Organizing in East Baltimore: Rebuilding Abandoned Communities in America" (Lanham: Lexington Books, 2013).

<sup>&</sup>lt;sup>64</sup> Change4Real Oldtown Planning Meeting, Sojourner Douglass College, April 10, 2014.

<sup>&</sup>lt;sup>65</sup> Megan Cohen, Ingoma Foundation, Conversation with Author, July 22, 2014.

disconnected from community processes. Yet, consistent efforts are being made to engage community members through door-to-door visits to ask questions and listen to residents as they share their desires for change in the community. Residents who are directly involved play important roles in the leadership activities of Change4Real and local public housing resident associations, notably of Somerset Courts and Douglass Homes. Residents' immediate concerns are multifold, beginning with the risk of housing gentrification through new development.<sup>66</sup> Residents have attended and testified at planning commission and other governmental meetings related to Oldtown redevelopment.<sup>67</sup>

The most immediate threat is Baltimore City's participation in the federal Department of Housing and Urban Development Rental Assistance Demonstration Program (RAD). The city is in a process of selling public housing to private developers who will renovate and manage them under a new model. The program emphasizes relocating current residents through issuing housing vouchers to residents so they can rent in the private sector. But, as Oldtown residents and housing association leaders fear, the program may expose public housing to the risks associated with the private market– including foreclosure, bankruptcy and default. As examined by New-York-based housing activists Liz Ryan Murray and Agnes Rivera, "[RAD] does this by allowing public housing to access private debt and equity, and shift into a mixed-financing model, which has proven historically to be unstable for low-income families." Oldtown holds five different housing complexes currently owned by the city housing authority, making Oldtown a neighborhood that may be heavily impacted by the shift in ownership. Additionally, the Somerset Courts Resident Council members are still experiencing the recent effects of Somerset Court's demolition in 2008; members are concerned that new residential construction will not maintain a sufficient number of affordable units.

#### **Business Owners**

<sup>&</sup>lt;sup>66</sup> Change4Real Oldtown Planning Meeting, April 10, 2014.

<sup>&</sup>lt;sup>67</sup> Sojourner Douglass College Office of Community Outreach Newslettter Issue 2, Vol. 2, Summer 2010, accessed September 2014, http://www.sdc.edu/departments/outreach/c4r/articles/Office-of-Community-Outreach-vol2-issue2.pdf.

<sup>&</sup>lt;sup>68</sup> Liz Ryan Murray and Agnes Rivera, "Keeping Low-Income Communities Stable," *Politico*, accessed September 2014, http://www.politico.com/news/stories/0312/74285.html.

<sup>&</sup>lt;sup>69</sup> Change4Real Oldtown Planning Meeting, April 10, 2014.

Oldtown's business owners will play an important role in future redevelopment of the mall. While the 2010 Oldtown area master plan is oriented around the historic district as the anchor, developers will be investing in new infill construction. Private owners will be responsible for rehabilitation expenses. While the majority of stores on the mall are currently closed, property analysis reveals that nearly all of the properties in the historic district are privately held; the City owns only three properties in the district. There are a handful of long-term businesses still operating on the mall, most in the vicinity of the Monument East high rise. There are approximately four barbershops and beauty salons, two medical-related office buildings, and a church that occupies two buildings.

The Oldtown Merchant Association was established in 1883, and still holds important roles in representing the interests of business and property owners. The organization was represented on the area master plan Steering Committee. The fact that owners are still active in community processes and are holding onto the properties is a sign that many are waiting for new investment to the area, to increase property values and revive failing businesses.<sup>70</sup>

#### City Government and Elected Officials

On April 28, 2014, Governor Martin O'Malley and Mayor Stephanie Rawling-Blake held a press conference to announce a \$300,000 investment to demolish properties in Oldtown Mall as part of the state's Strategic Demolition and Smart Growth Impact Fund. The state investment is intended to demolish 14 vacant buildings along the southwestern section of the mall owned by the city. It is considered an action that would further incentivize reinvestment in the area with the recent RFP released by BDC. Currently there are no additional incentive programs. State and city officials recognize the importance and strategic location of Oldtown Mall, located at the "crossroads" of important city landmarks and institutions. <sup>71</sup> From the perspective of city government, the underlying motivation is to attract middle-class residents and retailers to

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<sup>&</sup>lt;sup>70</sup> Change4Real Coalition Public Meeting, September 6, 2014.

<sup>&</sup>lt;sup>71</sup> Yvonne Wenger, "Grants Introduced for Oldtown Mall Revitalization," *Baltimore Sun*, April 28, 2014, http://articles.baltimoresun.com/2014-04-28/business/bs-bz-old-town-mall-20140428\_1\_old-town-mall-buildings-development-plan.

Oldtown, and to identify a developer with experience generating investment and outcomes in contexts of poverty.

Since the establishment of the Oldtown historic district in 2004, the Baltimore City Commission for Historical and Architectural Preservation (CHAP) has been a strong advocate for maintaining Oldtown's physical integrity and for the formal interpretation of the district's 200-year span of commercial development. As a historic district, business owners must submit work permits for exterior changes to ensure that improvements and modernizations align with local and federal standards for historic preservation. Additionally, as a historic district, CHAP supports Oldtown Mall property owners through the local property tax incentive program, which saves them thousands of dollars on rehabilitation projects.<sup>72</sup>

Unlike in previous redevelopment processes in East Baltimore, various city government agencies and elected city officials are acting with greater transparency, and are in more favorable support of equitable redevelopment in Oldtown. As explained by City Council Member Carl Stokes, Oldtown needs a developer that simultaneously has experience with generating mixed-use urban retail shopping districts, and experience responding to the needs of its low-income residents. Important factors must be addressed including the need for a new grocery store that can alleviate Oldtown's current status as a "food desert," as well as retail stores that can meet a diversity of incomes and shopping needs. Cultivating local African American entrepreneurship is another critical goal. Additionally, following the release of the RFP, the Baltimore Development Corporation responded directly to concerns of the Somerset Homes Tenant Council by issuing a written statement in June 2014. The document addressed responsibilities of the BDC and future developers on factors including meeting notification, reoccupation of future housing by former Somerset Homes tenants, and the preservation of affordable housing units. The support of the

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<sup>&</sup>lt;sup>72</sup> "Baltimore City Historic Tax Credit," Baltimore City Commission for Historical and Architectural Preservation, accessed September 2014,

http://archive.baltimorecity.gov/Government/Boards and Commissions/Historical Architectural Preservation/TaxIncentives.aspx.

<sup>&</sup>lt;sup>73</sup> Councilman Carl Stokes, Baltimore City Council, Conversation with Author, September 8, 2014.

<sup>&</sup>lt;sup>74</sup> "Oldtown Somerset RFP: Answers to Written Questions Submitted to BDC June 27, 2014," Baltimore Development Corporation, accessed September 2014,

http://www.baltimoredevelopment.com/assets/files/1/files/rfps/2014\_6\_26\_oldtown-questions\_final.pdf.

Oldtown's residents and local stakeholders have an important opportunity to participate in community change, yet there are still formidable hurdles to overcome to ensure that the benefits of the multi-million dollar investment are equitably distributed. As accounted for by many, Oldtown is in a strategic location. Surrounding the mall are important community institutions including Dunbar High School, Sojourner Douglass College, and Enoch Pratt Public Library. The neighborhood is an easy connection to financial institutions, retail, and tourism of Baltimore's Inner Harbor, and the workforce of Johns Hopkins Medical Center. Yet, as represented in the mission and work of local organizations like Change4Real, ongoing community organizing is necessary to hold powerful stakeholders accountable for equitable redevelopment in Oldtown.

# Chapter 3: Strengthening the Connections Between Historic Preservation and Urban Planning

Although the Oldtown historic district serves as the anchor for future plans by the city and Baltimore Development Corporation, the historic district is not receiving direct funding as part of redevelopment. In reality, because the historic district properties are held privately by a number of owners, it will undergo revitalization at the tail end of redevelopment efforts. As a result, important considerations for the historic district remain relatively unaddressed. Many of the buildings are mere shells with extensive water damage on the interiors, and those still operating can make improvements to enhance the historic character. Generally, Oldtown would benefit from district-specific guidelines for both the district and compatible infill.

In addition to considerations relating to physical conservation and rehabilitation, Oldtown presents an important opportunity to evaluate the connections between historic preservation and urban planning in the 21<sup>st</sup> century. The literature reveals competing stances on the benefits of historic districts to equitable economic and community development, and urban growth. On one hand, historic districts have been demonstrated to increase property values, encourage reinvestment, and contribute to the long-term stability of neighborhoods. The literature has also shown that historic districts can be an agent of resident displacement, and a constraint on the necessary growth of businesses, public services, and affordable housing. Increasingly, urban historic districts are the stage where racial and class-based contests over the right to urban space unfold. First, as low-income inner-city neighborhoods that are becoming attractive to more affluent property owners, and second, as neighborhoods that hold strong shared memories of community history- particularly of past injustices and organized resilience- through the physical urban space and related social networks.

The theoretical connections between historic preservation and city planning emerged in the 1950s and 1960s when new voices began to shape perception of what constituted vibrant and

healthy urban neighborhoods.<sup>75</sup> Urban renewal programs embedded in the federal Housing Acts of 1937 and 1949 drastically transformed dense and historic cities like Baltimore and New York City. Whole communities were torn apart for the construction of new public housing projects and highways. Texts such as Jane Jacobs, *The Death and Life of Great American Cities* (1961) and *Kevin Lynch's The Image of the City* (1960) challenged prevailing modes of thought and planning practices, arguing instead for the maintenance of urban neighborhoods' intricate diversity of uses that provide constant economic and social support.<sup>76</sup> Although established decades earlier in cities like Charleston and New Orleans, historic districts would become important tools for the protection of communities and neighborhood systems that are sustained by high-density apartment buildings, an intermixing of land uses, and small businesses.

#### The Evolving Role of Historic Preservation

Historic preservation in the US began with the preservation of individual historic sites closely tied to narratives of national identity. Ann Pamela Cunningham and the Mount Vernon Ladies Association have been raised to mythic proportions, as the leading the first "grassroots" movement to protect George Washington's Mount Vernon in 1853. This approach was led by elite individuals and groups dedicated to protecting shrines of famous men and events in the Revolutionary War. As a practice, historic preservation's basic values were bound to dominant historical narratives and distinctive architectural types. Fifty years later, the federal government first became directly involved in historic preservation with the passage of the Antiquities Act of 1906, which authorized the president to name National Monuments and restrict the excavation of Native American historic sites. While preservationists in the east were concerned with buildings, the federal government cast its interest primarily over scenic landscapes of the west and southwest, establishing the National Park Service in the US Department of the Interior in 1916.<sup>77</sup>

<sup>&</sup>lt;sup>75</sup> Eric W. Alison, Gentrification and Historic Districts: Public Policy Considerations in the Designation of Historic Districts in NYC, Dissertation, Columbia University 2005.

<sup>&</sup>lt;sup>76</sup> Jane Jacobs, *The Death and Life of Great American Cities* (New York: Random House, 1961), 14; Kevin Lynch, *The Image of the City* (Cambridge: MIT Press, 1960).

<sup>&</sup>lt;sup>77</sup> Robert E. Stipe, ed, *A Richer Heritage* (Chapel Hill: University of North Carolina Press, 2003), 3-5.

Private investment later spurred the ideologies and impetus behind "museum villages" in the 1930s and 1940s such as Colonial Williamsburg. The foundation sought to promote patriotism and good citizenship through the complete preservation of a colonial town, kept "free from inharmonious surroundings" in a milieu of rapid industrialization. The goal was to arrest the buildings in time and place. In 1931, only seven years after the beginning of the Williamsburg restoration, the idea of preserving the historic fabric of a place "tout ensemble" was transposed to the living city. The city of Charleston adopted the first historic district zoning ordinance in the US and established a Board of Architectural Review to approve plans for exterior work on any property within the designated Historic Charleston District. Historic cities including New Orleans and Annapolis followed suit. The concepts and public laws of historic districts are an important advancement in historic preservation. Historic districts ushered in the practice of interpreting historic significance through a fabric of neighborhood components, rather than individual buildings.

Pivotal laws and policies also solidified the federal government's role in historic preservation including, the Historic Sites Act of 1935, the work of the Historic American Building Survey in the 1930s, the formation of the National Trust for Historic Preservation in 1949, and the 1966 National Historic Preservation Act (NHPA), the strongest preservation legislation enacted in the US. NHPA expanded the National Register of Historic Places, authorized matching funds to states for surveys of historic sites; and established the Advisory Council of Historic Preservation, which undertakes Section 106 reviews to maintain that the actions of all federal agencies meet preservation standards. In 1976, the Tax Reform Act provided new financial incentives for rehabilitating historic buildings listed on the National Register of Historic Places in the form of a tax credit. 80

The establishment of the National Historic Preservation Act in 1966 helped to orient historic preservation from narratives solely of national significance to the historic places that are important to a variety of communities. Important to land use planning, NHPA also now required a historic preservation office in state governments and the development of statewide preservation

<sup>&</sup>lt;sup>78</sup> Ibid. 10.

<sup>&</sup>lt;sup>79</sup> Max Page and Randall Mason, eds. *Giving Preservation a History* (New York: Routledge, 2004), 7.

<sup>&</sup>lt;sup>80</sup> Robert E. Stipe, ed, A Richer Heritage (Chapel Hill: University of North Carolina Press, 2003).

plans.<sup>81</sup> One of the central goals of statewide historic preservation planning was to strengthen the integration of historic preservation into broader public policy and land use planning on the federal, state, and local levels. Following the federal guidelines as a model, state and local governments expanded their historic preservation and preservation planning programs, and established financial incentive programs such as direct grants or tax credits.<sup>82</sup>

The history of historic preservation in the US is also an evolving one. Policy advancements are coupled with changes in the theories and values associated with historic preservation. As a broader population of Americans became involved in the practice of historic preservation, the field's underlining ethos and assumptions were challenged: who decides what is historically significant and worthy of preservation investments? Is physical integrity the primary test of historic significance or do other criteria matter, such as intangible heritage? How should the boundaries of a historic place be defined, as a single structure, by the bounds of a city district, or an entire landscape? What emerged in this context of multi-vocality was the more progressive concept of "values-based" preservation, which broadened preservation from mere curatorship of the built environment to the acknowledgement of multiple and often conflicting interests from various stakeholder groups that can converge on a single place. Society's uses of the past are diverse and the cultural meanings of a place are constantly in flux.<sup>83</sup>

The NHPA established historic preservation as a recognized "public good" and valid policy at all levels of government, yet the perceived infringement of property rights by over-regulation is another notable point of contention within the historic preservation field, particularly in the American context. Property owners perceive that state and local regulatory processes and the shift of preservation expenses onto the owner restrict their options for economic gain on properties. Despite the debate over historic preservation and regulatory takings, research has supported historic preservation as an important tool for increased property value, private

<sup>&</sup>lt;sup>81</sup> John M. Fowler, "The States," *A Richer Heritage* (Chapel Hill: University of North Carolina Press, 2003), 83.

<sup>&</sup>lt;sup>82</sup> Ibid, 11.

<sup>&</sup>lt;sup>83</sup> Randall Mason, "Fixing Historic Preservation: A Constructive Critique of Significance," *Places: A Forum of Environmental Design*, 16, (2003).

<sup>&</sup>lt;sup>84</sup> Robert Stipe, "Some Preservation Fundamentals," *A Richer Heritage* (Chapel Hill: University of North Carolina Press, 2003), 44.

investment, and economic redevelopment.<sup>85</sup> Common economic measures for historic preservation include jobs/household income generated from the rehabilitation process; the impact on property values from the protections and incentive programs of local historic designation; heritage tourism; and preservation-based downtown revitalization programs such as state and local Main Street programs.<sup>86</sup>

#### **Historic Districts and Neighborhood Revitalization**

The emergence of new voices that value historic environments, coupled with the establishment of historic districts and related rehabilitation incentives, helped to move preservation practice from the conservation of individual buildings to the use of historic preservation as an alternative tool for community revitalization. Historic district policies—pioneered by cities like Charleston and New Orleans in the 1930s—laid the groundwork for historic districts to be utilized as an instrument for the growth and development of neighborhoods. By the latter half of the century, the new vocabulary of rehabilitation and reuse was gaining wide acceptance in historic preservation practice. The goal was to position the diverse and vibrant historic fabric of neighborhoods as the central component of local revitalization, not in a process of "museum towns" akin to Colonial Williamsburg, but as reviving active and living neighborhoods.

For many, Charleston, South Carolina represents the first significant step in integrating historic zones into working municipalities, rather than museum towns. In 1931, after a campaign led by the private organization, the Society for the Preservation of Old Dwellings, the city government designated 80 acres of downtown land as a "special" zoning district where exterior alteration and new construction were subject to restrictions. Associated administrative procedures were established to incorporate the city planning and zoning commissions into a new Board of

<sup>&</sup>lt;sup>85</sup> "The Value of Historic Preservation in Maryland," Preservation Maryland, accessed April 2014, http://www.preservationmaryland.org/uploads/file/PM Value scn.pdf.

<sup>&</sup>lt;sup>86</sup> "Measuring the Economics of Preservation: Recent Findings," Advisory Council on Historic Preservation, (June 2011), accessed April 2014, http://www.achp.gov/docs/final-popular-report6-7-11.pdf.

Architectural Review. The society financed restorations through a revolving fund and supported a citywide architectural survey.<sup>87</sup>

With the advancements in Charleston's Old City district, there were limitations. The work was unabashedly justified as part of the elimination of "slums" or low-income neighborhoods that characterized the area, thereby using the historic district as a support for gentrification and displacement. The Charleston model would be adopted in only a handful of cities, including New Orleans, Louisiana, and Monterey, California. The majority of cities were in the midst of being radically transformed by New Deal activities of the Public Works Administration and the Federal Housing Administration. Historic district designation had programs like slum clearance, urban renewal, and highway planning as challenging opponents. <sup>88</sup>

Although largely absent from the considerations of multi-billion dollar federal urban renewal funding, preservationists were becoming equipped with the professional skills to systematically intervene in urban projects—through clearly defined missions, special zoning, and creative financing. Other model historic preservation projects soon followed, ushering in Savannah, Georgia's, historic district as a new direction that directly connected historic preservation to urban revitalization. Drawing upon the techniques of Charleston, a preservation movement that began by saving a few ante-bellum buildings changed into the preservation of neighboring areas as well as the historic 19<sup>th</sup> century downtown.

By the early 1960s, Savannah, Georgia, stood relatively undamaged by the Civil War and had not been affected by earlier economic development programs that transformed other southern cities. The city held a large number of noteworthy but deteriorated ante-bellum buildings in an 18<sup>th</sup> century plan with regularly-spaced residential squares; all characteristics that gave the city a unique character despite physical hardship. The Historic Savannah Foundation established a three-pronged preservation strategy for Savannah: architectural survey; a campaign for historic district designation protected by zoning; and a revolving rehabilitation fund. The group largely

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<sup>&</sup>lt;sup>87</sup> Gratz, *The Living City*.

<sup>&</sup>lt;sup>88</sup> Eugenie Birch and Douglas Roby, "The Planner and the Preservationist," *Journal of American Planning Association* 50 (1984), 196-197.

<sup>89</sup> Ibid.199.

achieved its aims, creating the largest historic district zone in the nation and a revolving fund that multiplied its value through lines of credit in local banks. The city sponsored subsequent urban renewal designations in the area that focused on restoration, notably the riverfront. Their work was bolstered by theoretical counterforces to high modernist planning, including Jane Jacobs and Paul Davidoff's "Advocacy and Pluralism in Planning," (1965), which focused on cities from the "street level" to illuminate how the physical attributes historic urban buildings support unique community functions and networks. 91

One of the most important dimensions of the Savannah example was the preservationists' acknowledgement that cities' historic aging neighborhoods-once "discarded" but now gaining renewed interest to middle and upper-class urban migrants—are often the homes of low-income, minority residents. The most compelling chapter of Savannah's revitalization centers on the Victorian District in the 1970s, an adjacent suburban neighborhood that held a mix of rowhouses and freestanding wood-frame homes. As asked by Roberta Gratz in *The Living City* (1989): "[t]he process had worked in one part of town, why shouldn't it in another? Just as Savannah was ahead of others in preserving its historic core, so it led preserving another architecturally rich area without displacing the poor who lived there."92 By 1988, despite budget problems and conflicts with local and federal housing officials, the Savannah Landmark Rehabilitation Project had rehabilitated approximately 500 units of historic housing as rentals for current, low-income residents. The local minority-owned Carver State Bank provided financing for purchasing properties in the district. The Savannah Landmark Rehabilitation group established headquarters in a rehabilitated Queen Anne-style house that provided meeting space for community groups and served as a resource center for tools and technical assistance. Additionally, rehabilitation crews were available to assist neighborhood homeowners recently granted low-interest improvement loans through the city, and provide tenants with training on apartment mechanics and appliances. 93

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<sup>&</sup>lt;sup>90</sup> Birch and Roby, "The Planner and the Preservationist," 200.

<sup>&</sup>lt;sup>91</sup> Paul Davidoff, "Advocacy and Pluralism in Planning," *Journal of the American Institute of Planners* 31, no. 4 (1965).

<sup>&</sup>lt;sup>92</sup> Gratz, The Living City, 45.

<sup>&</sup>lt;sup>93</sup> Ibid, 52-53.

