Unlocking the Potential of Detroit’s Neighborhoods:
The Partnership for Building Reuse

August 2016
Cover Photo: Woodward Avenue looking north from Grand Circus Park, Downtown Detroit.
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About the Partnership

NATIONAL TRUST FOR HISTORIC PRESERVATION
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The National Trust for Historic Preservation is a privately-funded nonprofit organization that works to save America’s historic places for the next generation. We are committed to protecting America’s rich cultural legacy and to helping build vibrant, sustainable communities that reflect our nation’s diversity. We take direct action to save the places that matter while bringing the voices of the preservation movement to the forefront nationally.

The Preservation Green Lab strengthens the fabric of communities by leveraging the value of existing buildings to reduce resource waste, create jobs, and bolster a strong sense of community. The Preservation Green Lab integrates sustainability with historic preservation by developing research, demonstration projects, and policies that decrease demolition and promote building reuse. Guided by a belief that historic preservation is essential to sustainable development, the Preservation Green Lab works with partners to create new pathways to shared prosperity and to bring people together around a common vision for their neighborhoods, towns, and cities.

DETROIT FUTURE CITY
(www.detroitfuturecity.com)

In January 2013, after three years of solid work, drawing on the best local and national talent as well as the insights of tens of thousands of Detroiter’s, the Detroit Future City Strategic Framework was released. The DFC Strategic Framework is a highly detailed long term guide for decision-making by all of the stakeholders in the City around land use, neighborhoods, economic growth, land and building assets and city systems. In January 2014, the DFC Implementation Office was created to ensure the successful execution of the vision created in the DFC Strategic Framework.

The DFC Implementation Office is an independent nonprofit organization governed by an independent board of directors.

THE PARTNERSHIP FOR BUILDING REUSE

The National Trust for Historic Preservation created the Partnership for Building Reuse in 2012 in conjunction with the Urban Land Institute to enhance opportunities for building reuse in major U.S. cities. Recognizing the environmental, economic and community benefits of reusing vacant and blighted property, the Partnership for Building Reuse brings together community groups, real estate developers and civic leaders around the common goal of making it easier to reuse and retrofit these valuable assets.
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Executive Summary

After decades of disinvestment, population loss, and physical decline, Detroit is seeing strong signs of recovery and hope. Instead of stories about abandoned buildings, arson, and crime, media coverage now focuses on the remarkable turnaround of downtown, the opening of new businesses and restaurants across the city, and the renewal of neighborhoods and community institutions.

These positive changes are incremental and dispersed, but they have one thing in common: The reuse and rehabilitation of great old buildings from Detroit’s past. The most dramatic changes can be seen downtown, where Bedrock Real Estate, the development arm of Quicken Loans, has rehabilitated some 90 buildings totaling 15 million square feet. Federal historic tax credits have helped make much of this work possible. Activity and renewal is often focused in areas where a cluster or corridor of older, smaller, and pedestrian friendly buildings survive. Corktown, Eastern Market, the Woodward and Cass corridors of Midtown, and the Livernois and McNichols corridors of Northwest Detroit are full of new businesses, residents, and people. Other areas are seeing stabilization and investment as well, but vast areas of the city remain stuck in a cycle of decline. What can be done to extend the benefits of revitalization to more neighborhoods and citizens of Detroit? And how can the adaptive use of older structures support and strengthen neighborhoods and communities?
A national collaboration between the National Trust for Historic Preservation and the Urban Land Institute, the Partnership for Building Reuse fosters market-driven reuse of vacant and underused buildings in cities across the country that are faced with different challenges and opportunities. Detroit is one of five cities participating in this initiative.

In Detroit, the Partnership engaged more than 65 community development practitioners, land use professionals, historic preservation advocates, architects, urban designers, and City of Detroit staff. These stakeholders have identified opportunities and developed recommendations for how to increase reuse and revitalization in Detroit. The National Trust and Urban Land Institute were aided locally by a variety of partners, including the convening partner, the Detroit Future City Implementation Office. Building on their 2013 Strategic Framework, which serves as a comprehensive guide for long term decision-making in Detroit, the DFC Implementation Office brought keen local insight and strong relationships with a variety of local partners to the Partnership.