Historic preservation has become widely accepted as a sound economic tool. Real estate cost analysis and economic impact studies in the work of researchers such as Don Rypkema's *The Economics of Rehabilitation* (1997) have demonstrated that rehabilitation of historic buildings is more cost effective and energy efficient than new construction, and that policies like the federal historic tax credit incentivize the rehabilitation of large-scale real estate projects. <sup>94</sup> The expenditures generate regional economic impacts through new jobs, household income, and tax revenues. Furthermore, historic district designation in residential and commercial communities can maintain and boost the value of properties within districts. <sup>95</sup> Likewise, historic district property owners can take advantage of local historic tax credit programs that make property upgrading affordable. In terms of historic preservation's effect on transitional neighborhoods, the topic is addressed through affordable housing studies. As reflected in the Savannah case, it has been shown that approximately 31 percent of black homeowners and 24 percent of Latino homeowners live in older historic homes, and 31 percent of households below the poverty line live in older and historic homes. Historic homes, particularly in historic district neighborhoods, can become affordable options for ownership. <sup>96</sup>

As Gratz's work on Savannah also documented, there were also concerned and dissenting views in the historic district's long-term black community. Outsiders primarily undertook the project and it is unclear to what extent the planners sought to address structural racism that had restricted black residents' upward mobility in the neighborhood for decades. A community leader, W.W. Law had established a local black heritage program in Victorian House he had personally restored, named the Beech Neighborhood Institute. When outsiders began to purchase homes and displace black tenants, Law renovated two additional houses as model homes to attract new black property owners. The Savannah model represents a locally initiated and controlled revitalization process that directly utilized the historic fabric as a catalyst for urban revitalization. But it remains unclear to what extent it truly addressed "lasting economic and social diversity" or

<sup>&</sup>lt;sup>94</sup> Don Rypkema, *The Economics of Rehabilitation* (Washington D.C.: National Trust for Historic Preservation, 1997).

<sup>&</sup>lt;sup>95</sup> Randall Mason, "Economics and Historic Preservation: A Guide and Review of the Literature," Brookings Institute Metropolitan Policy Program, 2005.

<sup>&</sup>lt;sup>96</sup> Don Rypkema, "Historic Preservation and Affordable Housing: the Missed Connection," *National Trust for Historic Preservation Forum Journal* 17 (2003).

the problem of gentrification in the upgrading of older urban neighborhoods. <sup>97</sup> Furthermore, as represented by the text, the interest and interactions of disparate economic classes and racial groups are often oversimplified. It states: "middle-income people do not, however, resist moving into a neighborhood that has a low-income, racially mixed population in place. Conversely low-income residents do not resent higher-income newcomers—in fact, they welcome them—so long as their own continuance there is not threatened." What is absent is a consideration of current residents' needs to *increase* their opportunity and livelihood, rather than to maintain the status quo.

Baird Smith's "Case Study: Historic Alexandria: The Next Fifty Years," analyzes historic Alexandria, Virginia, to assess the long-term impact of historic district controls as the primary policy that managed the city's urban development. Smith argues that when Alexandria is examined in the long-run, although the physical fabric of the historic city has been effectively preserved, the restrictions of historic districts have had less than favorable effects on economic viability/stability, social justice, and sustainability. Smith examines Alexandria's commercial corridors on King and Washington Streets, finding that the economic potential of the corridors has been severely inhibited by the historic district designation. Building use has remained unchanged through four decades due to zoning requirements; the late 19<sup>th</sup> century two and threestory buildings cannot accommodate contemporary businesses, organizations, or city agencies. The zoning restrictions and building types have inadvertently shifted commerce and services to the periphery of the city where medium and large commercial spaces can be easily accommodated. Baird asks, in the 21<sup>st</sup> century, is it a realistic goal for preservationists to protect historic districts in perpetuity, often at the expense of new neighborhood services and businesses?<sup>99</sup>

Urban development using preservation strategies has also been demonstrated to hasten neighborhood gentrification and the displacement of low-income residents. Studies, including Listokin, Listokin, and Lahr, "The Contributions of Historic Preservation to Housing and

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<sup>&</sup>lt;sup>97</sup> Gratz, *The Living City*, 60-61.

<sup>&</sup>lt;sup>98</sup> Ibid, 79.

<sup>&</sup>lt;sup>99</sup> Baird Smith, "Case Study: Historic Alexandria: The Next Fifty Years," *Change Over Time* 4, no. 1 (2014).

Economic Development" (1998), have documented rapid socio-economic change in rehabilitated historic neighborhoods through dramatic increases in new affluent populations, higher median family incomes, a significant increase in condominiums at the expense of rentals, and the consolidation of multi-family buildings into single-family residences. Patterns of change have been detailed in cities including Philadelphia, Washington, D.C., and New Orleans; historic neighborhoods that were once predominately black became almost entirely white. <sup>100</sup>

In city after city, older neighborhoods in the urban core are becoming "fashionable" due to their unique architectural and environmental character and long-term residents are displaced due to the lack of additional urban controls. Historic preservation has proven to be a useful economic engine for some communities, but not universally. The historic districts designation may inhibit needed economic growth and local services through building regulations, and may lead to the displacement of low-income residents through increasing rents and property values. There is a pressing need for greater flexibility in historic district policy: preferably a site-specific balance and on-going reevaluation of structural integrity, historic value, and economic potential. Additionally, if community sustainability, social justice, and economic viability for residents are the primary goals for older urban neighborhoods, historic districts need support from additional urban policies, such as special purpose zoning districts and other city-led incentive programs.

The literature suggests that urban planners have been strongly influenced by preservationists, making adaptive reuse, neighborhood projects, and the conservation of existing community structures major goals of their work. Similarly, preservationists have moved from the preservation of specific monuments to the protection of whole neighborhoods using tools of the planner including surveying, evaluation, districting, and zoning. There are additional opportunities to apply the systems-based analysis of urban planning and scenario modeling to examine the long-term impacts of historic district designation on neighborhoods. For example, limiting the change of neighborhood forms and growth through historic district designation may

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<sup>&</sup>lt;sup>100</sup> Listokin, Listokin, and Lahr, "The Contributions of Historic Preservation to Housing and Economic Development," 464-465.

<sup>101</sup> Ibid

<sup>&</sup>lt;sup>102</sup> Eugenie Birch and Douglas Roby, "The Planner and the Preservationist," *Journal of American Planning Association* 50 (1984), 196-197.

be coupled with additional urban policies based on social, economic, and political factors. Likewise, the ethos and concepts of historic preservation can be extended to the preservation of socio-economic characteristics; the protection of community residents from displacement is a critical component of historic, sustainable neighborhoods.

#### **Historic Districts and Collective Memory**

Historic districts also play a important role in preserving visual evidence of community change over time, in terms of building technologies, urban planning systems, and socio-economic groups. Beyond the aesthetic values of architecture, historic districts preserve and interpret local history in the built environment—the notable events, sites of social gathering, and individuals that have come to characterize the neighborhood. Often, the interpretation of local histories belies a simplistic interpretation, but instead examines multiple layers of experience across time periods and social groups.

As presented by Maurice Halbwachs in the seminal text, *On Collective Memory*, physical space is one of the strongest organizing forces of individual and group memories, and likewise groups' relationships to the physical environment come to define a sense of collective identity and shared past. The homes, buildings, streets, open spaces, street corners, and neighborhood boundaries form important senses of place, social networks, and community. Few social formations are as stable as the built environment, and the permanence afforded to older neighborhoods (like historic districts) gives social groups an intense awareness of its past and present, and the bonds that attach the group to its physical locale.<sup>103</sup>

While historic preservation has proven to have an economic rationale, at its center the field is directly engaged in the cultivation of shared memory, through formal interpretation of the built environment in order to understand the succession of historic events, figures, and cultural

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<sup>&</sup>lt;sup>103</sup> Maurice Halbwachs, "Space and Collective Memory," *On Collective Memory* (Chicago: University of Chicago Press, 1992).

processes.<sup>104</sup> As such, preservation through historic districts has a role in protecting and cultivating the memories shared by communities.

<sup>&</sup>lt;sup>104</sup> Melinda J. Milligan, "Buildings as History: The Place of Collective Memory in the Study of Historic Preservation," *Symbolic Interaction* 3, no. 1 (2007), 105-123.

## Chapter 4: The Interaction of Activist and Government Visions for Oldtown's Future

The transformation of Oldtown's Gay Street into Oldtown Mall in the 1970s was intended as an international "success story" for comprehensive urban renewal in the context of urban poverty. City agencies worked to integrate community input into redevelopment processes as part of the 1970s Model Cities Program, with the dedicated Area "A" office located in an Oldtown Mall storefront. Although community involvement was a goal, the transformation of structural inequality in rebuilding efforts through increased economic opportunities, and improved educational and social services were not. A designated urban renewal area for over 50 years, Oldtown is still recuperating from early disinvestment and isolation.

As evidenced in the 2010 Oldtown Mall Redevelopment Plan the consultants Urban Design Associates, the Baltimore City Department of Planning, and the Baltimore Development Corporation sought a variety of community stakeholders for direct public input through a three-phase public engagement process. <sup>106</sup> The process included focus group meetings with residents, civic leaders, area businesses, and institutions such as local churches and social service providers. Additionally, a steering committee, composed of community representatives guided the planning team through the plan development. Community representatives included Change4Real-Sojourner Douglass College; the Housing Authority of Baltimore City (HABC) Douglass Homes and Latrobe Homes Resident Advisory Board president and members; the Oldtown Merchants Association; East Baltimore Community Corporation; and the Fountain Baptist Church. By many accounts the planning team followed fair practices for seeking public input during the process.

The current area master plan includes "Human Development Recommendations" as one of its key initiatives. It offers several human and economic development recommendations that are

<sup>&</sup>lt;sup>105</sup> Gomez, Race, Class Power and Organizing in East Baltimore, 195.

<sup>&</sup>lt;sup>106</sup> "2010 Oldtown Mall Redevelopment Plan," Baltimore City Department of Planning, accessed September 2013, http://archive.baltimorecity.gov/Portals/0/agencies/planning/public %20downloads/2010/Oldtown%20Redevelopment%20Plan.pdf.

intended to improve the livelihoods of current and future residents. The plan's stated goal is to create a community in which current residents can thrive in a mixed income environment. Components of the Human Development strategies include the following: (1) improve access to quality affordable housing and increase the rate of home ownership for existing residents; (2) improve educational attainment through educational resources for enhancing economic prospects; (3) support opportunities for small business development; (4) build wealth through steady income; and (5) improve health and public safety. Proposed responsible stakeholders for human development include the local Sojourner Douglass College, activist organization Change4Real, and Fountain Baptist Church. 107

State and city government have reinforced their investment in Oldtown's future redevelopment through issuing a \$300,000 Smart Growth and Strategic Demolition Impact Fund grant for the demolition of compromised properties outside the historic district—absorbing the costs of building removal to incentivize future real estate developers. The grant was announced at a public press conference with Governor Martin O'Malley and City Mayor Stephanie Rawling—Blake at Oldtown Mall in April 2014. District Councilmember Carl Stokes also substantiated the need for a redevelopment effort that is responsive to the needs of low-income residents.

Although low-income, Oldtown's current residents represent a sales market and have a number of important unmet demands, notably access to a grocery store. The buildings of the historic district can easily be envisioned as small businesses that meet a variety of goods and service needs. There is a real opportunity to restore Oldtown as an enclave of African American entrepreneurship.

From the perspective of the city, the goal for redevelopment is to create a mixed-income commercial and residential district with a variety of affordable and market-rate rentals, and townhomes for purchase. In addition to a higher number of market-rate housing options, anchor businesses will draw a new constituency to the mall that can increase local economic strength. Stokes reiterated that while community-based visions for redevelopment are important, ultimately, a strengthened economy by new residents and businesses will best support them. <sup>108</sup>

<sup>107</sup> Ibid.

<sup>&</sup>lt;sup>108</sup> Councilman Carl Stokes, Baltimore City Council, Conversation with Author, September 8, 2014.

#### Change4Real's Alternative Redevelopment Strategy: A Vision of Equality

As verified by Sojourner Douglass College Dean of Urban Planning and Change4Real organizer, John Morris, the Oldtown area master plan consultants, Urban Design Associates and the Baltimore City Department of Planning, collaborated regularly with community stakeholders. Key stakeholders were organized into a dedicated area master plan steering committee and Change4Real's input directly shaped the human development initiatives of the plan. From the perspective of Change4Real, although partially representative of their desires, the human development proposals only "scratch the surface" of the enduring issues of poverty and isolation in Oldtown. The current planning process was clearly more inclusive in terms of gathering public opinion and it sets out to achieve a "mixed use" and "mixed income" urban neighborhood, but Change4Real argues that the existing strategies to sustain and improve the lives of existing residents are superficial.

For example, currently, the infusion of capital for new infill retail and housing will primarily benefit absentee property owners who have marginal interest in Oldtown's residents, as evidenced in owners' decisions to let their properties fall into severely compromised states. Of the 60 privately held properties on Oldtown Mall, nearly half of the property owners live in Maryland counties outside of Baltimore City, with one property owner located in Florida (Table 5). Of the total properties held by absentee owners, 80 percent are closed and in compromised physical states. What have not been challenged are the underlying methods and assumptions of urban redevelopment in Baltimore's low-income minority neighborhoods.

Change4Real argues that development proposals must be assessed from the standpoint of sustainability, meaning that the interests and welfare of Oldtown's long-term residents must be a central focus of redevelopment plan. As such:

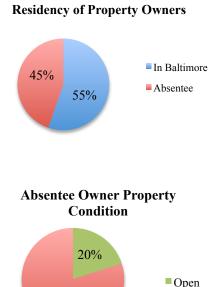
Sustainable communities are transformed by developing economic opportunities to uplift the prospects of existing residents, by empowering residents to start and grow their own businesses, and through creating enterprises that offer new jobs and expand career opportunities. It should be the goal of the proposed development to achieve the aforementioned outcomes by assisting the existing residents to build a community that

supports economic vitality and social mobility. The proposed development project should facilitate community empowerment, employment, entrepreneurship, and sustainability. 109

Table 5.
Residency of Oldtown Mall Property Owners

		<u> </u>
City	State	County
Fort Lauderdale	FL	Broward
Baltimore City	MD	Baltimore City
Clarksville	MD	Howard
Gaithersburg	MD	Montgomery
Hyattsville	MD	Prince George's
Linthicum	MD	Anne Arundel
Owings Mill	MD	Baltimore
Reisterstown	MD	Baltimore
Rockville	MD	Montgomery
Timonium	MD	Baltimore
Washington D.C.	N/A	N/A
Washington D.C.	N/A	N/A

Source: Maryland Dept. of Assessments and Taxation Real Property Search



Closed

80%

Utilizing mixed-income housing as a means to revitalize low-income communities came into favor in the 1990s. As a model, it is functional and successful on a few levels. Theoretically, it should increase the tax base of a neighborhood, and federal programs like Section 8 allow low-income residents to live in market rate rental housing, eliminating concentrated public housing. What dominant models of mixed-income redevelopment miss though is the need for on-going community participation in decision-making processes, to ensure that residents displaced during development are able to return and to prepare them to benefit from new economic engines in the community. 111

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<sup>&</sup>lt;sup>109</sup> "A Transformative Approach for Community Engagement," Change4Real, emailed to Author by Sojourner Douglass College Outreach Coordinator Jamal Mubdi-Bey, January 29, 2014.

<sup>&</sup>lt;sup>110</sup> The Housing Choice Voucher Section 8 program is the federal government's program for assisting low-income families to find housing in the private market.

<sup>&</sup>lt;sup>111</sup> Gomez, Race, Class Power and Organizing in East Baltimore, 196.

Change4Real also seeks to build a cooperative economy in which residents hold ownership of local institutions, and are prepared to benefit from the influx of real estate investment. The organization believes that poverty should be a transitional phase, and most importantly, residents must be empowered to increase their assets and educational attainment to prime intergenerational wealth. In the long run, mixed-income models of development only maintain the status quo by marginally increasing residents' current income levels. It is not an approach that can overcome historic racism and structural inequality. As a membership-based nonprofit organization, Change4Real's initial goal has been to identify, recruit, and engage at least 500 stakeholders, including individuals, families, businesses, and organizations associated in Oldtown and to put in place a system for stakeholders to communicate and engage with current development processes in Oldtown. The organization seeks to expand beyond Sojourner Douglass as a principal partner and funder to hire organizational staff, rent space, recruit members, and develop local institutions. 112

Change4Real has a four-phase plan to develop residents' skills, build the Oldtown economic environment, and redevelop the neighborhood's social networks to sustain long term organizing. Change4Real's ambitious approach seeks to transform Oldtown into a "true economic partner in the City's renaissance," through a comprehensive set of components with an emphasis on local control and a new cooperative local economy (Table 6).

By all accounts, Change4Real has "skin in the game," and is pursuing a variety of options to make its vision viable. Since the release of the April 2014 RFP by the Baltimore Development Corporation, Change4Real has assembled a team of consultants and real estate developers to submit a bid for the redevelopment project. Socially-conscious companies including the proposed chocolatier and LED light producer would relocate their manufacturing facilities to Oldtown Mall, creating a new source of income for long-term residents. Change4Real proposes to locate its other initiatives in a multi-storied building with the community produce market, credit union, and retail on the first floor.

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<sup>&</sup>lt;sup>112</sup> Change4Real, "A Transformative Approach for Community Engagement," emailed to Author by Sojourner Douglass College Outreach Coordinator Jamal Mubdi-Bey, January 29, 2014.

Table 6.	
Change4Real Proposed Initiatives	Core Values
<b>Community Corporation</b>	Change4Real Community Corporation is currently establishing itself as a vehicle by which local stakeholders can collaborate and function as a community.
Community-Based Financial Institution	A venture is currently underway to adapt a credit union to serve micro-economic enterprises and allow Oldtown entrepreneurs to engage in larger city and regional economies.
Skills Enhancement Bank	Develop a skills enhancement organization sustained by local institutions working to upgrade the marketable skills of the stakeholders.
Community-owned Market Place and Kitchen	Encourage locally owned and based ventures that sustain local competitiveness and economic well being including fresh produce, transportation, and healthcare services.
For-Profit Community Investment Corporation	Local stakeholders can have equity-participation in the development of real estate, including the eventual acquisition and ownership of Oldtown's public housing. Baltimore housing officials are selling public housing to private entities through the federal Rental Assistance Demonstration Program.
New Manufacturing	Change4Real has explored the relocation of the following enterprises to engage Oldtown's workforce: Gaithersburg chocolatier; a modular housing manufacturer; and a LED light manufacturer.
Center for the Development of Social Architecture	The center would be a community resource where local stakeholders can interact with each other and form

Source: "An Alternative Vision for Comprehensive Economic Development Optimizing the Value of People," Sojourner Douglass College School of Urban Planning and Community Economic Development, received by Author during community meeting April 5, 2014.

philanthropic entities.

effective partnerships with city agencies, investors, and

Although Change4Real has not disclosed the details of the development proposal, the core values are outlined in the document *The Promissorium: A Commercial Space Designed to Optimize and Realize the Promise of People- Particularly People Beset by Poverty.* Baltimore City and the Baltimore Development Corporation plan to award the development contract in December 2014. Since submitting the bid in May, Change4Real continues to hold public meetings on the second Saturday of each month and organizes additional community events to further engage residents.

## What are Cooperative Enterprises?

A community enterprise can be defined as a "public or private nonprofit organization of demonstrated effectiveness that: (1) is representative of a community or significant segments of a community; (2) provides educational or related services to individuals in the community;" and (3) is based on group ownership of a for-profit business that is democratically controlled. As examined by economist Jessica Gordon Nembhard, cooperative enterprises can stabilize communities by providing affordable goods and services, jobs with living wages, increasing economic activity, and encouraging education and civic participation. They are asset building, socially conscious local development mechanisms based on the pooling of resources and local democratic governance. 115

Cooperative enterprises have a long history in the US, particularly as a solution to the economic challenges experienced by communities negotiating segregation, lack of affordable housing and financial services, and various forms of economic discrimination. Although largely hidden from the historical record, African American communities have a long history of cooperative ownership as a response to market failures and economic racial discrimination, beginning in the 19<sup>th</sup> century with the rise of community-based mutual aid and benevolent societies. Black entrepreneurs had established hundreds of cooperative businesses by the turn of the 20<sup>th</sup> century

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<sup>&</sup>lt;sup>113</sup> "The Promissorium: A Commercial Space Designed to Optimize and Realize the Promise of People-Particularly People Beset by Poverty," Change4Real Coalition, received by Author during meeting. <sup>114</sup> Jessica Gordon Nembhard, "Community-Based Asset Building: The Role Played by Credit Unions, Cooperatives, and other Community-Based Businesses," (2013), accessed November 2014, http://www.coas.howard.edu/centeronraceandwealth/reports&publications/0413-community-based-assetbuilding.pdf.

<sup>&</sup>lt;sup>115</sup> Ibid.

including the Chesapeake Marine Railway and Dry Dock Company, Baltimore's Afro-American newspaper, and the North Baltimore Permanent Building and Loan Association. The federated organization, the International Cooperative Alliance was established as early as 1895 to represent and serve cooperatives worldwide. Although the type and function of historical cooperatives varied widely by socio-economic group and region, cooperatives emerged as a response to racial and economic inequalities, particularly with rise of industrialization. Broadly, memberownership has facilitated the provisions of goods and services at an affordable price, the pooling of resources and decrease of costs, and democratic structures that allow workers to directly receive the benefits of their labor. <sup>116</sup>

Cooperatives as a wealth building strategy have a vast international scope and scale. Currently, there are 29,284 documented cooperatives across the US operating within a range of diverse industries including credit unions, agriculture, utilities, and family services. In the US, the most successful and widely cited cooperative enterprise model is the Evergreen Cooperative in Cleveland, Ohio, which has leveraged the spending power of Cleveland's multi-billion dollar institutions to develop unique laundry, green energy, and farming worker-owned businesses that build wealth in the city's low-income communities. <sup>117</sup> In addition to specific cooperative initiatives, there are a growing number of support organizations in the US, which range from university research centers and regional federations of cooperatives, to socially responsive investment funds. <sup>118</sup> These include the US Federation of Worker Cooperatives, Democracy at Work, and the University of Maryland's Democracy Collaborative.

Although momentum is growing in the US, Europe sets the precedent for bringing the model to scale and affecting comprehensive neighborhood change. The most notable and impactful models are Italy's Legacoop and Spain's Mondragon Cooperative. What is unique about each is the organization's establishment of multi-sector cooperatives that collaborate to achieve scale and sustainability. Legacoop was founded in 1886 in Milan and today, has over 15,000 member

<sup>&</sup>lt;sup>116</sup> Jessica Gordon Nembhard, *Collective Courage* (University Park: Penn State UP, 2014), 72.

<sup>&</sup>lt;sup>117</sup> "About The Evergreen Cooperatives," Evergreen Cooperatives, accessed December 2014, http://evergreencooperatives.com/about/.

<sup>&</sup>quot;Overview: Cooperatives," Community Wealth, accessed October 2014, http://community-wealth.org/strategies/panel/coops/index.html.

cooperatives and employs over 1 million people. Likewise, the Mondragon Cooperative was founded in 1956 and now holds over assets of over 3.3 million euros in 256 industrial, retail, finance and development firms, and employs over 85,000 people internationally. As analyzed by the MIT Community Innovators Lab, the most important takeaway from successful European models is the need to build ecosystems of cooperatives that benefit from shared infrastructure, rather than single entities. This helps to protect enterprises from the failure due to the financial risks and competition of working independently. <sup>119</sup>

Recognizing the long-term impact and growing importance of cooperative enterprises internationally, the United Nations named 2012 the International Year of the Cooperatives. The initiatives raised awareness about the contributions of cooperative enterprises to poverty reduction, employment, and social development. The UN asserts that there are particular opportunities and benefits for their application in developing countries. <sup>120</sup> In the current global economic recession, cooperative ownership through community enterprises presents itself again as a viable strategy to counteract historic and growing inequalities.

Although cooperative enterprises can take a variety of forms and organizational structures, they share a number of important characteristics. First, governance is based on individual members' votes rather than amount of monetary investment. Cooperatives typically finance their start-up needs with a combination of debt from lenders and investments from cooperative members; equity capital for startup can be organized by the purchase of shares in the cooperative. When a cooperative has a net profit, the organization decides what portion of the net profit is to be allocated and distributed to each member, and what portion remains the property of the cooperative to be reinvested in operations. Members' earnings are proportionate to their patronage of the cooperative or transactions with the cooperative, not proportionate to their ownership share, with the option to access additional income through value added activities for

<sup>&</sup>lt;sup>119</sup> Nicholas Luviene, Amy Stitley, and Lorlene Hoyt, "Sustainable Economic Democracy: Worker Cooperatives for 21<sup>st</sup> Century," MIT Community Innovators Lab, accessed November 2014, http://web.mit.edu/colab/pdf/papers/Sustainable\_Economic\_Democracy.pdf.

<sup>&</sup>lt;sup>120</sup> "International Year of Cooperatives 2012," United Nations, accessed October 2014, http://social.un.org/coopsyear/.

both individual and group gain. Cooperatives can make a variety of decisions regarding tax liability and cash or non-cash distributions of members' earnings. <sup>121</sup>

Relative to for-profit enterprises, there is a notably limited return on investment and equity payout schedules, but the benefits of cooperative enterprises are social, cultural, and economic. Direct benefits include nontraditional access to ownership and assets; shared risk; and access to markets and shared facilities. Cooperative enterprises are an important option to address market failure and economic marginality because it is a method of asset building. Nembhard's research, summarized in the paper, "Community-Based Asset Building: The Role Played by Credit Unions, Cooperatives, and other Community-Based Businesses," focuses on three main forms of cooperative enterprises in low-income communities, which Change4Real also seeks to launch in Oldtown: community-owned businesses, credit unions, and anchor institutions. 122

## **Community-Owned Businesses**

Community-owned businesses are effective for community redevelopment because they create economic activity and stability, create new goods and services, generate taxes, and provide new income for their owners. Through shared ownership by its workers, these businesses allow workers to exercise a larger degree of control over their business activities, wages and benefits, and working conditions. Ultimately, by pooling small amounts of investment, cooperative businesses can give people new access to ownership and create a much larger enterprise than if pursued independently. Research has shown that cooperatives create much higher wages and greater opportunities for career advancement. Successful cooperatives also provide a return on investment through annual dividends and other financial assets. Finally, cooperative businesses are most often mission driven, meaning that they seek to not only provide economic stability, along with developing other forms of social capital and independence previously inaccessible to many low-income and minority residents.

<sup>&</sup>lt;sup>121</sup> Margaret Lund, "Cooperative Equity and Ownership: An Introduction," University of Wisconsin Center for Cooperatives, 2013, accessed October 2014, http://community-wealth.org/sites/clone.community-wealth.org/files/downloads/paper-lund.pdf.

<sup>&</sup>lt;sup>122</sup> Nembhard, "Community-Based Asset Building: The Role Played by Credit Unions, Cooperatives, and other Community-Based Businesses."

#### Credit Unions

Credit Unions are defined as cooperative financial institutions that are owned and controlled by the people who use their services. In particular, community development credit unions play a unique role in offering affordable loans to families denied access to traditional financial credit institutions or subjected to predatory lending. These local credit unions are important because they allow low-income families and individuals to access new economies through mortgage loans, car loans, savings accounts, and small business loans. A resident-based board of directors typically manages credit unions. While they offer a variety of services similar to commercial banks, like ATM/ debit card programs and convenient branch locations, they are also mission-driven, seeking to help their members to make sound financial decisions, keep money circulating in the community, and deter predatory lenders like payday loans and pawnshops. Ideally, credit unions are community-based and democratically owned, allowing community members to participate in decision-making and build new assets. 123

#### **Anchor Institutions**

Anchor institutions are nonprofits that intend to establish themselves in a community location, and help to leverage the capabilities of local cooperative enterprises through their spending power. Rather than relying upon private firms often outside of the immediate geographic area, anchor institutions can instead contract with local cooperatives for necessary goods and services. Often the largest of invested community anchors are universities and non-profit hospitals, although they can take a variety of forms including cultural institutions, libraries, and other community foundations. These anchor institutions help generate localized economies, where the local workforce produces services that are exchanged predominantly in the same metropolitan area. Their presence can create a multitude of indirect economic impacts including directing the purchasing power of their employees to local cooperative businesses, and generating new real estate development. If Change4Real and the organized team of developers are awarded the

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<sup>&</sup>lt;sup>123</sup> Nembhard, "Community-Based Asset Building: The Role Played by Credit Unions, Cooperatives, and other Community-Based Businesses."

Oldtown development contract, one of the main goals is to bring in a new socially responsible industry into Oldtown.<sup>124</sup>

Learning from Successful US Models: Dudley Street Neighborhood Initiative and Evergreen Cooperative

Dudley Street Neighborhood Initiative, Boston, Massachusetts (1980-Present)

Cooperative enterprises have become a demonstrated strategy for community rebuilding in underserved communities, as a method for residents to exercise a degree of control over the future of their neighborhoods. The Dudley Street Neighborhood Initiative of Boston is cited as the first community-owned and locally driven rebuilding initiative in the US to use the powers of eminent domain for community redevelopment. It stands out in strong comparison to Change4Real's initiatives, as an organization invested in securing community control of a neighborhood in transition.

The Initiative was formed in the mid-1980s by a coalition of residents and nonprofit organizations in the Dudley Street area of Roxbury, one of Boston's most underserved neighborhoods. Dudley Street was a multiethnic and low-income community, afflicted by racialized disinvestment since the 1950s. The neighborhood became a site of illegal dumping and arson, and included nearly 100 vacant lots. From the outside, Dudley Street was a neighborhood that "did not matter," particularly in counterpoint to Boston's rapidly developing and prospering adjacent neighborhoods. After learning that the city was going to redevelop the area without an area master plan or adequate public consultation, residents and local organizations created an ambitious community land trust and used the local powers of eminent domain to stake a claim in the development process. <sup>125</sup>

Dudley was a multiethnic and multiracial neighborhood with a relatively even distribution of African American, Latino, Cape Verdean, and white Irish and Italian American residents. Even

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<sup>&</sup>lt;sup>124</sup> Ibid.

<sup>125</sup> Gomez, Race, Class Power and Organizing in East Baltimore, 201.

though an economically underserved neighborhood, Dudley had a sound network of nonprofit organizations including, La Alianza Hispana, the Roxbury Multiservice Center, and Orchard Park Tenant Association, which became the backbone organizations of the initiative. The nonprofits' existing organizing power was utilized to create a resident-controlled governance structure (31-member board with a resident majority), Land Use and Planning Committees, and staff that sought to transcend local racial and ethnic boundaries.<sup>126</sup>

The first effort of the Dudley Street Neighborhood Initiative (DSNI) began in 1986, as a "Don't Dump on Us Campaign." Community volunteers, community meetings, speakouts with city officials, and media campaigns to advocate for the cleanup and fencing of the neighborhood's 1,300 vacant lots were all used. The effectiveness of their effort helped the initiative to attract funding from a number of philanthropic foundations, notably the Riley Foundation, the Boston Foundation, and the Charles Stuart Mott Foundation. Only a year later, DSNI negotiated a moratorium on city-planned development that lacked a comprehensive area master plan, and developed its own community-based area master plan through resident charettes, hired consultants, and collaboration with the Massachusetts Institute of Technology. The *Dudley Street Neighborhood Initiative Revitalization Plan: A Comprehensive Community Controlled Strategy* defined strategies that would ensure community control and development without gentrification. Among the plan's 13 strategies, the plan proposed a community land trust for land acquisition to maintain affordability, cooperative businesses to provide goods and services to local agencies and residents, and a neighborhood retail center to anchor the urban village. 127

The lynchpin of DSNI's efforts was the Community Land Trust, effectively becoming the first community-based organization in the US to use the local power of eminent domain to transform the community's extensive tracts of vacant land into community wealth, and ensure long-term land control, through ownership that could give the community leverage in future redevelopment processes. There would be no way to meet the plan's goal of neighborhood control and critical mass by combining city-owned land with a scattering of acquired private lots. DSNI's probono law firm Rackemann, Sawyer, and Brewster determined that Chapter 121A of the Massachusetts

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<sup>&</sup>lt;sup>126</sup> Peter Medoff and Holly Sklar, *Streets of Hope: The Fall and Rise of an Urban Neighborhood* (Boston: South End Press, 1994).

<sup>&</sup>lt;sup>127</sup> Ibid, 89-100.

State Statutes would allow DSNI to gain local eminent domain authority to assemble large areas of vacant land for comprehensive socially-conscious development. Under Massachusetts's law, the state can delegate its eminent domain authority to government agencies and private entities such as urban development corporations. DSNI developed a sophisticated strategy to win political support from the city mayor's administration and the Boston Redevelopment Authority (BRA), and to gain buy-in from current owners of the vacant land. In August 1998, DSNI formed the Dudley Neighbors Incorporated as the non-profit community land trust required under Chapter 121A, to acquire and own land, oversee the development of affordable housing, community facilities, open space, and small businesses. Control remained with the DSNI board and residents. After much deliberation between BRA, the mayor, and local residents, DSNI was awarded eminent domain rights by the close of the year. 128

Through the agreement with the city under Chapter 121A, all land acquired through eminent domain and any city land added to the project is owned by the Dudley Neighbors Inc.

Community Land Trust. Both developers and property owners are allotted long-term ground leases for the land, meaning that the community will always own the land under the buildings through the land trust. The trust was designed to ensure high-quality affordable housing for buyers and renters. All the housing will be mixed-income with the majority targeting low-income residents. The ground lease through the land trust restricts the price that owners can sell their units by an approximately 5 percent per year increase, or the rate of inflation. For DSNI, in an uncontrolled real estate market, rising values mean rising costs of housing and the displacement of low-income residents. The organization was awarded a \$2 million Ford Foundation loan and HUD grant to purchase the scattered privately owned lots. 129

In addition to the community land trust, DSNI established the Magnolia Cooperative Housing development in 1991. Families with incomes of \$10,000 to \$25,000 gained cooperative ownership of eight newly constructed units. A year later, the organization founded the Community Investment Coalition to end banking discrimination and improve mortgage lending from local banks. The Community Investment Coalition advocated and held local banks

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<sup>&</sup>lt;sup>128</sup> Ibid, 37-68.

<sup>&</sup>lt;sup>129</sup> Ibid, 115-160.

accountable for new bank branches, financing affordable housing, and lending mortgages to first-time minority homebuyers. 130

Twenty-five years later, the DSNI continues its initiatives, and is maintaining a multiethnic neighborhood, and preventing gentrification and real estate speculation. The area has been transformed by hundreds of new affordable homes, parks, and murals. 131 Their work was not without criticism, particularly from community members who questioned DSNI leadership's sudden acquisition of so much power through use of eminent domain. Many residents had negative personal experiences with eminent domain; as children, their homes were taken by eminent domain powers for highway construction. Ultimately, like Change4Real's vision, the Dudley Street Neighborhood Initiative's underlying mission was to challenge those who saw inner city residents only as problems, not solutions,, and to encourage low-income stakeholders to recognize and reinforce the existing value of their community. 132

DSNI has thrived because of a number of important criteria including its ability to network extensively with city agencies and philanthropic foundations. Although founded upon the belief that Dudley residents will drive the cooperative redevelopment effort, their work was not conducted in isolation. Time was also a critical component of the Dudley Street Neighborhood Initiative's success- the initiative took nearly two decades to establish and become the highly functioning organization that it is today.

Evergreen Cooperative, Cleveland, Ohio (2004-Present)

The Evergreen Cooperative in Cleveland, Ohio has been raised to international recognition as a model for grassroots community wealth building in one of the hardest hit rustbelt cities. The model is founded upon three pillars: worker-ownership, anchor institution-based industries, and green job creation. It now operates three highly successful cooperative industries- a laundry, solar energy, and urban farm. The Evergreen Cooperative grew out of an "unusual" and extensive partnership that began in 2004 between the Cleveland Foundation, the Democracy

<sup>&</sup>lt;sup>130</sup> Ibid., 161-168.

<sup>&</sup>lt;sup>131</sup> Gomez, Race, Class Power and Organizing in East Baltimore, 201.

<sup>&</sup>lt;sup>132</sup> Medoff and Sklar, Streets of Hope: The Fall and Rise of an Urban Neighborhood, 33.

Collaborative of University of Maryland, the Ohio Employee Ownership Center of Kent State University, Cleveland's municipal government, and the anchor institutions of Cleveland's University Circle, which include Case Western University, the Cleveland Clinic, and University Hospitals. <sup>133</sup> The outcome of the collaborative is a model that harnesses the multi-billion dollar spending power of anchor institutions to spur employment and wealth building in neighboring communities. For example, instead of outsourcing hospital laundry needs to non-local businesses, University Hospitals can contract with the local Evergreen worker-owned laundry cooperative.

Cleveland- much like Baltimore- holds some of the most well established medical and educational institutions in the country surrounded by the most disempowered of minority communities. Known as the Cleveland University Circle, these institutions include Case Western University, the Cleveland Clinic, and University Hospitals. Surrounding these anchor institutions are the neighborhoods of East Cleveland, Wade Park, Eastern Hough, and Eastern Fairfax, which collectively are home to nearly 43,000 residents with median household incomes below \$18,500 and an unemployment rate of over 25 percent. Wealth building and poverty elimination had been long-established goals in city government, pursued through transit-oriented developments and subsidies for private companies to move to the city, but job creation and wealth building remained elusive. It became increasingly clear that an alternative approach was necessary. 134

The Evergreen Cooperative was founded on the belief that rather than relying upon a "trickle down economies" and subsidies to companies to bring more low-wage jobs into the city, to achieve economic breakthrough for Cleveland's low-income residents what was needed was a strategy that focuses on economic inclusion and rebuilding from the "bottom up." The strategy catalyzes new large-scale businesses that are owned by employees. The lynchpin of the Evergreen Cooperative's model is institutional partnerships for contracts for goods and services. Drawing upon the city's anchor institutions, the cooperative captures billions of procurement

<sup>&</sup>lt;sup>133</sup> "The Evergreen Cooperatives Story," Evergreen Cooperative, accessed November 2014, http://evergreencooperatives.com/about/evergreen-story/.

<sup>&</sup>lt;sup>134</sup> "Field Guide to Investing in a Resilient Economy: Field Study 2: Evergreen Cooperatives," Capital Institute, accessed December 2014,

http://www.capitalinstitute.org/sites/capitalinstitute.org/files/docs/FS2-Evergreen%20full%20article.pdf.

dollars that would otherwise go to non-local firms and direct institutional investment directly to the surrounding neighborhoods. As such, Evergreen Cooperative creates the jobs and then trains recruits and trains local residents to fill them, allowing residents to benefit by not only living wages, but also annual dividends through part owners of the businesses. As stated on the Evergreen Cooperative's website, the main purposes of the initiative are to: (1) expand economic opportunity and wealth building through a network of green, community-based enterprises; (2) promote stabilization and revitalization of disinvested neighborhoods surrounding the strong institutions of the Greater University Circle, and other similar neighborhoods; and (3) promote public understanding of cooperative principles and how the models function.

With the conceptual model built, in 2007 the Cleveland Foundation commissioned the University of Maryland Democracy Collaborative to conduct a feasibility study for the strategy. As anticipated, the study found that the Greater University Circle's purchasing power was approximately \$3 billion and nearly all of the spending was being directed outside of the immediate vicinity and in many instances, outside of the city. Drawing upon the diversity of the institutions' needs, the cooperative initiative aimed to develop three unique firms: a cooperative laundry, green energy solar business, and fresh produce farm. Diversification and codevelopment were also key factors, allowing the centralized Evergreen Cooperative to function as the backbone organization and central ecosystem for the initiatives, while each industry would benefit by co-dependence, shared economic infrastructure, and a culture of solidarity. The model was challenging, but poised to make a significant impact: the cooperatives had to match the needs of anchor institutions; build the physical locations and infrastructure; employ workers who would require intensive trainings; and finally, provide workers with an hourly wage of at least \$10.50 an hour, no cost healthcare, and be profitable enough to allow workers to accumulate assets. 137

<sup>&</sup>lt;sup>135</sup> Luviene, Stitley, and Hoyt, "Sustainable Economic Democracy: Worker Cooperatives for 21st Century."

<sup>&</sup>lt;sup>136</sup> "The Evergreen Cooperative Story," Evergreen Cooperatives," accessed December 2014, http://evergreencooperatives.com/about/evergreen-story/.

<sup>&</sup>lt;sup>137</sup> "Field Guide to Investing in a Resilient Economy: Field Study 2: Evergreen Cooperatives," Capital Institute, accessed December 2014,

http://www.capitalinstitute.org/sites/capitalinstitute.org/files/docs/FS2-Evergreen%20 full%20 article.pdf.

The first firm to open was the Evergreen Cooperative laundry in 2009 after a \$5.7 million investment. The laundry cooperative Board of Directors is made up of a cross-section of the University Circle's business and civic leaders. Financing sources for startup included New Market Tax Credit equity, and additional loans from the Ohio Economic Development Authority. The Evergreen Cooperative laundry has the capacity to meet the needs of medium to large institutions, and is the region's first LEED certified industrial laundry facility thereby reducing energy use, water use, and solid wastes. The laundry intends to employ 50 workers at full capacity. For some workers employed by Evergreen Cooperative Laundry, it is the first time they have received higher than minimum wages through employment, let alone part ownership of a company. The cooperative projects that employees could accumulate assets as much as \$65,000 over eight years of employment. <sup>138</sup> In 2013, the laundry earned almost \$1 million in revenue by washing \$1.9 million pounds of laundry, yet it did not break even because the operation is intended to be processing nearly 4 million pounds of laundry annually. At the time, the laundry had nine major clients including several nursing homes, and three hotels. The University Hospital has not yet signed a contract with Evergreen Cooperatives because it claims that it is locked into a long-term contract with a private firm. 139

The second cooperative, Ohio Solar was launched a few months later. Employees install solar panels on the roofs of major institutions at an affordable, leased rate, with the option to purchase after the lease period. Ohio Solar also conducts weatherization projects. Ohio solar has installed solar panels on the rooftops of Case Western, University Hospitals, and Cleveland Clinic. The company taps into state grants and federal energy tax credits to provide solar power to non-profit institutions at an affordable rate. Additionally, the weatherization service have completed over 200 homes in its first year of operation, and its relatively low operating cost- in comparison to the Evergreen Laundry- has allowed it to be profitable in the first five months of operation, reaching revenues of \$1.3 million. At the end of 2013, \$7,300 was allocated to each employee

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<sup>&</sup>lt;sup>138</sup> "The Hopeful Laundry: Micro-Projects Aim to Restore a Shattered Area," *The Economist*, accessed December 2014, http://www.economist.com/node/15213793?story\_id=15213793.