As part of this effort, the National Trust’s Preservation Green Lab conducted research into the connections between the vitality of Detroit neighborhoods and the character of the city’s existing building stock. About half of Detroit’s 261,000 buildings were constructed in 1939 or earlier, and two-thirds were built before 1945. Nearly 97 percent are at least 50 years old. From former factories to grand Victorian mansions, Art Deco apartment blocks, Tudor Revival cottages, and small commercial blocks, these older buildings contribute to the city’s character and provide space for a diversity of residents and uses. The Preservation Green Lab’s findings show that Detroit’s older, small-
Older, smaller buildings provide the foundation for Detroit’s entrepreneurs and small businesses. In areas of the city characterized by older, smaller commercial buildings, 59 percent of jobs are in small businesses. By comparison, in areas with mostly large, new buildings, only 44 percent of jobs are in small businesses. In areas where old and new buildings are blended together, the average number of jobs in newly launched businesses is more than 2.5 times the average in areas with old buildings or new buildings alone.

Commercial corridors with a mix of old and new buildings are Detroit’s new business hubs. Commercial corridors with older, smaller buildings and a mix of old and new buildings house significantly greater concentrations of businesses. Nearly 70 percent of Detroit’s businesses are housed in areas with high diversity of building age. Meanwhile, about 68 percent of the local entrepreneurs awarded funding through the Motor City Match program are located in areas with older, smaller buildings and mixed-vintage blocks, and about 64 percent of Detroit’s clusters of consumer-facing storefronts—prized sites of neighborhood-serving commerce in Detroit’s extensive network of streets and sidewalks—are located in areas with high diversity of building age.

Detroit’s best restaurants and bars are in character-rich neighborhoods and commercial districts. Many of Detroit’s most beloved and award-winning food and drink establishments are in areas with older, smaller buildings and mixed-vintage blocks. More than 90 percent of the city’s best restaurants and bars, breweries and distilleries (as listed in Hour Detroit’s “Best of Detroit 2016” list) are in areas with a mix of old buildings.
and new buildings. These establishments pack the blocks of Southwest Detroit, Midtown, Corktown, Downtown, and other neighborhoods.

Working with local practitioners, the Preservation Green Lab also developed an analytical tool to identify areas of the city where there is a significant number of older, smaller buildings that have high potential for successful reuse, whether in strong real estate markets with low vacancy rates or in areas of the city where vacancy and disinvestment is more pronounced (see maps on pages 10-12).

To encourage building reuse in these areas and other neighborhoods city-wide, the Partnership identified obstacles that make building reuse challenging – including market, financial, technical and regulatory barriers. These include:

- Vast stock of vacant, underutilized, and unsecured older buildings that are spread throughout the city.
- Incentives for building reuse that are not deployed strategically to impact entire neighborhoods.
- A zoning code that is inflexible and incompatible with today’s market.
- Difficulties in securing financing, especially for small-scale developers and projects in challenged areas.
- Too few sources of insurance for older and blighted properties.
- Out-of-town speculators who sit on high-potential properties and drive up real estate pricing.
• Not enough skilled tradespeople for retrofitting and renovating older buildings.

With these barriers in mind, the Partnership recommends four key strategies to strengthen building reuse in Detroit over the coming years.

1. **Embrace a range of adaptive reuse policies and programs that remove barriers to building reuse.** Streamline and expedite permitting and plan review for small-scale adaptive reuse projects through the City of Detroit’s Development Resource Center. Update building code and zoning code regulations to make them more flexible to the challenges of reusing existing buildings. Conduct a policy audit of the City of Detroit School Building Adaptive Reuse Ordinance and make recommendations for strengthening the policy and broadening its impact. Partner with city departments and local data organizations to integrate data related to building reuse into a single interactive mapping platform that brings together data on available incentives, reuse opportunities, and detailed characteristics about the built environment.

2. **Build capacity and strengthen opportunities for reuse along Detroit’s commercial corridors.** Re-launch the City of Detroit Main Street Program in conjunction with the National Main Street Center. Provide education...
and training opportunities to small-scale developers and building tradespeople who work on adaptive reuse projects.