<sup>&</sup>lt;sup>139</sup> "Field Guide to Investing in a Resilient Economy: Field Study 2: Evergreen Cooperatives," Capital Institute, accessed December 2014,

http://www.capitalinstitute.org/sites/capitalinstitute.org/files/docs/FS2-Evergreen%20full%20article.pdf.

owner's capital account. At maximum build out, Ohio Solar expects to employ 75 worker-owners. 140

Green City Growers is the Evergreen Cooperatives third and most ambitious effort. It is a 4.4-acre hydroponic greenhouse and 16,000 square foot packinghouse, collectively located on assembled land parcels- a portion of which was a city-owned "light" brownfield. The produce cooperative anticipates 5 million heads of lettuce and 300,000 pounds of herbs annually, while employing a maximum of 40 workers. To compete in the national food market, City Growers will grow specialty lettuce traditionally transported to Cleveland from California and Arizona; and basil and herbs flown in from locations as far away as Hawaii. The produce will be marketed to local restaurants and the Greater University Circle anchor institutions, allowing these places to receive their specialty produce quicker and fresher while reducing their carbon footprints. <sup>141</sup>

The Evergreen Cooperative is successful due to its governance and high impact funding. It is a model that builds off of strong collaboration with powerful anchor institutions that offer service contracts, donations, and technical assistance. For financing, the City, the Cleveland Foundation, and other anchor institutions have contributed seed capital to create the Evergreen Development Fund. Shorebank Enterprise manages the \$12 million fund, which is expected to leverage \$40 million through additional investments. In addition, the Evergreen Cooperative's leaders are a selection of the best business and civic leaders in the region, allowing a diverse network that shares services, governance, and operational arrangements. Each organization involved has a clear task: the Cleveland Foundation and Democracy Collaborative are responsible for conceptual development, coordination, and consensus building; Kent State Ohio Employee Ownership Center shapes governance and operations; Shorebank Enterprise is responsible for business development; and the organization Towards Employment addresses workforce training and recruitment. The model is instructive in its ability to leverage the power of anchor institutions, and build a network of non-profits and public agencies that serve as a critical support system. 

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<sup>&</sup>lt;sup>140</sup> Ibid.

<sup>141</sup> Ibid.

<sup>&</sup>lt;sup>142</sup> Luviene, Stitley, and Hoyt, "Sustainable Economic Democracy: Worker Cooperatives for 21st Century."

Worker owners must reside within the Greater University Circle neighborhoods, and must go through a standard application process. Once accepted, employees begin a 6-month trial period, and once accepted as a member, they must agree to invest \$3,000 into the cooperative, which they fund through a 50-cent per hour payroll deduction. Each worker is paid a percentage of the cooperative's annual profits, which is deduced by a formula based on the length of employment, annual hours worked, and salary. As critiqued by the worker-owners, their capital credit accounts are held as part of the overall capitalization, and as such, the accounts cannot be drawn on or borrowed against until it reaches its maximum of \$65,000 or until the worker leaves the company. In years without profits, no funds are allocated to capital accounts. In addition to asset accumulation, worker-owners are offered financial management and business analysis courses by the Ohio Employee Ownership Center. Evergreen is working to meet worker-owners' requests to realize a portion of their profit-sharing wealth earlier than currently available. 143

Although highly successful thus far, the Evergreen Cooperative does not include local community members in the visioning and leadership. It contrasts sharply with the Dudley Street Initiative and flagship models like the Mondragon Collective in Spain, which were driven by internal community leaders. The majority of the Evergreen Cooperative's worker-owners are low-income African Americans from the neighboring communities, as intended, but currently there are no residents in management or leadership positions and Evergreen Cooperative is unclear in its methods or intentions for creating pathways for worker-owners to occupy leadership positions.<sup>144</sup>

#### **Cooperative Enterprises in Baltimore**

Interest and commitment to cooperative enterprises is growing slowly in Baltimore. Currently, there are advocacy and coalition-building organizations working to support functioning cooperatives. The Baltimore Community Wealth Organization, an independent website and blog,

<sup>&</sup>lt;sup>143</sup> "The Evergreen Cooperative Story Continues," Capital Institute, accessed December 2014, http://fieldguide.capitalinstitute.org/the-evergreen-story-continues.html.

<sup>&</sup>lt;sup>144</sup> Luviene, Stitley, and Hoyt, "Sustainable Economic Democracy: Worker Cooperatives for 21<sup>st</sup> Century."

documents that there are approximately 30 operating cooperatives in Baltimore. The majority offers goods and services in food, transportation, and healthcare industries. There are a handful directly involved in community development, notably the Potomac Association of Cooperative Housing, which supports affordable housing, and the Baltimore Green Currency Association, which has developed and put into circulation the "B-note" or local Baltimore currency to keep money circulating in Baltimore communities. Although the types of Baltimore cooperatives are clustered in a few industries, there is a growing impetus to expand economic and worker empowerment for Baltimore's low-income communities. Notably, in May 2014, the Baltimore Economic Democracy Conference was convened at the University of Maryland School of Social Work in Baltimore, bringing together leaders from the University of Maryland Democracy Collaborative, the Democracy at Work Network, the Baltimore Green Currency Association, Change4Real, and others. Topics addressed included participatory budgeting processes for public funds, creating cooperative businesses, affordable housing, building a green economy, and food security. 145

The following is a list of documented cooperatives in Baltimore:

Table 7.

<b>Baltimore Cooperatives</b>	Description
DSR	Technology solutions Company
Red Emma's	Coffee shop and bookstore
Thread Coffee Roasters	Red Emma's small-batch coffee roasting
	company
Baltimore Bicycle Works	Bicycle shop
Mother Made	Environmentally friendly products as a means
	to empowerment
Charmingtons	Coffee shop
Just Walk	Dog walking service
AK Press	Book publishing and distribution
Floral Cooperative Purchasing Group	Fresh flowers and supplies
Hamilton Community Pre-School Coop	Nursery school
Potomac Association of Housing Coop	Nonprofit housing initiative

<sup>&</sup>lt;sup>145</sup> "It's Our Economy: People and the Planet Before Profits," Baltimore Economic Democracy Conference 2014, accessed November 2014, http://itsoureconomy.us/events/baltimore-economic-democracy-conference/.

Evergreen Health Nonprofit healthcare insurance

Baltimore Bio-Diesel Coop Biodiesel fuel sales

Democracy at Work Network (DAWN)

Professional peer network for cooperative

businesses

**Collectives and Related Nonprofits** 

Baltimore Free Farm Urban agriculture

Baltimore Green Currency Association Alternative B-note currency Baltimore Video Collective Public-access video rental

Bearings Bike Collective

Charles North Cooperative Garden

Civilian Soldier Alliance

Foreign policy advance

Civilian Soldier Alliance Foreign policy advocacy

Figure 53 Multimedia designs for live performances

Films For Action Baltimore Alternative media channels

United Workers Workers' rights

VelocipedeBikes and shared workspaceWomen's Growth CenterAffordable counseling

Women's Industrial Exchange Handmade good store

Source: Baltimore Community Wealth list of cooperatives in Baltimore City, http://baltimorecwb.wordpress.com/

Comparatively, Change4Real is at the beginning stages of its community organizing, partnerships, and the launching of its programs. To its benefit, Change4Real is working in a period that cooperative redevelopment enterprises are gaining traction internationally and there are a variety of organizations across the country that provide technical training and program evaluation such initiatives. Yet, it is working at the forefront of cooperative building for comprehensive community development in Baltimore, with few other examples of already functioning examples. The University of Maryland School of Social Work is developing community-based coursework for its students to work with local stakeholders and develop the conceptual foundations for cooperatives, but otherwise, there are no comparable examples in the city. Change4Real's vision and plans are functioning more or less independently.

Drawing upon the literature and lessons learned from existing cooperative models in the US, components for the longevity and effectiveness of cooperative enterprises for community redevelopment include the following:

<sup>146</sup> Stephanie Geller, University of Maryland School of Social Work, Conversation with the Author, December 4, 2014.

- Conduct a feasibility study–potentially in collaboration with a local research university–
  to determine if the proposed cooperatives are viable business ventures and if there are
  markets for the cooperatives' products and services.<sup>147</sup>
- Like the Evergreen Cooperatives model, build a "Cooperative Enterprise Ecosystem" for
  initiatives to share economic and organizational infrastructure, and to pool investments
  from support institutions and organizations that can be responsible for critical tasks
  including finance, business development, research and development, and skill-based
  training.
- As also evidenced in the Evergreen Cooperatives model, diversification is key for complex skill building and longevity. Actively plan for the enterprise's future, considering new market opportunities and required capital.
- Develop a transparent governance structure that fosters democratic decision-making and relations between management, worker-owners, and partners. An overarching governance body is key, to ensure that the cooperative's mission and operations are fully understood and its value broadly shared. As a fully grassroots development, the Dudley Street Neighborhood Initiative was highly effective in its ability to allow residents to drive the decision-making processes and work with organizational partners.
- Hold educational meetings with community members on cooperatives and invite the
  worker-owners and leaders of other successful grassroots efforts to share their
  experiences and perspectives. These types of community meetings—particularly if led by
  guest speakers from other organizations—can become inspirational and collaborative
  events that demonstrate the potential and benefits of cooperative enterprises.<sup>148</sup>

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<sup>&</sup>lt;sup>147</sup> "Steps for Start-Ups," University of Wisconsin-Madison: Center for Cooperatives, accessed December 2014, http://www.uwcc.wisc.edu/howtostart/Steps/.

<sup>&</sup>lt;sup>148</sup> Dr. Jim Cohen, Director of University of Maryland Urban Studies and Planning Program, Conversation with Author, December 12, 2014.

- Clear governance must also be conducted in each subsidiary cooperative enterprise, by establishing laws for the hiring of managers and board members, and decision-making authority on issues including hiring and firing, compensation, and promotion.
- Develop a member equity redemption plan that encourages those who participate or benefit the most in the cooperative enterprise to develop and lead additional value added initiatives. Ensure that the assets of the cooperative are distributed to membership broadly and equitably and not unfairly benefit a small group of current members or managers. One of the critiques of the Evergreen Cooperatives model is the lack of worker-owner control or input in the allocation of member equity.
- Create incentives for board members, management, and members to act in the long-term interest of the organization. Remove incentives that seem to pit one group member against another.149
- Develop an organizational and financial plan for if the cooperative must disband, particularly to ensure that the social objectives of the cooperative endure. 150

As stated by the organization, Change4Real intends to draw upon the Evergreen Cooperative model for its large-scale vision. Essential first steps for start-up cooperative enterprises like Change4Real may include the establishment of partnerships for organizational capacity and funding, and feasibility studies to determine what markets the cooperatives can best fill. It appears that if Change4Real wins the development bid, the worker-owned cooperatives would either work within or in concordance with the intended new industry brought to the mall. To its benefit, Baltimore also holds a large and diverse number of strong institutions and Oldtown is near to Johns Hopkins Hospital, University of Maryland, Sojourner Douglass College, and the downtown hotels and convention center.

<sup>&</sup>lt;sup>149</sup> Margaret Lund, "Cooperative Equity and Ownership: An Introduction," University of Wisconsin Center for Cooperatives, accessed December 2014,

http://www.uwcc.wisc.edu/pdf/Cooperative%20Equity%20and%20Ownership.pdf.

<sup>&</sup>lt;sup>150</sup> Ibid.

Change4Real is steadfast in its commitment to local democratic governance, putting residents at the center of the decision-making and visioning process, much like the Dudley Street Neighborhood Initiative. But, without the buy-in and investments of existing institutions and partners, working independently would severely compromise the establishment of their vision and long-term sustainability. Drawing upon the resources of universities, local government, and nonprofit organizations, Change4Real is poised to move their plans from the conceptual to a solid business plan that outlines the mechanics of the cooperatives' partnerships, physical infrastructure, governance, financing, employment, and wealth building.

Change4Real faces formidable barriers, but holds fast to its philosophies of inclusion and community transformation. Though currently underrepresented in Oldtown's community history, Change4Real's work also stands on the shoulders of a local activist tradition in Oldtown, best represented by the work of the Baltimore chapter of the national civil rights organization, the Congress on Racial Equality (CORE). Forty years earlier, CORE activists developed a headquarters in Oldtown and organized to intervene in the Oldtown urban renewal process, seeking greater racial equity in the local economy and housing as the city was poised to invest millions of dollars to transform Gay Street into Oldtown Mall. This history sets the stage to understand current struggles over the right for long-term residents to continue to call Oldtown home.

## Chapter 5: From Jonestown to Oldtown: A History of Oldtown's Establishment, its 19<sup>th</sup> Century Residents, and Commercial Development (1800-1900)

Oldtown has rightfully earned its namesake. The neighborhood stands as one of Baltimore's oldest communities, founded before the establishment of the city. Long before Baltimore was a central trade port, a colonist named David Jones purchased land on the east side of the Jones Falls River in 1630 and constructed a single home. By 1732, homesteaders clustered on plots laid parallel to the Jones Falls to establish early flourmills, and the ten-acre area of land was named Jonestown. Jonestown was created independently of Baltimoretown, which was established in January 1734 and covered 60-acres of marshy land to the east of the Jones Falls. Baltimoretown, Jonestown, and Fells Point were consolidated into the City of Baltimore in 1747. From the early 18<sup>th</sup> century, Jonestown was colloquially referred to as "Oldtown" in recognition of its status as one of the earliest Baltimore settlements. <sup>151</sup>

During the Revolutionary War ship builders in Baltimore constructed some of the most maneuverable vessels in the world, contributing to colonists' military successes and the ability for Baltimore merchants to continue trading during the war; each factor helped to propel Baltimore's growth. To meet the rapid changes in population, the newly formed Baltimore Town Commission implemented a number of public works projects, including the Street Commission, formed in 1782 to layout and pave streets; the Board of Port Wardens was created to survey the harbor and dredge the main shipping channel in 1783. The Jones Falls' waterway was diverted into a canal in 1789, supporting the continued growth of Oldtown's residential and commercial areas, which developed into a mix of residential, commercial, and industrial uses. 153

<sup>151</sup>Beirne, "Late Nineteenth Century Industrial Communities in Baltimore," 39-49.

<sup>&</sup>lt;sup>152</sup> "History of Baltimore," Baltimore City 2007-2012 Comprehensive Master Plan, accessed September 2014, http://archive.baltimorecity.gov/Government/AgenciesDepartments/Planning/ComprehensiveMasterPlan/TheMasterPlan.aspx.

<sup>&</sup>lt;sup>153</sup> G.W. Howard, *The Monumental City: Its Past History and Present Resources* (Baltimore: J.D. Ehlers & Co. Printers, 1873), 11-14.

In the early 1800s, Baltimore came to be known as "the most flourishing commercial town in the country." Baltimore's economy and commerce were enhanced by the city's position located between the North and the South, along with the inland position of its harbor. Located 50-miles south of the Mason-Dixon Line, Baltimore was situated "in between" the major social, economic, and political definitions of the Northern and Southern United States; it was a well-established border city in the border state, located between the territories of rural enslavement and free labor, and southern agriculture and northern capitalism. Baltimore could simultaneously capitalize on overseas freight and the agricultural trades. It became a leading port in the country and a primary point of entry for European and Caribbean immigrants. 155

Baltimore was a rising city in the early 19<sup>th</sup> century, driven by continued population growth through immigration and robust trade. The city played a major role in the War of 1812, again for its workers' keen knowledge of shipbuilding and its key harbor location. By 1830, Baltimore was the second largest city in the US, with a population of 80,000, and with notable diversity of European and Caribbean immigrants. Germans made up a large portion of the population, followed by immigrants from Ireland, Scotland, and France. The city also held the largest population of free and enslaved blacks in the nation, helped by the influx of French speaking blacks from present day Haiti, who immigrated during the Haitian Revolution. <sup>156</sup>

Baltimore met three major challenges to its development in the mid 19<sup>th</sup> century: the opening of the Erie Canal between New York City and the Great Lakes, which threatened Baltimore's competitive edge in transportation; the onset of the Civil War that spurred the shut down of Baltimore's railroad lines and reduction of investment capital; and neighborhood decay. The introduction of the Baltimore and Ohio steam-powered carrier railroad continued to make Baltimore competitive in transportation industries, even as other cities like New York City capitalized on the national canal boom. Simultaneously, the invention of the telegraph facilitated

<sup>&</sup>lt;sup>154</sup> Andor Skotnes, *New Deal for All? Race and Class in Depression-Era Baltimore* (Durham: Duke UP, 2012), 28.

<sup>&</sup>lt;sup>155</sup> Roberto Brambilla and Gianni Longo, *Learning from Baltimore: What Makes Cities Liveable*? (New York: Institute for Environmental Action, 1979), 2-35.

<sup>&</sup>lt;sup>156</sup> "History of Baltimore," Baltimore City 2007-2012 Comprehensive Master Plan, accessed September 2014, http://archive.baltimorecity.gov/Government/AgenciesDepartments/Planning/ComprehensiveMasterPlan/TheMasterPlan.aspx.

competitive railroad trade, and cast-iron building technology transformed Baltimore's downtown commercial architecture. Baltimore's population continued to grow and reached 508,957 by 1900, 158 Only forty years later, Baltimore experienced one of the most disastrous events in its history, the Great Fire of 1904, which razed 140 acres of downtown and caused \$125 million in damages. Since the control of the most disastrous events in its damages.

Gay Street, the commercial corridor that runs diagonally through Oldtown, dates back to 1747 and the consolidation of Baltimore. Oldtown became the connector between the neighborhoods of Baltimore and Fells Point, and the convergence point of four county roads: York Road, Harford Road, Belair Road, and Old Philadelphia Road. Gay Street cut a continuous diagonal through East Baltimore, beginning from the Jones Falls and extending northeast up to North Avenue (Figure 9). By 1800, the north side of Gay Street was developed with wooden commercial and residential structures. In response to the rapid growth, in 1818 Baltimore City established Oldtown's Belair Market. It was the sixth constructed in the city's neighborhood market system. Farmers traveled to Oldtown with produce for market days and added to the area's commercial growth through spending for accommodations and needed manufactured items. By 1836 Gay Street was lined with unbroken row two-story brick row houses. Foundries, liveries, breweries, and warehouses were located alongside residential and commercial structures. The City Passenger Railway Company laid tracks on Gay Street, allowing streetcar transportation through Oldtown.

<sup>&</sup>lt;sup>157</sup> Ibid, 29-31.

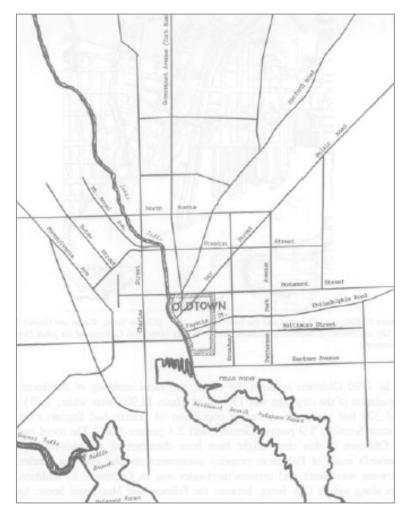
<sup>&</sup>lt;sup>158</sup> Ibid, 34.

<sup>&</sup>lt;sup>159</sup> Brambilla and Longo, Learning from Baltimore: What Makes Cities Livable? 2-35.

<sup>&</sup>lt;sup>160</sup> D. Randall Bernie, "The Impact of Black Labor on European Immigration in Baltimore's Oldtown 1790-1910," *Maryland Historical Society Journal* 83, no 4 (1988): 31-345.

<sup>&</sup>lt;sup>161</sup> "Gay Street Historic District," Baltimore City Commission for Historical and Architectural Preservation, http://www.baltimorecity.gov/Government/BoardsandCommissions/
HistoricalArchitecturalPreservation/HistoricDistricts/MapsofHistoricDistricts/GayStreet.aspx

<sup>&</sup>lt;sup>162</sup> "Ordinance for Widening of Gay Street Narrows Passed; Permission for Additional Track," *Baltimore Sun*, October 4, 1892.



**Figure 9.** Oldtown: 1870-1910, Beirne, "The Impact of Black Labor on European Immigration in Baltimore's Oldtown 1790-1910."

There were few large factories in the vicinity of Oldtown. Between Greenmount Avenue and Jones Falls were the Northern Central and Western Maryland Railroad terminals and warehouses that offered employment opportunities. Small business culture dominated Oldtown. By 1880, only 2.5 percent of residents were involved in factory work, 12 percent practiced construction trades, and the remaining one-third ran small shops or service-type industries. Reflecting the vitality of Gay Street's many shops, the Old Town Merchants and Manufacturers Association was formed in 1883 to promote improvements on the southeastern portion of Gay Street. These included constructing a sewer line to prevent flooding, widening Gay and Orleans Streets, and improving the Belair Market. At the time that the Oldtown Merchants Association was

<sup>164</sup> Ibid.

<sup>&</sup>lt;sup>163</sup> Beirne, "Late Nineteenth Century Industrial Communities in Baltimore," 39-49.

founded, a selection of businesses on the 400-500 bocks of Gay Street included C.D. Kenny, Tea Dealer and Coffee Roaster, located on 500 and 502 N. Gay Street at the Corner of Forrest; W.T Sagle Lading East End Toy, Stationary, and Novelty House located at 523 N. Gay Street near Belair Market; and Ernest Tepken, tailor, 544 N. Gay Street. By the early 1900s, Oldtown boasted the Isaac Benesch & Son's department store, with multiple floors of furniture and clothing.

#### Spared from the Fire: Oldtown's Commercial Building Types and Architectural Styles

It is no coincidence that Oldtown was spared from the Great Fire that swept through Baltimore in 1904. At the intersection of Gay and Ensor Streets stands the Baltimore City Historic Landmark Engine House No. 6, which was erected by the Baltimore City Fire Department by 1859. Firemen pumped water from the nearby Jones Falls into Oldtown and the engine house served as a makeshift hospital for the injured. Protected from the blaze, the commercial area retained is vital role in neighborhood economics into the 20<sup>th</sup> century. Oldtown remained characterized by Gay Street's blend of commercial and residential rowhouses and its bustling commercial culture. The development was "organic" or primarily market-driven, rather than the outgrowth of the planned city interventions that emerged in the 1930s. <sup>167</sup>

The Oldtown Historic District has protected remnants of Gay Street's 64 properties that represent its historic development pattern and commercial architecture. The district's 64 properties represent five types of commercial architecture: the two-story gabled roof plus dormer rowhouse shop (1800s-1840s), the three-story gabled roof rowhouse shop (1840s-1850s), the three-story Italianate rowhouse shop (1860s-1900s), the Victorian store (1870s-1980s), and the 20th century department store (Figure 10). As Oldtown escaped the Great Fire, it holds a sampling of the city's oldest commercial rowhouse buildings. Each building is also indicative of physical changes that correlate to innovations in building technology, emerging business practices, and

<sup>&</sup>lt;sup>165</sup> R.L. Polk & Co.'s Baltimore City Directory1889, accessed April 2014, https://archive.org/stream/rlpolkcosbaltimo1889rlpo#page/n19/mode/2up

<sup>&</sup>lt;sup>166</sup> "Opening at Benesch's: Beautiful Display of Novelties at Gay Street Store," *Baltimore Sun*, October 4, 1904.

<sup>&</sup>lt;sup>167</sup> "Engine House No. 6," Baltimore Heritage, accessed May 3, 2014, http://explore.baltimoreheritage. org/items/show/206.

architectural styles. In the 19th century, residential and commercial rowhouses were physically alike, differentiated only by a display window, awnings, and an enlarged door opening for customer entry. Many commercial rowhouses were conversions from residences, with tenants living on the upper floors. <sup>168</sup>



house shop (1860s-1900s)

**Figure 10.** Oldtown Mall building types, photographs by author, 2013.

house shop (1840s-1850s)

The Engine House No. 6 has stood as a distinctive landmark since 1853, when Oldtown's Independent Fire Company tore down its original engine house and constructed the 103-foot Italianate-Gothic tower. Designed by Baltimore architects, Reasin and Weatherald, the engine house is a unique copy of Giotto's campanile in Florence, Italy, featuring a distinctive six-story bell and clock tower. In 1874, the City of Baltimore added a stone facade, but otherwise, the building remains unchanged. Engine House No. 6 has been a familiar landmark for Baltimoreans and a distinctive gateway into Oldtown (Figure 11).

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house shop (1800-1840)

<sup>&</sup>lt;sup>168</sup> "Oldtown Mall Local Historic District Designation," Baltimore City Commission for Historical and Architectural Preservation, July 13, 2004.

<sup>&</sup>lt;sup>169</sup> "Engine House No. 6," Baltimore Heritage, accessed May 3, 2014, http://explore.baltimoreheritage. org/items/show/206.

<sup>&</sup>lt;sup>170</sup> "2012 Baltimore City Landmarks Publication," Baltimore City Commission for Historical and Architectural Preservation, accessed April 2014,

 $http://www.baltimorecity.gov/Government/Boards and Commissions/Historical Architectural Preservation/L\ and mark List.aspx.$ 



**Figure 11.** Oldtown's Engine House No. 6, Maryland State Archives, late 19<sup>th</sup> century.

#### **Socially Diverse Industrial Neighborhood**

At the turn of the 19<sup>th</sup> century, Oldtown was a diverse neighborhood home to African Americans and European immigrants, and its demographics reflected the ethnic and racial make-up of Baltimore as a whole. In 1790, Baltimore's population was 13,502 with 11,925 white, 1,255 enslaved black, and 323 free black. By 1800, of the 2,843 enslaved blacks and 2,711 free blacks in Baltimore, approximately one-fifth of the city's total black population lived in Oldtown. More than half of Oldtown's black population was not enslaved, giving many options for self-employment and the acquisition of property. Prior to large-scale European immigration and the Civil War, African Americans filled the majority of local skilled and semi-skilled occupations. Men worked in positions as barbers, blacksmiths, shopkeepers, and seamen. Their work was largely dependent upon their nativity to Baltimore; those long established in the city found higher-skilled work related to sea trade and building technologies. Women secured jobs in garment industries and service work.<sup>171</sup>

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 $<sup>^{\</sup>rm 171}$  Beirne, "The Impact of Black Labor on European Immigration in Baltimore's Oldtown 1790-1910," 331-345.

Immigration transformed Oldtown's demographics. Irish and German immigrants established residence in Oldtown beginning in the 1850s and became the highest population through the 1880s. The 1870s marked the arrival of Italians and Eastern Europeans. Figure 12 is a table of Oldtown's 19<sup>th</sup> century demographics by ethnicity and race. The influx of European immigrants into the city and working-class neighborhoods such as Oldtown incited labor conflicts; blacks suffered job losses that forced many to move out of the city. A riot erupted near Oldtown's Belair Market in 1857, most likely a flare up of heated ethnic and class tensions. Petween 1850 and 1860 alone, Baltimore's total black population fell from 32,021 to 27,989 as the result of job competition. The loss of free African Americans was largely balanced with the arrival of recently manumitted individuals who sought self-employment in Baltimore.

	1870	1900	1910	
	Total Percent of Population	Total Percent of Population	Total Percent of Population	
Oldtown	22,800	42,088	59,470	
Black	19	16	31	
Total Foreign				
Born	22	33	42	
German	14.8*	en form auxilia and the	3	
Irish	8.9*	restilli esstude ma <del>rsi</del> sebbe	.5	
Italian	1 Set to a description of the Section of the Sectio	The state of the s	6	
Russian	Art market is 150 mile		29	

**Figure 12.** Oldtown Black and Foreign-Born Population Patterns, 1870-1910, Beirne, "The Impact of Black Labor on European Immigration in Baltimore's Oldtown 1790-1910."

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<sup>&</sup>lt;sup>172</sup> "Local Matters: Another Fearful Riot," *Baltimore Sun*, July 27, 1857.

<sup>&</sup>lt;sup>173</sup> Ibid.

By 1880, Oldtown was a neighborhood of segmented ethnic enclaves of various social classes, including an established middle-class area. The lower section of Oldtown held workers' rowhouse homes interspersed with small shops and service industries. Lower-income residents lived in Oldtown's southwest corner below Madison Street, and middle-income homes were clustered around Johnson and Madison Squares in the northeast section. Germans were Oldtown's largest ethnic group, employed in skilled occupations with middle-class residences primarily north of Madison Street around St. James' Roman Catholic Church and the German National Church in Baltimore. Irish and Jewish immigrants were Oldtown's other two largest ethnic groups. The Irish residents centered on Greenmount Avenue and were employed in manual, semi-skilled, and unskilled work. Jewish populations resided primarily in Oldtown's southwest corner, and primarily operated small clothing establishments. Despite population loss, by 1880 Oldtown also had an established African American community on Sterling, McElderry, Forrest, Jefferson, and Orleans Streets (Figure 13).

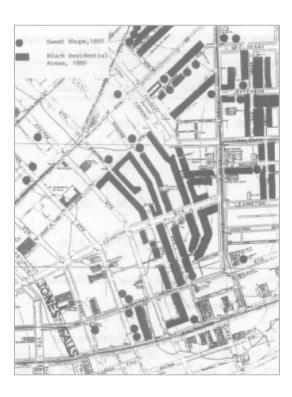
From the 1830s until the 1890s, Oldtown was characterized as relatively diverse socially and economically, until the Baltimore City Passenger Railway streetcar line running along Gay Street encouraged a portion of the middle class to move to the suburbs northeast on newly annexed land. Oldtown's larger homes were converted into apartments, and offered more housing options to fill the demand of working-class residents, particularly European immigrants eager to fill positions in the booming ready-made clothing industry. Oldtown was also shifting into a predominantly garment industry economy and hosted notorious piecework sweatshops with poor conditions. 178

<sup>&</sup>lt;sup>174</sup> Beirne, "Late Nineteenth Century Industrial Communities in Baltimore," 40.

<sup>&</sup>lt;sup>175</sup> Ibid.

<sup>&</sup>lt;sup>176</sup> "Gay Street Historic District," Baltimore City Commission for Historical and Architectural Preservation, http://www.baltimorecity.gov/Government/BoardsandCommissions/Historical ArchitecturalPreservation/HistoricDistricts/MapsofHistoricDistricts/GayStreet.aspx
<sup>177</sup> Ibid

<sup>&</sup>lt;sup>178</sup> Beirne, "The Impact of Black Labor on European Immigration in Baltimore's Oldtown 1790-1910," 331-345.



**Figure 13.** Black settlement 1880-1895, Beirne, "The Impact of Black Labor on European Immigration in Baltimore's Oldtown 1790-1910."

The community began to pass through various periods of succession with various ethnic and racial groups replacing the other. By the year 1910, more than 40 percent of Oldtown's population was foreign-born. Russians and Lithuanians occupied the formerly German homes on the main thoroughfares and rented the poorly ventilated second stories and attics. African Americans continuing to migrate to Baltimore and Oldtown found residence on narrow backstreets and alleys, later occupied also by Irish and Italians. <sup>179</sup>

At the turn of the 20<sup>th</sup> century, occupational segregation took shape within Oldtown's sweatshop industry. Unlike in previous ventures before the ready-made boom, only white men, women, and children performed the limited skilled work. Oldtown's black residents were driven out of Oldtown's garment industry. Black men secured places as laborers associated with the maritime, trade and transportation industries, and women secured service positions. There likely were no African American-owned businesses on Gay Street in the record until 1944. 180

<sup>&</sup>lt;sup>179</sup> Ibid.

<sup>&</sup>lt;sup>180</sup> "The First Colored Professional, Clerical, and Business Directory of Baltimore City 1944-1945," accessed April 2014,

http://msa.maryland.gov/megafile/msa/speccol/sc2900/sc2908/00001/000523/html/index.html.

# Chapter 6: Baltimore's Early 20<sup>th</sup> Century Urban Renewal Programs and the Institutionalizing of Residential Segregation (1900-1950)

Baltimore City organized its first centralized planning process after the extensive damage of the Great Fire of 1904, which initiated the systematic management of municipal infrastructure and the implementation of programs to address the growing issue of urban "slums." The forces that have shaped planned urban development in Baltimore City, and more specifically Oldtown, also rest on its historic foundations as an industrial city situated "in between" the major social, economic, and political definitions of the Northern and Southern United States. The city has been a racially polarized battleground over the right to urban space and political influence. Drastic urban renewal strategies, led by Baltimore City and Johns Hopkins Medical Institutions have shaped East Baltimore since the 1930s. The interaction of public, private, and resident forces over the past century set the stage for present day negotiations over the future of Oldtown's redevelopment and the right to call Oldtown home.

#### **Development of Comprehensive Urban Planning in Baltimore**

Dominant cities along the Atlantic, including Baltimore, New York, Boston, and Philadelphia relied on trade and their position along seaboard routes as a primary source of wealth from the Colonial Era until the rise of manufacturing transformed production and demanded a substantial wage labor force. In 1860, only one-fifth of the population lived in cities of 2,500 or more, but by 1880 there were 77 US cities with populations over 25,000, and 20 metropolitan areas with over 100,000.<sup>181</sup> Urban growth was heavily influenced by European immigration and internal migration from rural areas. Over time, the urban growth spurred haphazard and unregulated housing construction, and living conditions deteriorated for the new urban working class. The growing capitalist city produced overcrowded tenement buildings without light, air, or sanitary provisions, inadequate sewage systems, and few public services. In the late 19<sup>th</sup> century Baltimore was the largest US city without a comprehensive sewer-system and the population

<sup>&</sup>lt;sup>181</sup> Richard Fogelsong, *Planning the Capitalist City* (Princeton: Princeton UP, 1986), 60-61.

increase left residents without adequate public health services. The low-lying areas of Baltimore reeked from waste, and outbreaks of typhus, yellow fever, and cholera were commonplace. 182

With the onset of rapid urbanization, urban reformers began formulating policy solutions to the overcrowding, inadequate public services, and dilapidated housing caused by a lack of regulations and unstandardized city planning. Progressive-Era housing reform began in New York City at the turn of the century. New York had arguably the worst housing conditions of US cities due mainly to its status as a principal port of entry for thousands of immigrants. Reformers pushed for centralized administration and campaigned for open space, stricter building codes, and sanitary regulations, particularly in immigrant neighborhoods that were experiencing the worst effects of a lack of city controls. The New York State Tenement Housing Act of 1901 and New York City's 1916 zoning ordinance were major outcomes of reformist efforts. While civic regulations were being implemented in cities like New York, Baltimore was caught in a system of capitalist exploitation; key urban leaders shared ownership in lucrative businesses that monopolized the cleaning of city cesspools and the processing of wastes. <sup>183</sup>

It was not until 1904 that the city underwent a "forced" urban renewal. The Great Fire of 1904 tore through Baltimore's entire 140-acre central business district, financial district, and the dock perimeter of the inner harbor. More than 1,500 buildings were leveled. The unstandardized building codes and under-funded fire department exposed many of the issues of Baltimore's fragmented municipal powers and its lack of legislative representation. After the fire, the buildings were rebuilt as they were before, coupled with modest changes to the city plan including street widening and the rearranging of the docks. Long overdue municipal system concerns were also addressed; construction began on a comprehensive sewer system and the inner harbor's navigation canal was deepened to ensure steady commerce. The downtown fire also spurred early migration to the new suburbs developing on land annexed from the county. Middle class residents feared property loss from another major fire and their exodus to the city limits was facilitated by the recently established streetcar system.

<sup>&</sup>lt;sup>182</sup> Pietila, Not in My Neighborhood: How Bigotry Shaped a Great American City, 9.

<sup>183</sup> Ibid

<sup>&</sup>lt;sup>184</sup> Sherry Olson, *Baltimore* (Cambridge: Ballinger Publishing Company, 1976), 49-50.

#### New Racial Boundaries and Institutionalizing Segregation

In addition to issues of the physical quality of urban environments, violent battles over race and its spatial implications were unfolding in northern cities like Baltimore. As penned by W.E.B Dubois in 1903, the problem of the 20<sup>th</sup> century was to be the problem of the "color line," represented spatially as the restriction of African Americans to isolated and underfunded neighborhoods. Although Maryland never seceded from the Union, the state carried an open commitment to white supremacy into the 20<sup>th</sup> century. The Supreme Court's 1896 *Plessy v. Ferguson* ruling upheld racial segregation in public facilities under the doctrine of "separate but equal" and Baltimore became the first US city to use government legislation to instate citywide residential segregation. <sup>185</sup>

Although people operated in hardened racial hierarchies, prior to 1900 residential segregation in northern cities was relatively modest. Studies of Chicago, Detroit, and Cleveland show that African Americans were not spatially isolated; residents maintained interracial economic and social ties. In Baltimore, although whites had taken over the main streets by 1835, black residents lived evenly across the city's 20 wards. 186 By the early 1900s the era of racially integrated living came to a dramatic close with widespread industrialization and the onset of World War I. Industrialization was producing a set of social, economic, and technological changes that promoted spatial segregation among social groups. 187 Factories clustered in manufacturing districts demanded thousands of workers and produced dense urban enclaves close to the factory sites. The development of wartime industries after America's entry into the war in 1917 also prompted the large-scale migration of low-income residents, particularly African Americans, from agricultural areas to northern cities to fill industrial jobs. The arrival of numerous African American migrants— of any income or professional level—near Baltimore's white neighborhoods activated hostility and violent reactions. Between 1910 and 1920,

<sup>&</sup>lt;sup>185</sup> Pietila, Not in My Neighborhood: How Bigotry Shaped a Great American City, 26.

<sup>&</sup>lt;sup>186</sup> Ibid 8

<sup>&</sup>lt;sup>187</sup> Douglas S. Massey, *American Apartheid: Segregation and the Making of the Underclass* (Cambridge: Harvard University Press, 1993), 39-43.

approximately 525,000 African Americans left the South for Northern cities, with Baltimore receiving 88,000.<sup>188</sup>

Urban race relations deteriorated into policing racial borders and mob violence against blacks who crossed neighborhood boundaries. African Americans moved to the northwest section of Baltimore City, along Pennsylvania Avenue and Druid Hill Avenue, to form what became the heart of Baltimore's growing black district. McCulloh Street represented the racial divide. Opportunities for African Americans to rent accommodations slowly opened up in pockets in east Baltimore. Due to its close proximity to the harbor, Oldtown attracted Southern migrants looking for housing and employment in Baltimore's port industries.

In 1910, Baltimore City was the first jurisdiction in the US to legally enforce residential segregation, passing a racial zoning ordinance that separated black and white neighborhoods in the city block-by-block. As evinced in the ordinance title, "Ordinance for preserving order, securing property values, and ensuring the good government," city administrators and the white public perceived the growing black population as an affront to the city. Compounding the 1910 ordinance, Baltimore grew notorious for its real estate practices of "blockbusting" to promote racial isolation. Houses bought cheap from fearful white owners were then resold at two to three times the price to African American purchasers. Segregation expanded to hospitals, public parks, hotels, and commercial stores. The forces of spatial, economic, and educational segregation converged to produce the modern "ghetto" in Baltimore; an isolated and contiguous urban core of African American neighborhoods with deteriorating physical and social conditions and declining public health. <sup>191</sup>

Following the transformations to city government started in 1904, Baltimore City began a "second wave" of bureaucratic changes in 1918 at the climax of WWI expansion. In 1918, Baltimore completed a major annexation, enlarging its size from 30 square miles to almost 90 square miles. The expansion of land spurred the formation of government agencies to address the

<sup>&</sup>lt;sup>188</sup> Ibid, 29.

<sup>&</sup>lt;sup>189</sup> Pietila, Not in My Neighborhood: How Bigotry Shaped a Great American City, 15.

<sup>&</sup>lt;sup>190</sup> Gomez, Race, Class, and Organizing in East Baltimore, 17

<sup>&</sup>lt;sup>191</sup> Massey, American Apartheid: Segregation and the Making of the Underclass, 41.

new developments on the city periphery. The City Plan Committee was appointed in 1918, and in 1923 the Board of Municipals and Zoning Appeals was created; energies for planning focused on the newly annexed land. 192

A home rule amendment to the Maryland constitution granted Baltimore City combined powers of city and county government, releasing administrators, politicians, and others from compromise with rural and county governments. Additionally, the number of city council voting districts was reduced from seventeen to six, weakening the influence of neighborhood-based voting power. The redistricting particularly affected African American and other minority communities in terms of voting ability and undermined the election of black city council members to office. Simultaneously, blacks were denied access to the housing and benefits of suburban expansion. Baltimore governance was also gradually shifting power to white business elites and private associations that had close relationships to the city government and its own interests in gaining federal financial support for real estate development. 193

While Baltimore suffered extreme unemployment and financial breakdown during the Great Depression, the city escaped the crippling depression-era foreclosures experienced by other cities. It was a "homeowner" city with growing white middle class neighborhoods such as Homeland, Guilford, and Roland Park on the urban edge, with a significant amount of aging housing stock in its core. <sup>194</sup> The institutionalization of residential and economic segregation continued through the Depression; federal housing lending programs of the Home Owner's Loan Corporation applied a rating system that labeled West and East Baltimore's African American neighborhoods as "risky" recipients for loans, effectively "red lining" these areas. Mortgage lending for racially exclusive suburbs under the GI Bill and federal highway investments in the 1940s further exacerbated white flight to the suburbs, the deterioration of urban housing markets, and racial gaps in land and home buying opportunities. <sup>195</sup>

<sup>&</sup>lt;sup>192</sup> "History of Baltimore," Baltimore City 2007-2012 Comprehensive Master Plan, accessed September 2014, http://archive.baltimorecity.gov/Government/AgenciesDepartments/Planning/Comprehensive MasterPlan/TheMasterPlan.aspx.

<sup>&</sup>lt;sup>193</sup> Gomez, Race, Class Power and Organizing in East Baltimore, 20.

<sup>&</sup>lt;sup>194</sup> Pietila, Not in My Neighborhood: How Bigotry Shaped a Great American City, 66.

<sup>&</sup>lt;sup>195</sup> Ibid.

#### The National Housing Act and its Impacts on Oldtown

With the passage of the Housing Act of 1937, the Baltimore City Housing Authority was established as a civic mechanism to deal with the city's older inner-city neighborhoods. The Housing Authority initiated a citywide program of "slum clearance" that sought to demolish low-income housing and construct affordable rental housing in its place with federal assistance. The impetus behind the slum clearance program was an economic development strategy to increase the city's property tax base and protect the downtown by clearing a "ring of blight" from desired shopping areas and downtown labor force. The word "slum" was commonly used to describe low-income neighborhoods with deteriorating housing and infrastructure, but the term of course also placed derogatory labels on residents. The Housing Authority's slum clearance plans often converged on minority communities as the targets of new public housing and massive displacement. In Oldtown, the passage of the 1937 Housing Act and policies of the Baltimore Housing Authority produced two large public housing complexes, completed in 1941: Latrobe Homes and Douglass Homes.