3. **Sharpen financial tools and incentives for building reuse.** Use data and mapping to identify priority areas for pre-development loans supporting small-scale adaptive reuse projects. Develop energy efficiency programs to lower operating costs for owners of small businesses and long-time Detroit residents living in older buildings. Advocate for reforming and expanding the Michigan Community Revitalization Program and reinstating the Michigan Historic Preservation Tax Credit. Advocate for federal legislation that will update and improve the federal rehabilitation tax credit. Promote policy changes that will improve access to federal tax credits for projects with qualified rehabilitation expenses of less than $2.5 million. Educate developers and community development organizations about the 10 percent federal rehabilitation tax credit for non-historic, non-residential buildings constructed before 1936. Advocate for the expansion of the 10 percent credit to additional buildings. Support a flexible and predictable interpretation of the Secretary of the Interior’s Standards for Rehabilitation in order to expand opportunities to preserve and adaptively reuse more historic buildings.

4. **Integrate building reuse strategies with major planning initiatives underway or planned.** Advocate for strengthening anti-scrapping legislation and for prioritization of anti-scrapping interventions in areas with strong potential for building reuse. Advocate for a clear, well-articulated role for building reuse in the City of Detroit’s updated comprehensive plan. Partner with the City of Detroit Department of Planning and Development to develop a new citywide Preservation Plan that incorporates national best practices and innovations in preservation.

Over the next 90 days, the Preservation Green Lab, the Detroit Future City Implementation Office, and the Partnership for Building Reuse Detroit Advisory Committee will share these recommendations with stakeholders and city leaders. With the right partners in place, we will move forward and advocate, organize, and execute on the recommendations to make building reuse the default development option in Detroit and to unlock the potential of Detroit’s neighborhoods.
Charater Score. The Preservation Green Lab’s Detroit Character Score metric is created using data on the age, size, and condition of buildings. Red squares represent areas of the city where buildings are older and smaller, where there is a mix of old and new buildings, and where buildings are generally in good condition. Preservation Green Lab research finds correlations between areas with a high Character Score and measures of social, economic, and cultural vitality.
OPPORTUNITIES FOR REUSE OF RESIDENTIAL BUILDINGS. The Preservation Green Lab used a variety of publicly available data to highlight parts of Detroit where targeted investment in building reuse could have the greatest impact. In this map, darker colors suggest stronger potential for reuse of residential buildings in high-density (red), mid-density (purple), and low-density (green) areas of the city. Areas with particularly strong opportunities for the reuse of residential buildings include Bagley, Fitzgerald, Banglatown, Southwest Detroit, Grandmont Rosedale, Core City, and Islandview.
OPPORTUNITIES FOR REUSE OF COMMERCIAL BUILDINGS. This map highlights areas where targeted investment in commercial buildings could have the greatest impact. Darker shades of blue indicate stronger potential for reuse of commercial buildings. Areas with particularly strong opportunities for the reuse of commercial buildings include the Grand River corridor near Grandmont Rosedale and Riverdale; the areas surrounding the intersection of Livernois and McNichols; commercial areas in Mexicantown, Delray and Southwest Detroit; and the East Warren Avenue corridor near East English Village.
Introduction

The Partnership for Building Reuse fosters the reuse of vacant and underused buildings, including older buildings with or without historic designation, in five cities across the country. The project brings together national organizations, as well as local partners and stakeholders, to identify market opportunities and address challenges related to building reuse. The Partnership leverages the unique strengths and expertise of the National Trust for Historic Preservation and the Urban Land Institute. With a network of 50 District Councils across the country, ULI is the nation’s leading real estate development organization. ULI District Councils bring together a broad range of land use and real estate professionals and provide opportunities for education, dialogue, and interdisciplinary problem solving. The National Trust also works with a strong network of state and local partners to save historic places across the county. The National Trust’s Preservation Green Lab provides research and policy innovation to strengthen the connections between historic preservation and sustainable development.

Recent investment downtown has given historic storefronts a new life. Between 2002 and 2015, 81 historic buildings in Detroit were rehabilitated using the 20 percent federal rehabilitation tax credit.

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NATIONAL TRUST FOR HISTORIC PRESERVATION
A STRATEGY FOR SUSTAINABLE DEVELOPMENT

Many cities are looking for innovative ways to stimulate investment, reduce vacancy, increase employment, and decrease carbon emissions. Recent Preservation Green Lab research shows that reusing existing buildings is a powerful strategy for achieving these goals. For example, a 2012 Green Lab report, *The Greenest Building: Quantifying the environmental value of building reuse*, documents how building reuse conserves energy and natural resources. Using a life-cycle-assessment methodology, the study compares the relative environmental impacts of building reuse and renovation versus demolition and new construction. The results show that it takes between 10 and 80 years for a new building to overcome, through efficient operations, the negative climate change impacts related to the demolition and construction process.

Another Preservation Green Lab report, *Older, Smaller, Better: Measuring how the character of buildings and blocks influences urban vitality*, examines the relationship between the physical character of existing buildings and a range of social and economic performance data. Based upon statistical
analysis of the built fabric of Seattle, San Francisco, and Washington, D.C., this research finds that established neighborhoods with a mix of older, smaller buildings outperform districts with larger, newer structures when tested against a range of economic, social, and environmental indicators. Since the release of the *Older, Smaller, Better* report in 2014, additional Green Lab research has yielded similar findings in a variety of cities, including Tucson, Chicago, Philadelphia, and Baltimore. Taken together, these Preservation Green Lab reports document how conserving and retrofitting existing buildings and neighborhoods can help cities achieve sustainable development.

Many land use professionals, including real estate developers, recognize that the reuse of existing buildings is a growing market opportunity. Demographic trends indicate that a historic shift back to cities is underway, with large numbers of immigrants, young professionals, baby boomers, and others choosing to live and work in diverse urban neighborhoods. Many cities across the U.S. recently experienced their first population gains since the 1950s. This trend presents an opportunity to repurpose long-vacant structures, revitalize neighborhoods, and expand the tax base in cities that have suffered from decades of declining employment and population loss.

**GOALS OF THE PARTNERSHIP FOR BUILDING REUSE**

The Partnership for Building Reuse focuses on the places where older, vacant, and underused buildings are concentrated in the greatest numbers: our major cities. In Detroit, thousands of buildings sit vacant and many others are only partially occupied. The Partnership seeks to realize the potential of these reservoirs of unused urban architecture. The overall goals of the Partnership are to:

- Identify and understand the common barriers to building reuse.
- Accelerate rates of building reuse and rehabilitation.
- Support community revitalization in diverse neighborhoods.
- Decrease building demolition and resource waste.
- Document best practices that encourage building reuse.
- Create a methodology to advance building reuse in other cities.

**The Partnership for Building Reuse includes three phases:**

- **2012-13:** Develop the methodology. Los Angeles served as the pilot city. A final report from this phase was released in October 2013.

- **2014-16:** Test the methodology in additional cities. Baltimore and Philadelphia joined the Partnership in 2013. Detroit and Chicago were selected in 2014.

- **2016-17:** Share lessons learned. A national publication will draw upon the experience in the five cities, documenting lessons learned and best practices for other cities.
Fort Street Presbyterian Church is among a few remaining 19th century buildings near downtown.

BOB PONDER
The Process in Detroit

Though many cities across the country experienced rapid growth followed by steep economic decline, Detroit’s experience is unparalleled in the scale of its challenges and opportunities. Because of this, Detroit is a particularly important city to explore the role of existing buildings in catalyzing new—and supporting existing—revitalization efforts. The Detroit Future City Implementation Office was selected as the convening partner for the Detroit-focused work. DFC has a long track record of convening and facilitating dialogue among real estate and civic leaders to address key development issues in the city. In addition, DFC has strong local partners in organizations such as the Michigan Historic Preservation Network and Preservation Detroit.

The Partnership for Building Reuse launched in Detroit in early 2015 and has included participation from more than 65 community, business, and government leaders. This report includes the perspectives of many individuals who participated in stakeholder meetings. Participants included representatives from real estate development, affordable housing, community development, finance, architecture, planning, historic preservation, sustainability, construction, state and local governments, and academia. The Partnership for Building Reuse in Detroit included the following phases:

• Forming a 15-member Reuse Advisory Committee to develop the local process, review documents and reports, and provide overall guidance to the project.

• Collecting data and mapping development patterns as well as social, economic, and demographic conditions.

• Convening two stakeholder meetings to identify and discuss key obstacles to building reuse (September 2015) and to review potential solutions (October 2015).