Low-income urban neighborhoods and their residents continued to be a "problem" for all levels of government as the systems of post-industrialism and spatial decentralization disinvested in cities at the expense of the suburbs. By the late 1940s, cities were rapidly declining due to federal suburban housing policies, middle-class flight, and an increasing demand for city services. The Housing Act of 1949 set the stage for federally funded urban "redevelopment" driven by conservative housing industry lobbyists. The act initiated federally funded neighborhood clearance and the construction of large-scale public housing complexes, led by the goal of providing "a decent home and suitable living environment for every American family."

In anticipation of the Housing Act, Baltimore established the Land Development Commission in 1946, to study low-income neighborhoods and plan for their clearance and resale to private developers. The Land Development Commission was succeeded by the Baltimore Redevelopment Commission, which was authorized to solicit funds from the federal government,

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<sup>&</sup>lt;sup>196</sup> Brambilla and Longo, Learning from Baltimore: What Makes Cities Livable? 37.

<sup>&</sup>lt;sup>197</sup> Joan Jacobson, "The Dismantling of Baltimore's Public Housing," Abell Foundation, accessed March 2014, http://slumlordwatch.files.wordpress.com/2010/12/abell\_study\_habc\_2007.pdf.

the state, and any other sources for clearing properties and selling land for new development. <sup>198</sup> In 1947, eight areas of the city were identified to undergo redevelopment and the program coincided with the construction of more high-density public housing complexes, including Oldtown's Somerset Courts, which opened in 1944. <sup>199</sup>

The Housing Act was modified in 1954 and defined new parameters for urban "renewal," instating a policy of rehabilitation of substandard buildings, the enforcement of building codes instead of housing clearance, and the construction of privately-built housing for low-income residents. It was an approach that developed out of local citizens' movements, notably the Citizen's Housing and Planning Association's "Baltimore Plan," later appropriated by housing industries to promote code enforcement and privately led rehabilitation. To ensure that municipalities adhered to the new approach, local authorities were required to submit a work program to receive urban renewal loans and grants. The act was predominantly residential with an allowance of 10 percent of grants for non-residential projects. <sup>201</sup>

The Housing Act of 1954 supported code enforcement and the preservation of existing housing over clearance, but never completely supplanted earlier notions of "redevelopment" promoted by the 1949 Act. Urban powers continued to support demolition of inner-city residential communities. Urban renewal was aligned with neighborhood clearance that disproportionately destroyed private property and created protracted displacement, particularly in African American neighborhoods. Urban renewal programs demolished more housing than it replaced and often shifted problems of blight and instability from peripheral areas of black neighborhoods back to the most isolated core. <sup>202</sup> In 1956, an additional area of south Oldtown's low-rise "slum" apartment buildings were replaced by the extremely high-density housing complex, Lafayette Courts, the city's first high-rise development, holding nearly 1,000 units. <sup>203</sup>

<sup>&</sup>lt;sup>198</sup> Olson, *Baltimore*, 53.

<sup>&</sup>lt;sup>199</sup> Commission on City Plan, *The Hubbard Report: The Redevelopment of Blighted Areas in Baltimore*, 1945.

<sup>&</sup>lt;sup>200</sup> Alexander von Hoffman, "Lost History of Urban Renewal," *Journal of Urbanism* (2008), 286; "New Somerset Court Building Dedication Set," *Baltimore Sun*, July 28, 1950.

<sup>&</sup>lt;sup>201</sup> Hoffman, "Lost History of Urban Renewal," 293.

<sup>&</sup>lt;sup>202</sup> Massey, American Apartheid: Segregation and the Making of the Underclass, 56.

<sup>&</sup>lt;sup>203</sup> "HABC: Over 75 Years of Rich History," Housing Authority of Baltimore City, accessed September 2014, http://www.baltimorehousing.org/75th timeline.

### Chapter 7: The Uneasy Connection: The 1968 Baltimore City Riots and the Oldtown Urban Renewal Plan (1950-1970)

While the Baltimore suburbs were booming with construction, new industries, and population growth, the inner-city population was rapidly declining. Baltimore lost 10,000 residents in the 1950s. To compound matters, the city's "slum clearance" programs were demolishing nearly 600 residences per year for new public housing and highway construction. The demolition and displacement of the clearance programs disproportionally affected low-income and African American communities. The slow rebuilding of Baltimore's inner-city neighborhoods was in stark contrast to suburban growth and real estate projects in the city's downtown financial district like the 22-acre Charles Center.<sup>204</sup>

In 1957, the Baltimore City Housing Authority and the Baltimore Redevelopment Commission merged into the Baltimore Urban Renewal and Housing Agency (BURHA). Led by a new commission, BURHA continued the city's work in acquiring properties, relocating residents, and condemning and clearing existing structures for future redevelopment in areas identified as slums. Importantly, the agency was also tasked with planning new neighborhoods, coordinating community involvement, and overseeing code enforcement in those areas. The agency functioned as one consolidated staff, which centralized city planning and administration. By 1964, BURHA established four urban renewal areas tapping federal funding established by the 1954 National Housing Act. These included: Gay Street (352 acres), Harlem Park (200 acres), Mt. Royal-Fremont (925 acres), and Downtown (1185 acres). There were 18 individual urban renewal projects in these four areas.

The Gay Street Urban Renewal Area was designated in May 1963 and included the Oldtown neighborhood. In the spring of 1967, the Gay Street Urban Renewal Area was enlarged to incorporate an area just northeast of Oldtown that would be named Gay Street I, which was

<sup>205</sup> "This is Urban Renewal" Pamphlet, Baltimore Urban Renewal and Housing Agency, September 1964.

<sup>&</sup>lt;sup>204</sup> "History of Baltimore," Baltimore City 2007-2012 Comprehensive Master Plan, accessed September 2014, http://archive.baltimorecity.gov/Government/AgenciesDepartments/Planning/Comprehensive MasterPlan/TheMasterPlan.aspx

bounded by Biddle and Monument streets to the north and south, and Eden and Broadway streets to the east and west. <sup>206</sup> In total, the Gay Street Urban Renewal Area was a 352-acre oblong shape bounded by Biddle and Baltimore Streets to the north and south, and Interstate 83 and Wolfe Street to the east and west. Gay Street I and Oldtown would become two separate and distinct projects within the shared urban renewal area. <sup>207</sup>

The Baltimore Urban Renewal Agency's "This is Urban Renewal" pamphlet (September 1964) describes the Gay Street Renewal Area and recounts that the initial momentum for the renewal project came from the Oldtown Merchant's Association- an influential organization of business owners that established itself in the late 19<sup>th</sup> century (Figure 14). <sup>208</sup> The organization was primarily interested in commercial renewal along the 500 block of North Gay Street (what would become the future site of Oldtown Mall). According to BURHA, the Oldtown Merchant's Association first contacted the Planning Council of the Greater Baltimore Committee to produce a study on the area's economic potential. The Greater Baltimore Committee was formed in 1954 to represent a group of business owners with interest in the downtown area. In 1956, the committee's Planning Council was established as an in-house planning organization to work outside the structure of city government. <sup>209</sup> The Greater Baltimore Committee Planning Council produced the 1961 report *A Preliminary Survey of Urban Renewal Possibilities in the Gay Street Area: A Report Prepared for the Gay Street Merchant Association*. Along with analyzing population, housing, local demands, and prospects for redevelopment, the council found "economic vitality in the area" that an urban renewal program could strengthen. <sup>210</sup>

Plans for urban renewal in Oldtown were taking shape, but their form was still relatively unclear. By 1967, major components of the Gay Street Urban Renewal Plan included residential redevelopment, revitalization of Gay Street stores, and the bold proposal to completely eliminate the northeast section of Gay Street. On October 11, 1967, hundreds of Oldtown residents

<sup>&</sup>lt;sup>206</sup> Mary Selman, "Renewal, With a Difference: Not Just another White-Run Innovation," *Baltimore Sun*, December 15, 1968.

<sup>&</sup>lt;sup>207</sup> "This is Urban Renewal" Pamphlet, Baltimore Urban Renewal and Housing Agency, September 1964.

<sup>208</sup> Ibid

<sup>&</sup>lt;sup>209</sup> Brambilla and Longo, "Fighting for Central City," *Learning from Baltimore: What Makes Cities Livable?* 

<sup>&</sup>lt;sup>210</sup> "A Preliminary Survey of Urban Renewal Possibilities in the Gay Street Area: A Report Prepared for the Gay Street Merchant Association," Greater Baltimore Planning Committee Planning Council, 1961.

attended a City Council meeting to urge the approval of the Gay Street plan.<sup>211</sup> One of the major contentions delaying the project was the proposal to remove the northern section of Gay Street from Monument to Chase Streets. Although challenged by the Baltimore City Department of Transit and the Maryland Transportation Authority, it was argued that the diagonal street was an agent in the community's decline. As a diagonal street, Gay Street divided community blocks into triangles and it had become an express line for suburbanites—without much commitment to urban residents—straight out of the city. The relatively narrow street carried nearly 11,000 cars a day.<sup>212</sup>

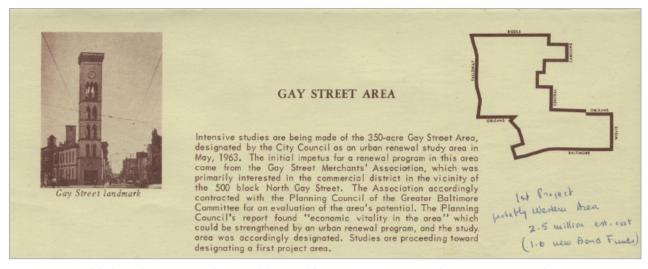


Figure 14. "This is Urban Renewal" pamphlet, Baltimore Urban Renewal Agency, September 1964.

Along with the extended planning process, residents were also growing hostile due to fears of permanent displacement. Just 10 years earlier in an adjacent neighborhood, four hundred families were evicted without relocation assistance. In land promised to be new residences for the dislocated, Johns Hopkins Hospital constructed exclusive housing for hospital staff and surrounded it with a high fence.<sup>213</sup> After negotiating substandard housing and isolation for decades, local residents and community organizations were seeking timely and comprehensive solutions.

<sup>211</sup> "Gay Street Plan Pushed: Residents Urge Council on First Phase," *Baltimore Sun*. October 12, 1967.

<sup>&</sup>lt;sup>212</sup> "MTA Doubts Housing Plan: Dislikes Proposed Closing of Part of Gay Street," *Baltimore Sun*, May 18, 1967.

<sup>&</sup>lt;sup>213</sup> Gomez, Race, Class, Power, and Organizing in East Baltimore: Rebuilding Abandoned Communities in America, 46-49.

#### The Model Cities Program and Black Power Activity for Leadership in Oldtown's Renewal

The 1960s brought urban programs that were ostensibly more "attuned" to the needs of inner-city residents and promised to incorporate citizens into planning processes. In 1966, President Johnson proposed the Model Cities program, which gave cities block grants to address social, economic, and physical problems through the funding and guidance of the newly formed US Department of Housing and Urban Development. The program was designed to encourage citizen participation and improve federal investments in planning.<sup>214</sup> In November 1967, Baltimore became one of the 63 cities to receive a Model Cities planning grant. Oldtown was designated as part of the Model Cities Area "A."

Black power demands for leadership roles and control over desperately needed resources had a significant influence on the operation of local Model Cities Agencies. By the 1960s Baltimore was a battleground for the competing politics of black activists, white segregationists, municipal officials, and established civil rights leaders. In 1964, Baltimore was chosen by the national civil rights organization, the Congress of Racial Equality (CORE) to be its "Target City." CORE would centralize its organizing and protest efforts on Baltimore race relations, and the office of the local Baltimore Chapter was stationed in Oldtown (Figure 15). The local group worked to address improvements in multiple civil rights and public policy areas in east Baltimore. CORE met with city officials, conducted public campaigns, and organized residents.<sup>216</sup>

Within months, the Baltimore Chapter of CORE had keyed into the Oldtown renewal process as one of its priorities. CORE's community publication, the *East Side CORE Communicator* captures the organization's frustration with the Baltimore Urban Renewal and Housing Agency and the Gay Street project. CORE members and community leaders from First Baptist Church and Knox Presbyterian Church raised key issues, including that BURHA had met several times

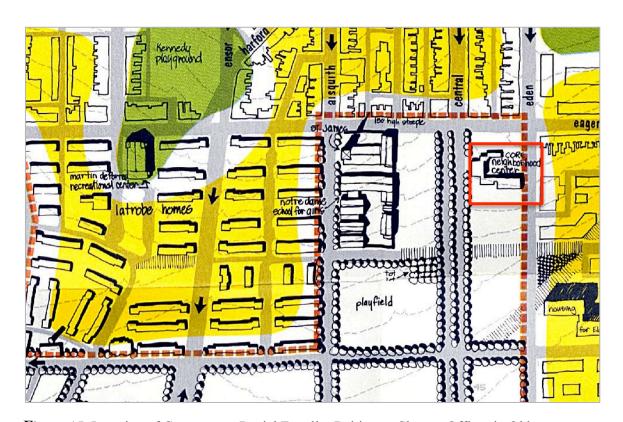
<sup>&</sup>lt;sup>214</sup> June Manning Thomas, "Model Cities Revisited," *Urban Planning and the African American Community* (Thousand Oaks: Sage Publications, 1997).

<sup>&</sup>lt;sup>215</sup> "Oldtown Development Guide," Baltimore Department of Housing and Community Development, August 1970.

Gomez, Race, Class, Power, and Organizing in East Baltimore: Rebuilding Abandoned Communities in America, 64.

with the Oldtown Merchants Association before informing African American leadership of the renewal project. CORE also stated concerns about the displacement of residents.<sup>217</sup>

To address rising concerns, CORE organizers worked to established direct influence in the Oldtown Model Cities program and offices (Figure 16). Articles in the *Baltimore Sun* indicate the CORE organizers' influence and their demands to include residents in the planning process. Between 1966 and 1968 alone, more than 40 meetings were held between the renewal agency and local residents through CORE's organizing and support. <sup>218</sup> But, by fall 1967 plans were not in action and community tensions continued to rise. <sup>219</sup>

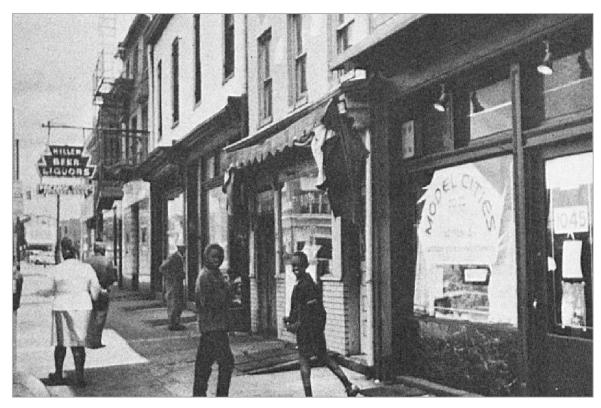


**Figure 15.** Location of Congress on Racial Equality Baltimore Chapter Offices in Oldtown, "Oldtown Development Guide," Baltimore Department of Housing and Community Development, 1970

<sup>219</sup> "Gay Street Plan Pushed: Residents Urge Council on First Phase," *Baltimore Sun*, October 12, 1967.

<sup>&</sup>lt;sup>217</sup> "East Side CORE Communicator," Congress on Racial Equality, December 1964.

<sup>&</sup>lt;sup>218</sup> "Gay Street Project," *Baltimore Sun*, April 9, 1968.



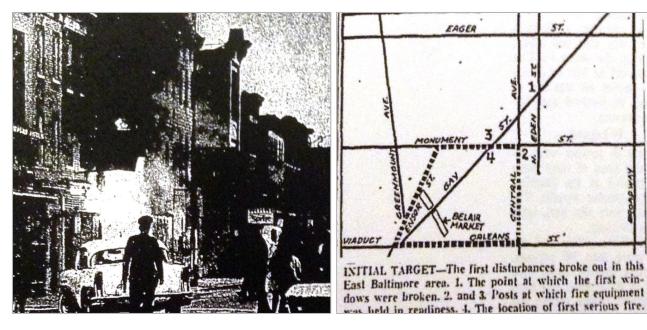
**Figure 16.** Oldtown Mall's Model Cities Agency "A" Office, "Oldtown Development Guide," Baltimore Department of Housing and Community Development, 1970.

#### Slow Adoption of the Oldtown Renewal Plan as a Factor in the 1968 Riots

The Baltimore City Riots of 1968 are a salient, but under-represented factor in the Oldtown urban renewal project and the transformation of Gay Street into Oldtown Mall. On the evening of Saturday, April 6, 1968, public disturbances erupted in the heart of Oldtown on Gay Street near Belair Market (Figure 17). Fires began at the Ideal and Lewis Furniture Store as the crowd grew to a thousand people. Within hours, fires spread throughout east Baltimore. Young people damaged property along Gay Street in acts of defiance against enduring spatial injustice and the assassination of Martin Luther King Jr. two days prior in Memphis, Tennessee. At the time, King was the most visible and influential civil rights activist speaking to the world of the discrimination, violence, and isolation experienced by blacks nationwide.<sup>220</sup>

<sup>220</sup> "City Curfew Imposed: Agnew Sends Troops as Unrest Spreads," *Baltimore Sun*, April 7, 1968.

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**Figure 17.** Photograph of Baltimore City 1968 Riot and diagram showing that the initial disturbances began in Oldtown, *Baltimore Sun*, "City Curfew Imposed: Agnew Sends Troops as Unrest Spreads," April 7, 1968.

By Saturday evening, the Maryland National Guard was deployed and over 12,000 troops occupied the city. Rioting, looting, and arson subsided only after four full days of unrest. At the end of the rioting, over 600 people had been injured and six were killed. Over 5,500 people were arrested, nearly all of whom were black. In total there were 1,208 fires and 1,049 businesses were destroyed. Businesses were the primary targets of the riot damage. Throughout the city, few businesses were black-owned and there were often negative relations between storeowners and residents. Public and community buildings, including schools, government buildings, and churches were for the most part spared. As the starting point of the riots, the businesses along the southeastern portion of Gay Street faced some of the worst destruction.

As a national phenomenon, the riot was a direct response to the assassination of Martin Luther King, Jr. Between April 4, when King was assassinated, and Easter Sunday, April 14, 1968, cities in 36 states and Washington D.C. experienced widespread looting and arson. Forty-four cities incurred \$100,000 in damages, with Washington D.C. and Baltimore each suffering the highest at \$12 million in damages. On the national forum, explanations for the social unrest

Howell S. Baum, "How the 1968 Riots Stopped School Desegregation in Baltimore," *Baltimore '68* (Philadelphia: Temple University Press, 2011).

<sup>&</sup>lt;sup>222</sup> Peter B. Levy, "The Dream Deferred," *Baltimore '68* (Philadelphia: Temple University Press, 2011), 8-11.

varied from naming the uprising as the illogical acts of individuals seeking the "thrill and excitement of looting," to the riot as a rational political reaction against racial isolation and discrimination. As argued in *Baltimore '68: Riots and Rebirth*, in 1968 the US had experienced its greatest period of social unrest since the Civil War.<sup>223</sup>

Debates about the local causes and consequences of the riot also unfolded in the *Baltimore Sun*. On the local level, Baltimore residents perceived a direct correlation between the slow implementation of Gay Street's renewal and the social disturbance that began at Oldtown's Belair Market. The eruption of social unrest along Gay Street was a form of radical protest against unjust circumstances that had endured silently in Oldtown for decades. Racial discrimination was now front-and-center in the city's collective psyche and political life. <sup>224</sup>

The newly formed Baltimore City Department of Housing and Community Development (DHCD) released the new \$10.7 million Oldtown Urban Renewal Plan a year later in December 1969. The DHCD report, *A Design Concept for Public Spaces and Rehabilitation Criteria for Existing Commercial Buildings—Oldtown Shopping Mall* introduced the novel concept of a inner-city pedestrian shopping mall environment for Oldtown, coupled with the necessary rehabilitation and demolition of destroyed buildings. The Oldtown Urban Renewal Area covered 90-acres between Orleans Street and Eager Street to the north and south, and Eden Street and Greenmount Avenue to the west and east, through which Gay Street runs on a diagonal. The investment would dramatically transform Oldtown with an emphasis on commercial redevelopment (Table 8). <sup>226</sup>

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<sup>&</sup>lt;sup>223</sup> Ihid

<sup>&</sup>lt;sup>224</sup> From the Ashes," Editorial, *Baltimore Sun*, April 9, 1988; "Oldtown Mall," Editorial, *Baltimore Sun*, April 20, 1988.

<sup>&</sup>lt;sup>225</sup> "A Design Concept for Public Spaces and Rehabilitation Criteria for Existing Commercial Buildings—Oldtown Shopping Mall," Baltimore City Department of Housing and Community Development Planning Division, 1969.

<sup>&</sup>lt;sup>226</sup> "Demolition Started in Oldtown Area," *Baltimore Sun*, September 19, 1971; "Gay Street Renewal Underway," *Baltimore Sun*, December 5, 1971; "Oldtown Development Guide," Baltimore Department of Housing and Community Development, August 1970.