• Conducting spatial analysis to demonstrate the value of older, smaller buildings throughout Detroit and to spotlight areas of the city where targeted investment and attention could have the greatest impact.

• Preparing a summary of findings and recommendations to be presented to city leadership, city staff, and community stakeholders (August 2016).

The results of the process in Detroit will also be included in a Partnership for Building Reuse summary report capturing lessons learned from all five cities: Los Angeles, Philadelphia, Baltimore, Chicago, and Detroit. This report will be developed and released in early 2017.
Development Patterns and Performance

The Partnership for Building Reuse addresses vacancy and reuse issues related to all existing structures, not just those designated as historic at the local, state, or national level. Based on available city data, there are 261,118 existing buildings in Detroit. Many of the city’s neighborhoods developed in the decades just before and during World War II. As a result, about two-thirds of Detroit’s existing buildings date from 1945 or earlier and nearly 97 percent are at least 50 years old.

Detroit’s local historic preservation movement started later than in most major cities. Following the passage of state enabling legislation in 1970, the Detroit Historic District Commission was established in 1976. Today there are more than 130 landmarks and historic districts in the city, although most of these districts are just one site. Less than three percent of the city’s existing buildings are protected through local designation by the Detroit Historic District Commission. Meanwhile, only one and a half percent of the city’s existing buildings are listed individually or within districts on the National Register of Historic Places. These percentages are lower than those found in many other cities, especially on the East Coast. In Baltimore, for example, approximately five percent of the city’s buildings are locally designated as historic and more than 66,000 buildings are listed on the National Register (the largest number of any city in the nation).
BUILDING REUSE IN DETROIT

With its original hub and spoke urban plan of formal downtown plazas, grand radial boulevards, and monumental public buildings, Detroit was known for a time as the “Paris of the West.” The “Motor City” emerged after 1910, when thousands of job seekers moved to Detroit to work in the sprawling auto assembly plants being built across the city. Between 1910 and 1950, the city’s population nearly doubled every ten years, reaching a peak of over 1.8 million in 1950. Since then, population has declined in every census, although the loss of residents has slowed since 2010. According to the latest estimates from the U.S. Census Bureau, Detroit’s current population is 677,116, which is less than it was in 1920.

Detroit’s boom years and the decline that followed have left a legacy of buildings, blocks, and neighborhoods that present both challenges and opportunities for the future. Spread out over 138 square miles, Detroit developed as a low-density city of mostly single-family neighborhoods. The city contains a full range of late 19th century and early-to-mid-20th century building types and architectural styles. Grand 19th century mansions survive in close-in neighborhoods like Brush Park, while modest wood-frame cottages and bungalows fill tree-lined blocks in the Southwest. Many thousands of brick Tudor and Colonial Revival homes from the 1920s, 30s, and 40s are found along streets and parkways across the city. Detroit has relatively few multi-family buildings, although clusters of handsome early- and mid-20th century apartment blocks of various period styles are found in areas such as Midtown and in the Palmer Park district just north of Highland Park.

Outside of downtown, much of Detroit’s commercial development is located along the major avenues radiating out from the city center, including Jefferson, Gratiot, Woodward, Michigan, and Grand River. Additional commercial corridors are found along the major “mile streets” that run east-west and north-south across the city, such as McNichols and Livernois. Vernor Avenue is a lively commercial corridor arcing southwest from downtown. While highly auto-oriented today, most of these corridors were once also served by streetcar lines. Up until the 1950s, more than 20 major streetcar routes threaded across the city, connecting residents to work, shops, schools, and services. Most of the surviving commercial structures along these corridors are one or two stories tall and modest in size. Storefronts are frequently pulled up to the street in typical Main Street fashion, but architectural detailing often reflects the streamlined and modern aesthetics of the 1940s and 50s.

Not surprisingly, Detroit also contains a large number of older industrial buildings, from the mile-long, long-abandoned Packard Plant to dozens of factory complexes and warehouses of varied scales and vintages. In an effort to call attention to the need for creative adaptive use projects, Detroit Future City documented that more than six percent of the city’s land is industrial, containing more than 500 structures over 25,000 square feet.

A desire to document the condition of buildings across the city, with a particular focus on vacant and abandoned properties, has led to a number of
recent survey efforts in Detroit. The Motor City Mapping project, completed in early 2014, used mobile data collection tools and survey teams to provide baseline data for all 380,233 land parcels across the city. More than 114,000 of these parcels consisted of vacant land. Of the 263,569 existing buildings surveyed in 2013, more than 78,000 were determined vacant or in need of intervention of some kind, including rehabilitation, stabilization, or demolition. The vast majority of these “blighted” structures were residential buildings containing less than four units of housing. The surveyors found 3,904 blighted small-scale commercial buildings (less than 25,000 square feet) and 339 blighted large industrial structures (over 25,000 square feet).

In conjunction and in concurrence with the Motor City Mapping effort, the Michigan Historic Preservation Network and Preservation Detroit co-organized an additional, volunteer-driven survey of nearly 18,000 properties in selected areas of the city to provide a more detailed assessment of the reuse potential of buildings. Additionally, in 2012 the Michigan State Historic Preservation Office sponsored a reconnaissance-level survey of residential neighborhoods in Detroit to identify potential sites and districts that could be added to the National Register of Historic Places. Seventeen districts and 189 individual properties were identified as potentially eligible for National Register listing through this analysis.

Despite the extremely challenged real estate market across much of the city, Detroit has seen a remarkable amount of investment in historic buildings through the federal rehabilitation tax credit program. Between 2002 and 2015, 81 historic buildings in Detroit were rehabilitated using the 20

The Landmark Ordinance provides demolition protection for a portion of Detroit’s fabric, but non-landmarked fabric is not protected.

JEFFREY SAUZER
percent federal rehabilitation tax credit. These projects represent a total of $913,037,251 in qualified rehabilitation expenses and private investment in building reuse. While most of these projects are in the downtown area (where Quicken Loans has relocated thousands of its workers) and in Midtown, the reuse of smaller commercial structures has also spurred revitalization of neighborhood commercial nodes such as Corktown, Eastern Market, Banglatown, Livernois Avenue, and Southwest Detroit. Unlike many other states (Missouri, Ohio, Indiana, and Wisconsin, for example) Michigan does not currently have a state rehabilitation tax credit. While the Michigan state historic tax credit program was eliminated by the state legislature in 2011, many of the recent large-scale rehab projects in Detroit, including the Broderick Tower and the David Whitney Building, have used grandfathered state tax credits. Local rehabilitation incentives are offered for small commercial projects through the Motor City Match program, an innovative citywide competition that leverages Community Development Block Grant funds to foster small business development and the rehabilitation of older commercial structures. The State of Michigan’s Commercial Rehabilitation Act, PA 210 of 2015, also provides tax relief for rehabilitation of commercial buildings that are at least 15 years old or new construction on vacant sites that had commercial activity in the previous 15 years. The Commercial Rehabilitation Act freezes local property taxes at a pre-improvement value for up to ten years, exempting improvements from taxes.

MEASURING BUILDING AND BLOCK PERFORMANCE

In May 2014, the Preservation Green Lab published a new report that explores the relationship between the physical character of existing buildings and the vitality of neighborhoods. The report, *Older, Smaller, Better: Measuring how the character of buildings and blocks influences urban vitality*, analyzed data from Seattle, San Francisco, and Washington, D.C. Green Lab researchers found strong statistical connections between the presence of older, smaller buildings in these cities and measures of economic, social, and cultural vitality.

The Preservation Green Lab applied the methodology developed for the *Older, Smaller, Better* report to assess the performance of buildings and blocks across Detroit. This analysis uses a 200-meter-by-200-meter grid that is applied across the entire city to allow for an “apples to apples” statistical analysis of the urban environment. The Preservation Green Lab analysis includes information from 16,017 of these squares across Detroit. Each of the squares is about the size of one-and-a-half square blocks of the city. A range of publicly-accessible data was matched and statistically apportioned to the grid square geometry to facilitate the analysis.

The Preservation Green Lab’s models compare variation in the physical character of Detroit’s existing buildings and blocks against variation in a range of social, economic, and cultural performance measures. The physical Character Score for each grid square is determined by combining available data on the age of buildings, diversity of building age, and parcel size or “granulari-
Spatial and statistical analysis ties Detroit’s older building fabric to a number of positive outcomes for local economic and social activity.