1	Transformation of Gay Street into Pedestrian Mall	<ul> <li>Closure and paving of street</li> </ul>
		Public amenities including fountain, stage, trees, and
		furniture
		<ul> <li>New parking lot between Ensor and Gay Streets</li> </ul>
2	Commercial Revitalization	• 400 and 500 blocks of Gay Street rehabilitated by historic
		preservation standards to suit modern shopping center
		<ul> <li>Increased minority-ownership of stores</li> </ul>
		New lots provided for new and expansion of industrial and
		wholesale firms
3	Public Facilities	<ul> <li>Provide land for expansion of Public School #139</li> </ul>
		• Former St. Francis Xavier School rehabilitated by CORE a
		neighborhood center
		<ul> <li>Major consolidated fire station</li> </ul>
		<ul> <li>Grocery-job training at Belair Market</li> </ul>
		<ul> <li>Dunbar High School field and open recreation areas</li> </ul>
4	•	• 19-story high-rise Monument East apartment building for
		senior citizens
		• 12, low-rise garden apartments adjacent to Somerset Home
		and Monument East
		• Townhouses adjacent to Latrobe Homes (north side of
		Madison at Greenmount Ave.)
		<ul> <li>Townhouses adjacent to Dunbar High School</li> </ul>
		<ul> <li>New low-rise housing adjacent to Lafayette Courts</li> </ul>
		<ul> <li>New low-rise housing adjacent to Douglass Homes</li> </ul>

The proposal to transform the 400-500 blocks of Gay Street into a bench and tree-lined pedestrian mall was bold. A few years earlier with the adoption of the Gay Street Urban Renewal Plan, transit staff, politicians, and citizen groups debated the removal of the northern section of Gay Street from Monument Street to Eager Street. Now, the southern portion of Gay Street would also be closed to traffic, paved, and turned into a pedestrian-only shopping environment

replete with public amenities. Traffic would be rerouted to Ensor Street, and the majority of Gay Street shops would be rehabilitated using private funding from the property owners coupled with federal loans. Belair Market–situated between the 400 and 500 blocks of Gay Street–was to be expanded to include a supermarket and culinary incubator to support residents interested in entering food businesses.<sup>227</sup>

Demolition was a central component of the plan with minor changes in land use. Plans detailed the demolition of more than 50 percent of Oldtown's buildings, including the entire 600 block of Stirling Street. The demolition would be coupled with the construction of affordable housing and a new industry was planned for the area, to bring more jobs to Oldtown. The fire department would also be relocated from the historic Engine No. 6 Fire House to a new consolidated firehouse in an area northeast bounded by East Monument, Forrest, and Hillen Streets. Finally, to accommodate vehicle traffic, a new parking lot was planned across from Belair Market at the intersection of Stirling Street. 228

The Oldtown Renewal Plan was adopted by an ostensibly "unanimous vote without a word of comment" by City Council on March 31, 1970.<sup>229</sup> The federal Department of Housing and Urban Development approved the plan a year later.<sup>230</sup> The changes were organized into a three-stage process to alleviate resident dislocation and allow for public input, commencing on July 1, 1971.<sup>231</sup> Unlike previous plans, new housing would be completed before planned demolition, allowing for residents to remain in their homes until the new housing was ready for move-in. Under the Model Cities program, community members were to be given greater agency in the development process. A council of local stakeholders was empowered to review proposals and plans of the various developers interested in each lot, and the council was to be notified of all amendments before final approval.<sup>232</sup> Public opinion also rejected the large-scale demolition of

<sup>&</sup>lt;sup>227</sup> Kathy Kraus, "Plans for Oldtown Renewal include Gay St. Mall," *Baltimore Sun*, December 3, 1969.

<sup>&</sup>lt;sup>229</sup> "\$10.7 million Renewal Plan for Oldtown is Approved," *Baltimore Sun*, March 31, 1970.

<sup>&</sup>lt;sup>230</sup> "Oldtown Teaches New Town Lesson," *Baltimore Sun*, April 26, 1976.

<sup>&</sup>lt;sup>231</sup> Ihid

<sup>&</sup>lt;sup>232</sup> "Oldtown Development Guide," Baltimore Department of Housing and Community Development, August 1970.

historic buildings, and plan was updated to include the preservation of Stirling Street's rowhouses.<sup>233</sup>

#### "Oldtown Teaches Newtown Lessons:" The Successes and Challenges of the Renewal Plan

When the urban renewal project commenced in early 1971 Oldtown remained the least wealthy of city renewal areas. There were 2,000 people and 655 households with a median income of \$2,835 in Oldtown, all of whom were African American residents. At the time, the median household income in Baltimore was \$10,034. The average Oldtown household contained 2.4 persons, with 28 percent of households composed of people living alone. The average head of household was 53 years old, and had completed 7 years of school. More than a quarter of residents were elderly (Table 9).

Table 9. Oldtown Population Data, 1969

Oldforn I optimizion Butti, 1707					
	Survey- 201 households				
Population Total	2,000				
Median Age	53				
<b>Total Housing units</b>	655				
Average Household Size	2.43				
Median Household Income	\$2,835				
Employment Rate	47%				
Percent with HS Diploma	10%				
Racial Diversity (percentage)					
Black	90+%				
=					

Department of Housing and Urban Development, Baltimore Area Office, "Oldtown Urban Renewal Feasibility and Environmental Study," April 1974.

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<sup>&</sup>lt;sup>233</sup> "Planners adopt \$10.7 million Oldtown Renewal," *Baltimore Sun*, December 6, 1969.

<sup>&</sup>lt;sup>234</sup> "Oldtown Urban Renewal Feasibility and Environmental Study," Department of Housing and Urban Development, Baltimore Area Office, April 1974; "Oldtown: an Urban Renewal Success Story," Baltimore Department of Housing and Community Development, 1976.

The implementation of the Oldtown Renewal plan followed agreed upon procedures, beginning with the development of Oldtown Mall as the centerpiece of revitalization efforts. Once a historic street open to vehicles, the one-quarter mile southwestern stretch of the Gay Street commercial corridor was closed to traffic and converted into an outdoor pedestrian mall. The mall removed traffic from an area that was formerly choked with cars and service trucks. Pedestrians had been relegated to narrow sidewalks and were often in danger from the difficult circulation on the crowded street. Drawing upon precedence from eastern European cities, the street was transformed into a walkable corridor with ample space for socializing, and notable design features including a decorative fountain, performance stage, street furniture, and lighting. Gay Street's Belair Market and historic commercial row houses were rehabilitated to create the feel of a vital "main street" promenade with rich architectural qualities. The transformed street would anchor additional housing and public facility renovations. 235

The mall's two-part construction was completed in 1976 at a cost of approximately \$2.7 million (\$11 million if adjusted for inflation), with financing from the Federal Department of Housing and Urban Development and the Small Business Administration. When development plans commenced, there were approximately 70 open stores, half of which had been rebuilt after the riots of 1968. Merchants of the 82 businesses collectively invested approximately \$1.7 million (\$7 million inflation adjusted) with significant financing from the federal Small Business Administration (Figure 18). Four of Gay Street's original businesses from the 1900s had also been successfully rehabilitated: Goldstein's Douglas Shoe Store, Braun's Jewelry Store, Cramer's Shoe Store, and Jeppi's Tavern. <sup>237</sup> Belair Market was 100 percent occupied with a variety of produce, meat, and seafood vendors.

<sup>&</sup>lt;sup>235</sup> Harvey Rubenstein, *Pedestrian Malls, Streetscapes, and Urban Spaces* (New York: John Wiley & Sons, 1992).

<sup>&</sup>lt;sup>236</sup> Nancy Schwerzler, "Fountain Gushes on Mayor's Cue at Dedication of \$1.4 million First Phase of Gay Street Mall," *Baltimore Sun*, July 12, 1975.

<sup>&</sup>lt;sup>237</sup> Carleton Jones, "Oldtown Mall 50 percent Complete," *Baltimore Sun*, February 1, 1976.



**Figure 18.** Oldtown Mall, 1970, Harvey Rubenstein, *Pedestrian Malls, Streetscapes, and Urban Spaces*, New York: John Wiley & Sons, 1992.

The reception to the mall was overwhelmingly positive. Upon the mall's celebratory grand opening on June 4, 1976, government officials across the US aligned it with the Inner Harbor's vision for redevelopment and elevated it internationally as a model for inner-city renewal in the context of poverty and post-riot damage. New housing and phased demolition addressed residents' needs for upgraded and affordable housing. For property owners, property values had increased since the implementation of the mall and the rehabilitation of stores. An influx of property sales and leases surprised many long-term property owners. Stores that had planned to move, including a Read's Drugstore, were persuaded to stay through redevelopment. Most of the merchants remained white, but the number of black-owned businesses grew from one percent at the time of the 1968 riots to more than one-quarter of the stores. According to merchants, business was beginning to pick up after the completion of the mall and its transformation into a new shopping destination. 239

There were also brewing complaints, however, beginning with the limited parking. Relations also remained tense between storeowners and black neighborhood residents. Long-term business

<sup>239</sup> Jones, "Oldtown Mall 50 percent Complete," *Baltimore Sun*, February 1, 1976.

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<sup>&</sup>lt;sup>238</sup> "Oldtown: an Urban Renewal Success Story," Baltimore Department of Housing and Community Development, 1976.

owners on the mall complained about Oldtown as predominantly black; the concentration of African American residents in nearby public housing meant reduced sales. Storeowners pushed for more market-rate housing. Neighborhood residents and civil rights organizations criticized the shops on Gay Street for charging exorbitant prices and selling inferior merchandise. The Congress of Racial Equality staged anti-discrimination protests in the mall area and organized meetings with about 15 Oldtown merchants to negotiate terms for equal prices and fair treatment. As the years passed, the mall remained a "big gamble" for city government with fears that the multi-million dollar investment would not achieve the long-term benefits of economic and community development as imagined. 240

Looking at the mall 40 years later, the answer is clear. The benefits of the infusion of investments and commercial rehabilitation did not endure. Mere shadows of the 1970s revitalization efforts remain; raised concrete pads and lighting poles dot an otherwise empty streetscape. Less than 30 percent of Oldtown Mall's stores are currently operating, with the majority vacant and deteriorating. Minority-owned businesses have been the last to hold open their doors, with hopes of providing meaningful services to the neighboring community, such as a tailor, beauty salon, music store, and a printing press (Figure 19).



Figure 19. Oldtown Mall, photographed by author, 2013.

<sup>&</sup>lt;sup>240</sup> "Stephen J. Lynton, "Gay Street Gets a Going Over," *Baltimore Sun*, March 26, 1970.

Across the US urban renewal projects of the 1960s and 1970s have failed. The limitations of their ambitions have been critically analyzed to find the racial underpinnings of decisions that razed neighborhoods and constructed housing complexes that were highly segregated and isolated from social and economic opportunity. Like the majority of post-industrial cities, Baltimore has faced overall decline due to the suburbanization of housing and employment, leaving the most disempowered of residents in the urban core. <sup>241</sup>

To its credit, the Oldtown Urban Renewal Plan was a preservation-based project that sought to preserve and enhance its historic core rather than to demolish it in its entirety. Additionally, the federal Model Cities program of the early 1970s was explicit in its desires to increase community stakeholder control in redevelopment efforts. But what remains missing from the story of Oldtown's urban renewal are the perspectives of residents, who were largely hidden behind descriptions as "welfare families" and the "unemployed." Gay Street was once surrounded by rowhouses; almost all of them were regarded as "slums" by the city and torn down since the 1940s to make way for a conglomeration of public housing complexes that compounded Oldtown's low buying power and tax base. What was implicit in the language and approach of Oldtown's urban renewal methods was the maintenance of the social and economic status quo for low-income residents. Interest was placed in the hands of property owners as the beneficiaries of renewal through investments in physical infrastructure. Residents, on the other hand, albeit the recipients of upgraded housing, were positioned as mere consumers.

The Baltimore City Riots of 1968 are an under-represented factor in Oldtown's history and community conditions. On the national scale, the riots were a direct reaction to the assassination of civil rights leader Martin Luther King, Jr. Cities across the US erupted with social unrest and suffered millions of dollars in damages. On the local scale, it cannot be underestimated that the riot broke out on Gay Street in the heart of Oldtown. In 1968, Oldtown was one of the most disempowered of city neighborhoods. With Gay Street as the starting point, the Baltimore City riots were, in part, a radical protest against unjust circumstances that had endured silently in Oldtown for decades. Although the damages of the 1968 riot hastened the approval and adoption of Oldtown renewal, in many ways the social unrest and damages interrupted the organizing of

<sup>&</sup>lt;sup>241</sup> Massey and Denton, American Apartheid: Segregation and the Making of the Underclass, 55-59.

civil rights groups in Baltimore like the Congress on Racial Equality. CORE represented activism for meaningful change in Oldtown's redevelopment process, in terms of economic, political, and educational opportunity for Oldtown's residents. Although the pedestrian mall was a novel form that attracted international attention, ultimately, the renewal plan was not invested in transforming underlying socio-economic structures for Oldtown's minority residents.

The nearly vacant stores and deteriorating streetscape of today's Oldtown Mall beg the question: What urban strategies are going to achieve redevelopment rather than prolonged inequality and low social mobility? Learning from the lessons of Oldtown's failure, the meaning of renewal must continue to be critically evaluated, with focus shifted to the most vulnerable of residents as the beneficiaries and agents of sustainable urban development.

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## Chapter 8: Paths to Equitable Redevelopment in Oldtown's Historic **District**

## **Urban Policies for Cooperatives in Baltimore**

Democratized access to goods, services, and financial assets is a growing concern in US cities. The latest financial crisis further exacerbated and exposed vast social and income inequalities. Furthermore, the new employment opportunities that are becoming available are low-wage and part-time, making minimal contributions to people's ability to meet actual costs of living and to build assets. Across the US, the crisis has put new pressures on cities for social services and fulltime employment opportunities. Worker cooperatives fit into the puzzle for broad campaigns to reverse poverty, long-term joblessness, and income inequality.

Cities and urban policies have an important role to play in practices for cooperative local economies. There is already an exponential growth of initiatives, such as ridesharing, housing cooperatives, urban agriculture, and shared workspaces in US cities. As evidenced in current initiatives, these alternative, local economies have strong implications for how cities will continue to design urban spaces, manage transportation, and create new social services. As analyzed by the Oakland-based organization, Sustainable Economies Law Center, these initiatives exist more or less on the margins of current policies and market dynamics. The "sharing economy" challenges core assumptions made in 20<sup>th</sup>-century urban planning and policy frameworks, namely that residential, commercial, and agricultural activities should be physically separated and each family household function as an independent economic unit. Currently, many policies block resource sharing and cooperative production of goods and services. For example, only a few states and cities have "cottage food" laws that allow for sales of food products made in homes (for food safety reasons), or short-term room rentals. City governments can facilitate cooperative enterprises by creating the infrastructure, services, incentive programs, and regulatory framework, and help to consolidate the movement.<sup>242</sup>

<sup>&</sup>lt;sup>242</sup> "Shareable Cities Policy Primer," Sustainable Economies Law Center, accessed November 2014, https://dl.dropboxusercontent.com/u/39811237/Policies%20for%20Shareable%20Cities.pdf.

There are a variety of specific ways that cities can interact with and support cooperative economies, such as creating bike and car-sharing programs, helping to subsidize shared commercial kitchens, and supporting the development of cooperative housing. Notably, Baltimore City's Office of Sustainability Growing Green and Food Policy Initiatives have spurred new policies that allow temporary leasing of land and updated zoning code to allow nonprofits to transform the city's 14,000 vacant lots into produce and flower farms. The plan would also require cooperation among several city agencies, including the Department of Housing and Community Development, the Department of Public Works (DPW), the Mayor's Office, the Board of Municipal Zoning Appeals (BMZA), and the Health Department.<sup>243</sup>

Yet, there is a significant opportunity to further develop the trend into economic and community development for meaningful, systemic change. While Baltimore does not have explicit policies to support cooperative enterprises as solutions to inequality, the city is primed for their introduction. As reflected in the 2014 Baltimore Economic Democracy Conference there is a growing coalition of universities, nonprofits, businesses, and individuals who are invested in sharing economies for lasting economic and social change. There is sufficient momentum for new policy and accompanying legislation in Baltimore. Examples such as the Dudley Street Neighborhood Initiative and the Evergreen Cooperative have risen to international recognition, reflecting the potential and effectiveness of these models specifically for community development.<sup>244</sup>

As the site of future development and a neighborhood of strong community organizing, Oldtown is an ideal site to demonstrate and advocate for the potential of cooperative enterprises in Baltimore. With the city poised to invest millions of public and private funds into Oldtown's revival, a corollary action could be adopting new policies that can truly affect the lives of Baltimore's least wealthy and most vulnerable. There is a strong opportunity for non-gentrifying

<sup>&</sup>lt;sup>243</sup> "Growing Green Initiative," Baltimore Office of Sustainability, accessed December 2014, http://www.baltimoresustainability.org/growinggreen.

<sup>&</sup>lt;sup>244</sup> "Baltimore Economic Democracy Conference," It's Our Economy: People and Planet Before Profits, accessed December 2014, http://itsoureconomy.us/events/baltimore-economic-democracy-conference/.

development, but if the city is not involved and cooperative initiatives are not built upon multistakeholder buy-in, their future success is unclear.

Assisting businesses is already a part of Baltimore City's public policy through organizations like the Baltimore Development Small Business Resource Center, Baltimore City Chamber of Commerce, and the Department of Finance. The services provided could be modified with relatively little effort to focus new services to support cooperatives. Drawing upon existing research of the Sustainable Economies Law Center's *Policies for Shareable Cities: A Sharing Economy Policy Primer for Urban Leaders* publication and the bold cooperative initiatives proposed by Change4Real, Baltimore City should move towards implementing the following policies:<sup>245</sup>

## 1. Reduce Permitting Barriers to Cooperative Enterprises

Baltimore City's Department of Finance and Planning can facilitate the growth and establishment of cooperative enterprises by lowering permitting fees, and by granting priority business licenses and zoning approvals to organizations that demonstrate that they will create opportunities for cooperatives owned by a broad set of local community members. An application process can ensure accountability and fairness of benefits.

### 2. Facilitate Use of Vacant or Idle Commercial Properties for Community Benefit

Vacancies are a significant issue in Baltimore, and specifically in Oldtown Mall. Cities can facilitate the temporary use of empty commercial spaces by offering incentive programs for temporary leasing or by penalizing property owners, and banks, for allowing long-term vacancies. City government can take on active roles by creating dedicated programs, or assisting cooperatives with negotiating temporary lease terms and other flexible and affordable arrangements with property owners. If coupled with new policies that penalize vacant buildings,

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<sup>&</sup>lt;sup>245</sup> "Policies for Shareable Cities: A Policy Primer for Urban Leaders," Sustainable Economies Law Center, accessed December 2014, http://www.theselc.org/policies-for-shareable-cities.

property owners will be more interested in taking the time and initiative to work with community members and make an investment in the current community.

# 3. Train Economic Development and Small Business Resource Departments to Assist Cooperatives

Cooperatives require specialized knowledge and assistance, particularly as the model is not widely known and accepted. City staff can assist start-up cooperatives in selecting the most appropriate model to match desired outcomes, and by providing assistance on organizational structure and funding. Additionally, staff should be well prepared to connect start-ups with the financial resources of outside organizations that provide guidance and technical assistance. In Baltimore, the Chamber of Commerce, Department of Finance, and the Baltimore Development Corporation Small Business Resource Centers would be ideal as resources for cooperatives.

## 4. Provide Financial and In-kind Resources to Cooperatives

Cities can support the startup and financing of cooperative enterprises by providing grants and loans, and by supporting revolving funds, or offering city-owned land to cooperatives. By directly supporting relatively large or well established cooperative enterprises, cities can capitalize on the knowledge and technical skill of organizations that are in the best position to further leverage the capabilities of new cooperatives.

### 5. Purchase from Cooperatives and Make Preferred Contractors

City institutions, such as schools, hospitals, and public housing can prioritize the purchase of needed goods and services from cooperative businesses, as an alternative to reliance on private businesses. This approach can position the city as an active participant in job growth and a distributor of income to local communities.

#### 6. Integrate Cooperative Enterprise Education into Public School Programs

Public schools can play valuable roles in educating the emerging workforce about the potential and benefits of cooperative enterprises. Baltimore City's public schools can partner with local or national cooperative organizations to teach high school students about the principles and methods of their development, and develop their own ideas that could be potentially realized and put into action.

New York City stands as a strong example of a municipal government becoming directly involved in supporting cooperative enterprises for new jobs and income equality. In the past three years, The New York City Council has become a partner in the development and sustainability of cooperatives through new employment policy initiatives focused on increasing the support and exposure of worker cooperatives. In 2011, Council Speaker Christine Quinn announced the New York City Worker Cooperative Development Initiative and granted \$150,000 to engage non-profit organizations in New York City in a cooperative incubation-training program, technical assistance, and legal services. In addition, the goal of the New York City Council is to facilitate working relationships between the city's independent worker cooperative network and the Department of Small Business Services. <sup>246</sup>

There are a number of current obstacles to the widespread support of cooperative enterprises in Baltimore City, beginning with the small number of existing organizations. There is not a strong and functional network organization that can found and lead a larger cooperative movement in the city, and supply existing and new Baltimore cooperatives with business and legal assistance. Without existing documentation of organizational structure, and financial, operations, and outcomes analysis, there will not be a strong case for buy-in from the city. Furthermore, there are even fewer Baltimore cooperatives that are directly affecting community and economic development. There are a number of obstacles that existing and emerging Baltimore cooperatives must overcome in order to position the movement as a strong asset to the city, thus making convincing arguments for new policies and technical services that will strengthen them.