Variations in the resultant Character Score composite are then compared with variations in demographic trends, economic activity, social vitality, and real estate performance using spatial regression models. The statistical models also include variations in income and permit activity, so the effect of the built environment is statistically parsed apart from other key variables. The Preservation Green Lab created a customized Character Score metric for Detroit by adding an additional “building condition” variable collected through the Motor City Mapping effort. However, in order to be consistent with past performance analysis, the results below use the version of the Character Score that excludes building condition information.

RESULTS FROM THE ANALYSIS

Areas of Detroit with older, smaller buildings generally have greater economic, social, and cultural vitality than areas with newer, larger buildings, according to several of the measures analyzed for this report.

Economic Activity

• Areas of Detroit with older, smaller and mixed-age buildings host many of the city’s distinctive small businesses. In areas of the city characterized by older, smaller commercial buildings, 59 percent of jobs are in small businesses. By comparison, in areas with mostly large, new buildings, only 44 percent of jobs are in small businesses. Areas with older, smaller buildings and mixed-vintage blocks, average about 36 percent more jobs in small businesses per square foot of commercial space compared to areas with mostly large, new buildings.

• Just as observed in classic texts by Stewart Brand and the late Jane Jacobs, there is a natural relationship between diversity of building age and the presence of new business startups. In areas of Detroit that have a mix of old and new buildings, the average number of jobs in newly launched businesses is more than 2.5 times that of areas with buildings constructed in the same period.

• Commercial corridors with older, smaller buildings and a mix of old and new businesses house significantly greater concentrations of businesses. Nearly 70 percent of Detroit’s businesses are housed in areas with high diversity of building age. About 64 percent of Detroit’s clusters of consumer-facing businesses are located in these areas. By combining this business cluster dataset (the Storefront Index created by City Observatory) and the Character Score mapping created by the Preservation Green Lab, this research indicates that older, smaller buildings and mixed-vintage blocks are critical assets for walkable neighborhood restaurants and retailers.

• The Motor City Match program, administered by the Detroit Economic Growth Corporation, aims to connect new and expanding businesses with Detroit’s quality real estate opportunities. Entrepreneurs and
property owners participate in the Motor City Match program to compete for technical assistance and grant funding to strengthen their small businesses and support Detroit’s commercial corridors. This analysis explored the characteristics of businesses that have received a “cash” award thus far through four competitive rounds of grants. About 68 percent of the entrepreneurs receiving grants to date have located their businesses in high Character Score commercial areas and areas with significantly older building stock and greater diversity of building age.

Social Activity

• Areas of Detroit with older, smaller buildings and mixed-vintage blocks have greater social activity, including significantly greater population density and greater density of housing units. Residential areas with older,
smaller buildings and mixed-vintage blocks have an average of about 35 percent greater population density and 33 percent greater density of housing units than areas with mostly large, new structures. On average, high Character Score grid squares have 58 residents per grid square, compared to an average of 43 residents per grid square in areas with newer, larger buildings. Similarly, on average, areas with a mix of small, old and new buildings have about 28 housing units per grid square, compared to an average of about 21 housing units in areas with mostly large, new structures.

**Cultural Activity**

- Many areas of Detroit with concentrations of older, smaller, and mixed-vintage buildings are hubs for popular shops, eateries, and bars. The Preservation Green Lab mapped the city’s best restaurants and bars, breweries and distilleries according to *Hour Detroit*’s “Best of Detroit 2016” list. More than 90 percent of Detroit’s most beloved and award-winning food and drink establishments are in areas with a mix of old and new buildings. About 87 percent are located in areas with at least one building constructed before 1920, though these areas represent only 44 percent of the city’s commercial areas. These establishments pack the blocks of Southwest Detroit, Midtown, Corktown, Downtown, and other neighborhoods.
Barriers to Building Reuse

Led locally by the Detroit Future City Implementation Office, the Partnership for Building Reuse engaged more than 65 stakeholders to better understand the barriers to building reuse within the city. At the first stakeholder meeting, participants were asked to share their views and insights about what is slowing down building reuse in Detroit. These conversations were organized around four types of barriers:

- **Market** barriers related to the supply and demand for various building types and uses.
- **Financial** barriers involving project costs, sources of equity, lending practices, and financial incentives.
- **Technical** barriers that arise related to building location, site, design, construction, and materials.
- **Regulatory** barriers such as zoning and development standards, building codes, seismic codes, and other review processes, requirements, permits, and fees.
Below is a summary of the insights from local stakeholders regarding key barriers to building reuse in Detroit. In a few instances, the barriers listed below reflect a lack of complete understanding among stakeholders regarding the City’s code requirements and incentive programs, market conditions, and/or available financing options. This lack of complete information may in itself be a barrier to building reuse.