<sup>&</sup>lt;sup>246</sup> "Worker Cooperatives for New York City," Federation of Welfare Agencies, accessed November 2014, http://www.fpwa.org/binary-data/FPWA\_BINARY/file/000/000/697-1.pdf.

## **Oldtown Historic District as Asset for Cooperative Economy**

The value and role of the Oldtown historic district remains narrowly defined, even as future planned development is oriented around the historic district as its anchor. The city area master plan draws on Oldtown historic district for important architectural and aesthetic values, yet no direct funding will be allocated to the historic district for rehabilitation or business development. There is an important link that has yet to be fully articulated in the redevelopment process, namely the unique contributions that the Oldtown historic district has to offer to local organizations struggling for fair inclusion in redevelopment processes.

Currently, the Oldtown historic district is under the purview of the Baltimore Commission on Historical and Architectural Preservation (CHAP). Since the historic district designation in 2004, property owners must submit exterior rehabilitation proposals to CHAP, and property owners also receive the benefit of the local Baltimore City Historic Tax Credit for rehabilitation expenditures. It is established in the literature that historic districts can contribute to local economic development by stabilizing and improving property values, conserving resources, and enhancing community character. Yet, with these benefits there are also few additional policies that support sustainable development in historic districts, often leading to gentrification and resident displacement. As found in Baird Smith's "Case Study: Historic Alexandria: The Next Fifty Years," the growth restrictions of historic districts have less than favorable affects on economic viability/stability, social justice, and sustainability. Namely, the late 19<sup>th</sup> century two and three story buildings cannot accommodate contemporary businesses, organizations, or city agencies and have inadvertently shifted commerce and services to the periphery of the city.

The Oldtown historic district is also a prime location to launch the cooperative enterprise plans as proposed by Change4Real and become the incubator for city-led policies for cooperative enterprises. Combining the assets of the historic district with new urban policies for cooperative enterprises has significant implications for income equality in Oldtown.

The Oldtown historic district is poised to become a site to pilot cooperative enterprises for community development in Baltimore for four key reasons:

- Accessibility and social benefits of the 19<sup>th</sup> century urban form
- Proximity to future infill development
- Political, economic, and social feasibility
- Responsible community stewardship through continuity with the past

## Accessibility and social benefits of the 19<sup>th</sup> century urban form

Oldtown's commercial rowhouses can play important roles in the future of cooperative enterprises in the neighborhood, as their small size is conducive to affordability. It is the ideal location for community-owned marketplaces, shared kitchens, and start-up cooperative small businesses. Furthermore, the current vacancies throughout Oldtown Mall can be progressively reduced if the city facilitates the temporary use of empty commercial spaces by offering incentive programs for temporary use. City government can assist Change4Real and resident cooperatives with negotiating temporary lease terms and other affordable arrangements with current absentee property owners.

As analyzed by theoretical counterforces to high modernist planning, the physical attributes historic urban buildings support unique community functions and networks. <sup>247</sup> Oldtown's historic district, like other historic inner-city neighborhoods, has distinct infrastructural and landscape features that have accumulated over time. <sup>248</sup> It is a vital commercial corridor that has developed through close proximity and relationships with the neighboring residential neighborhoods. In theory, the Oldtown historic district could have functioned as an incubator of multi-generational small businesses, rather than fostering absentee landlordism as its current state. But, there is also an opportunity for residents to be easily invested in cooperative businesses in Oldtown historic district, as it is in easy walking distance from residential areas. Research has shown that merchants who live in proximity to their small businesses (or in this

<sup>&</sup>lt;sup>247</sup> Ibid.

<sup>&</sup>lt;sup>248</sup> Andrew Hurley, *Beyond Preservation: Using Public History to Revitalize Inner Cities* (Philadelphia: Temple UP, 2010), 200.

case cooperative businesses) tend to be more engaged in civic affairs.<sup>249</sup> Over time, Oldtown has also accumulated a significant number of long-term anchor institutions— notably religious institutions such as Fountain Baptist Church—that can provide operational and political support for the local economic development initiative.

### Proximity to future infill development and investment

Change4Real faces formidable challenges in terms of the feasibility of their full vision—both for being awarded the RFP contract and for successful community organizing. From the perspective of city politicians and business leaders, Oldtown must be a middle class-oriented community with the goal of attracting more affluent and skilled residents into the city and connecting Oldtown with existing successful developments like the Inner Harbor and Harbor East. It is unclear whether the current Change4Real-based development bid has components that can successfully align with the city's vision for Oldtown's future, including attracting a more affluent residents for a stronger spending power and tax base, running industries to profit in a low-income community, and attracting and retaining a strong workforce. The lack of precedence for cooperative industries and enterprises in Baltimore is a distinct disadvantage. Additionally, it is unclear the extent to which Change4Real will be able organize a receptive and skilled workforce in time to fully participate in the redevelopment process and develop successful cooperatives.

Nevertheless, due to its proximity to the new infill construction, there is a strong opportunity to position the historic district as the "middle ground" between the two currently competing visions of the future of Oldtown. Through new policies for cooperative enterprises focused on the historic district it can become a strong example of how a city can begin to blend multiple redevelopment strategies, and allow each to have mutual benefits.

## The political, economic, and social feasibility

<sup>&</sup>lt;sup>249</sup> Stacy Sutton, "Rethinking Commercial Revitalization: A Neighborhood Small Business Perspective," *Economic Development Quarterly* 24 (2010), 352.

<sup>&</sup>lt;sup>250</sup> Howell S. Baum, University of Maryland Professor Emeritus, Conversation with Author, November 13, 2014.

Given the uncertainties of the variables that Change4Real must contend with—the political reception to their development bid, the organizing of current residents to become participants in the redevelopment process, and the paucity of Baltimore cooperatives for economic empowerment—focus on the historic district may be strategic and beneficial in the long term. There are opportunities for further networking and negotiating with existing business and property owners in the historic district to secure important real estate for dedicated cooperative enterprises, or to negotiate collaboration. In the event that the Change4Real team is not awarded the development bid, having a strong presence and stake in the historic district's commercial rowhouses could be a key aspect of long-term organizing and empowerment in the community. It can also serve as the physical "home base" of a cooperative network, to develop a strong citywide constituency of cooperatives that can truly effect a new economic landscape.

## Responsible community stewardship through continuity with the past

Rather than a shopping district covered with the thinnest veneer of history, as presented in the current area master plan, there are opportunities to interpret the Oldtown historic district as an urban space that conditioned relationships and social realities over time. Historic districts have important implications for protecting and cultivating a sense of collective memory in urban neighborhoods. In the case of Oldtown, it will be important to develop a formal interpretation that includes analysis of Oldtown's 1970s renewal and histories of local organizing as part of its statement of significance. Through analysis of the successions of residents, uses, and transformations of the urban space—with a concentration on forms of past revitalization efforts and failures—there is an opportunity to connect the urgency for new policies today with the shortcomings of past revitalization efforts.

## **Historic Preservation Recommendations**

In addition to a more robust formal interpretation of the Oldtown, the historic district is in critical need of a district-specific set of illustrated design guidelines, due to current Oldtown Mall redevelopment plans and the compromised state of the district's structural integrity. High priority

issues include significant vacancies from market failure, water damage and fire risk from property neglect, and modern commercial additions that damage or obscure character defining features. There is a pressing need for both interim stabilization plans and models for future rehabilitation that respect historic integrity while accommodating contemporary needs for signage, display windows, and other commercial elements. Currently, there are no detailed guidelines that address compatibility of infill construction to surround the historic district.

With the district's designation in 2004 by CHAP, historical and architectural research was undertaken to define the district's period of significance, survey building typology, and identify character-defining features. Guidelines for the rehabilitation of Oldtown Mall can build off of the historical research of the local designation form and provide timely guidance on issues related to physical rehabilitation, maintenance, and the compatibility of new construction. Historic district design guidelines are an important tool for property owners, investors, architects, city planners, public officials, and other stakeholders to shape decision-making. An instructive set of Oldtown Mall Historic District Preservation Guidelines can meet the following goals:

Goal 1: Complete design guideline to inform Oldtown decision-making in a period of rapid community transformation

- Develop rehabilitation guidelines for buildings in the Oldtown historic district that meet the Secretary of the Interior's Standards for Historic Preservation and the Standards and Guidelines for Architectural and Historical Investigations in Maryland, to enhance property values and ensure that Oldtown's historic character remains an asset to redevelopment and community building. Key topics to be addressed include the remediation of masonry and roof damage; storefront restoration; and best practices for modernizing buildings to meet current life safety and fire codes while maintaining historic character
- Develop new construction guidelines for adjacent infill, to ensure that new buildings will
  be compatible with the historic district in terms of building height, fenestration, scale, and
  materials.

 Provide targeted technical guidance to property owners to facilitate understanding and implementation of rehabilitation guidelines.

## Goal 2: Enhance Oldtown historical narrative and sense of place

- Enhance the historic and cultural significance of Oldtown historic district for residents and stakeholders through interpretive signage and publication, with an emphasis on interpreting histories of local activism and urban transformations.
- Plan identifying signage for proposed district gateway.

## Goal 3: Support the review and monitoring of historic preservation standards

• Support CHAP review of rehabilitation in the district and the monitoring of adjacent new construction through finalized guidelines.

The published document can be an accessible length of approximately 40 pages long, including introduction; explanation of historic district context; rehabilitation standards; principles of compatible design for adjacent new construction; and design of proposed historic district gateway. Baltimore City's Commission on Historical and Architectural Preservation has already set precedence for effective historic district guidelines and procedures.<sup>251</sup>

Currently, multiple stakeholders are at a loss: property owners need guidance on the appropriate rehabilitation of historic buildings while balancing contemporary retail needs; investors do not have full information on necessary design elements for new construction; and current residents and future visitors are under-served by a lack of clear historical narrative in the district. The design guidelines will shape historic preservation best practices during comprehensive urban

http://archive.baltimorecity.gov/Government/Boards and Commissions/Historical Architectural Preservation/Procedures and Guidelines. aspx.

<sup>&</sup>lt;sup>251</sup> "Historic and Architectural Procedures and Guidelines," Baltimore City Commission for Historical and Architectural Preservation, accessed December 2014,

http://archive.baltimorecity.gov/Government/BoardsandCommissions/Historical Architectural Preservation

redevelopment. Oldtown's commercial buildings are rare historic resources. Ultimately, a policy document that emphasizes cohesion between the "old" and "new" Oldtown will help to further define and enhance the most significant historic and cultural meanings of the historic district for residents, local stakeholders, and visitors.

Although the final product is a document, guidelines can produce many "spin-off" actions. And to qualify for historic tax credits, owners will have the tools to rehabilitate their buildings to well-defined standards that preserve historic integrity and improve property values. Over time, Oldtown's historic buildings can represent best practices in historic rehabilitation that also meet contemporary retail needs. Community-based organizations like Change4Real can lead best practices in revitalization efforts, and position historic preservation trades as a form of employment training through cooperative enterprise models. Ultimately, with the enhancement of historic integrity, there will be opportunities for the historic district to apply to additional federal and state programs that will support further tourism and economic development in Oldtown, such as Maryland Heritage Areas.

District specific guidelines have the potential to stimulate additional architectural preservation and documentation. An important aspect of Oldtown Mall that exceeds the bounds of this thesis is also the pedestrian mall as a distinct urban form. Oldtown Mall's form as a pedestrian mall remains an important, but under-appreciated aspect of the historic district. The 2010 area master plan states intentions to re-open the corridor to vehicle traffic, although pedestrian malls are increasingly rare and gaining historic significance. The design guidelines project has the potential to stimulate additional research on the significance of Oldtown's pedestrian mall in terms of the history of the urban form, streetscape elements that have been lost, and its community impacts in Oldtown. Ultimately, as an important feature that makes Oldtown Mall unique, a case may be made to preserve the historic district's pedestrian-only promenade. <sup>252</sup> Additionally, as a dead end street, there are limited functional benefits to allowing vehicles.

<sup>&</sup>lt;sup>252</sup> Rubenstein, *Pedestrian Malls, Streetscapes, and Urban Space*.

## **Chapter 9: Conclusion**

Although the historic Oldtown Mall currently sits dormant, poised for either redevelopment or further ruin, it is a site of stirring political and ideological activity. A multitude of interests are converging on the neighborhood because its location, existing infrastructure, and historic character continue to make it a valuable asset. Although many agree that "something" is going to happen in Oldtown the shape and impacts of the development are far from determined. Government stakeholders are invested in making Oldtown another success story of comprehensive renewal in the context of poverty, as envisioned in the 1970s. The planning process has incorporated fair practices for public input and is attuned to the needs of Oldtown's low-income residents, with desires to make Oldtown a mixed-income and mixed-use community with Oldtown Mall historic district as an incubator for minority-owned businesses. Those who have lived and worked in Oldtown for decades anticipate quite a different future, namely gentrification and prolonged poverty for the majority of Oldtown's African American residents. Existing development practices do not challenge the underlying structural inequalities.

In many ways, Oldtown has become a microcosm of Baltimore's citywide dynamics, as well as the dynamics that are shaping post-industrial cities across the US. Urban downtown neighborhoods are once again becoming desirable places to new generations of middle class professionals looking to relocate to cities after decades of suburban investment at the expense of urban neighborhoods. Downtown and often historic urban neighborhoods continue to hold important assets that can facilitate close-knit communities, walkability, and conservation of resources, although many are in critical need of revitalization. The new urban migrants gain new housing and jobs; absentee property owners again benefit from the influx of public funds; and the presence and experiences of the low-income residents who endured the disinvestment and isolation are most often erased. Research has shown that mixed-income developments offer marginal income increases and opportunities to increase financial assets and social capital.

Oldtown carries hefty symbolic weight as it enters the redevelopment debate. It stands as one of the city's oldest neighborhoods, the breaking point of the 1968 Baltimore City Riots, and the site of one of Baltimore City's most ambitious urban renewal projects that ultimately failed. The

question that Oldtown asks of us is this: how will we learn from the last several decades of community conditions and redevelopment plans to form a better solution? Oldtown's successions of residents, uses, and physical transformations over the past two centuries offer a unique opportunity to use its history as a platform to connect the shortcomings of past revitalization efforts with the urgency for new policies for sustainable communities in the present.

Historical analysis shows that from the turn of the 19<sup>th</sup> century, Oldtown has held a significant African American community with a stake in local skilled and semi-skilled labor. Generally, throughout the 1800s Oldtown's neighborhood demographics reflected citywide trends: a mix of segmented ethnic enclaves of various social classes. Prior to 1900, although people operated in hardened racial hierarchies, urban neighborhoods were not physically segregated. However Baltimore would soon become the first jurisdiction in the US to enforce residential segregation, passing a 1910 racial zoning ordinance that separated black and white neighborhoods in the city on a block-by-block basis. Racist ideologies and the modern urban ghetto were further reinforced by other city policies, including public-housing site selection, school segregation, highway route selection and code enforcement. The passage of the federal National Housing Act of 1937 would further exacerbate racial segregation and poverty throughout Baltimore, and particularly in Oldtown, leading to the widespread demolition of the neighborhood's rowhouses and the construction of high-density public housing, most notably Oldtown's Lafayette Courts, the city's first high-rise development.

As corroborated by multiple feasibility studies led by Baltimore City, by the 1960s Oldtown had become one of the most impoverished neighborhoods in Baltimore. The Baltimore Urban Renewal and Housing designated the Gay Street Urban Renewal Area in 1963, tapping federal funding for comprehensive economic and housing improvements. Although underrepresented in the interpretation of Oldtown's history, the local chapter of the national civil rights group the Congress on Racial Equality became a strong presence in Oldtown during the 1960s redevelopment process. Baltimore's CORE worked to organize Oldtown residents and claim a stake in public decision making, demanded an end to economic exploitation of the residents by Oldtown store owners, and broadly worked to raise the issue of racial inequalities in Baltimore to

the national stage. Between 1966 and 1968 more than 40 meetings were held between the renewal agency and Oldtown residents.

By the fall of 1967 plans were still not in action and community tensions across the city continued to rise. The slow adoption of the Oldtown Urban Renewal Plan and the 1968 Baltimore City riots is another salient but under-represented point in Oldtown's history. The riots broke out on Oldtown's Gay Street at the Belair Market, and left the majority of businesses destroyed. While the assassination of Dr. Martin Luther King Jr. was the catalyst, the social disruption also clearly represented a boiling point among everyday people in the city- subjected for decades to poverty, destruction of critical social and economic ties through neighborhood destruction, and terrorism for transgressing racial boundaries. As represented in a debate that unfolded decades later in the opinion pages of the Baltimore Sun, residents perceived direct correlation between the slow implementation of Gay Street's renewal and the citywide social disturbances that began at Oldtown's Belair Market.

The Oldtown Renewal Plan was passed by City Council in 1970 and its key components were innovative in a few respects. First, the plan was bold and comprehensive, beginning with the transformation of Gay Street into the pedestrian, Oldtown Mall. Second, the plan emphasized the rehabilitation of the commercial spine rather than demolition. Economic development was to be coupled with new low-density affordable housing to replace compromised rowhouses surrounding the mall. Finally, under the federal Model Cities Program, city agencies made a deliberate effort to work with community stakeholders throughout the process, to limit displacement, and increase the presence of black-owned business on Gay Street. Upon its celebratory grand opening in 1976, Oldtown's renewal was elevated internationally as a success story for a new model of urban redevelopment. Yet on the local level, antagonisms and issues ensued.

Despite the multi-million dollar investments from the city and private property owners, the benefits of the investments and commercial rehabilitation did not last for more than 20 years. It is undeniable that the slow decline of Oldtown to its present state, economically depressed and nearly vacant, reflects regional dynamics of post-industrialization and rapid suburbanization. But

what was also implicit in the approach and language of the 1970s urban renewal project was the maintenance of the social and economic status quo for Oldtown's low-income African American residents. The renewal methods had additional consequences: economic power was still concentrated in absentee property owners, while residents were merely positioned as consumers with few paths to asset building like homeowners. Into the 1980s, drug and crime epidemics continued to injure the neighborhood and its residents.

The Community-based organization, Change4Real, is taking the initiative as one of the strongest local stakeholders. As the key community organizer and author of an alternative redevelopment plan for Oldtown, Change4Real is taking on a role very similar to CORE in the 1970s. Cooperative enterprises are the lynchpin of Change4Real's strategy, as a means for Oldtown's residents to become empowered as shareholders of locally owned businesses, and to become beneficiaries in the redevelopment process. Although cooperatives are in their infancy in Baltimore, Change4Real's vision aligns with a global movement towards shareable economies as a new paradigm for community development.

More than 40 years later, the analysis of Oldtown's history and social conditions demonstrates that in many respects the underlying structures that inspired the social disruptions in 1968 are still in place. Oldtown's community history legitimizes and enhances the grassroots coalition's rationale for why an alternative redevelopment strategy is critical. The methods of the 1970s have clearly failed and there are strong arguments for the necessary re-evaluation of today's redevelopment methods if sustainable, integrated communities are the end-goal. Although Change4Real may appear to be an anomaly in Baltimore's milieu of limited cooperative enterprises for community development, it stands on the shoulders of a trajectory of activism and resilience in Oldtown.

Much like the underrepresentation of Oldtown's social history and neighborhood activism in the redevelopment process, government and activists alike have overlooked the role of the historic district in Oldtown's future. Rather than a liability to be revitalized privately at the tail end in the redevelopment process there is a strong opportunity presenting itself in the Oldtown historic district: drawing upon the physical and social assets of the 19<sup>th</sup> century urban form and its

proximity to planned infill construction, the historic district can become the site for new city-sponsored policies for cooperative enterprises in Baltimore. The Oldtown historic district can become an urban space that represents a significant new alignment of activist and government visions for Baltimore City's future. Through the bold community interventions of contemporary groups like the Change4Real coalition, and the contributions of residents and other local stakeholders, far from just an architecturally pleasing shopping area, the historic district can continue as a site to claim and produce urban spaces for equality. Yet, even with the growing momentum for alternative forms of community development in Oldtown, there are still formidable barriers to their realization including indifference from stakeholders and community members alike and the financial and organizational challenges confronting Change4Real's bold plan.

By conventional wisdom, Oldtown's downtrodden exteriors and emptiness are physical signs of hopelessness. Baltimore City has also become a place that represents, for many, the maintenance of the social and economic status quo—poverty, vacancies, and residential displacement are just a part of "business as usual" within the transformations of cities over time. Although a relatively small neighborhood, Oldtown is becoming an important example of how neighborhoods may become more sustainable through new policies that address structural inequality, and a coexistence of government and community-based visions for the future of the city. Even now—still vacant and in desperate need of investment—if we move beyond conventional definitions of neighborhood assets, we can see the actual strengths of Oldtown in its intangible assets, which currently thrive in the form of community ties again being cultivated and new alliances formed. New visions for Baltimore shared at community meetings and conferences foresee an end to continued displacement and poverty for those who have called the city home for generations. Importantly, the intangible asset of history forms strong continuities between the past and the present, which when assembled, generates new ideas of where we should be headed in the work for urban equity, diversity, and deepened democratic practices.

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