**MARKET BARRIERS**

The market for building reuse in Detroit varies widely across the city’s neighborhoods. While large sections of Downtown, Corktown, and Midtown have growing demand, many other sections of the city have received little or no new development or reinvestment. Stakeholders suggested that there is a persistent and pervasive perception that there is a lack of public safety in much of the city, which greatly dampens the market for investment and rehabilitation. As a result, the cost to rehab or repair existing structures is often more than what the market will bear upon sale or resale of property. Participants in the stakeholder meeting also referred to a lack of an overarching, coordinated strategy for development and investment across the city.
Market barriers are the most difficult to meaningfully address through this process, yet they cannot be ignored. Specific barriers include:

**Uneven and mismatched demand across the city**

- The strength of the real estate market across the city varies greatly by neighborhood. While some areas such as Corktown and Downtown are experiencing increased demand and rising prices and lease rates, many other commercial corridors and residential areas lag behind.

- Uneven demand is further exacerbated by a mismatch in what is desired and what is available within the real estate market. One stakeholder observed that while there is strong market demand for mixed-used, multi-family housing, the vast majority of Detroit’s housing supply is single-family detached.

- Some stakeholders expressed concerns that growing market demand may be pricing out longtime residents in some neighborhoods. At the same time, extremely weak markets in other neighborhoods have also caused longtime residents to leave the city.

**Need for greater density to support investment**

- Many areas of the city still lack the density needed to support residential rehabilitation, new construction projects, viable retail enterprises, and transit investments.

- A lack of understanding about city priority areas results in a lack of certainty and greater perceived high risk for investors, particularly in cooler market areas.

**FINANCIAL BARRIERS**

Financing projects in Detroit is a serious challenge for many developers, particularly small- and mid-scale developers. Stakeholders indicated that developers are often reliant on subsidies and tax abatements to make projects viable. Large rehabilitation projects require multiple layers of financing and strong expertise to assemble and manage. Tight government budgets have led to diminished financial incentives available from the state. Stakeholders suggested that out-of-town speculators were holding some properties that have potential, but are not acting on opportunities. Nearly all participants agreed that it is difficult to obtain insurance for older and blighted buildings in Detroit. Specific obstacles include:

**Lack of reliable sources for different types of financing**

- Many forms of gap financing for projects are scarce or not available in Detroit. The Michigan State Historic Tax Credit, for instance, was
eliminated by the Michigan State Legislature in 2011. Other sources of gap financing, such as credits for brownfield abatement, redevelopment, and low-income housing should be utilized more strategically.

- Statewide programs such as the Community Revitalization Program, which would otherwise provide incentives for reuse efforts, have been relegated to specific geographic areas in Downtown and Midtown and are not adequately funded to address demand.

- Traditional financing models provide limited access to owners seeking loans for rehabilitation of homes and small businesses.

**Many buildings are in very poor condition and require great investment to insure, secure, and rehab**

- There is a perception that rehabilitation of existing buildings is prohibitively expensive, which is not always true and is perpetuated by misinformation. Stakeholders also suggested that there is a lack of pre-development funding to assess needs and develop accurate budgets.

- There are very few sources of insurance for blighted structures, which discourages investment. Insurance for rehabilitated buildings exists, but is hard to access in many areas of the city that are deemed high risk.

- Securing a structure against vandalism while undergoing renovation can be a challenge, especially if insurance cannot be obtained.

- Severely dilapidated buildings decrease property values and become very expensive to rehabilitate, even if they can be acquired at low cost.

**TECHNICAL BARRIERS**

Stakeholders indicated that lack of education and training is a major, overarching technical barrier to building reuse in Detroit. There are not enough skilled tradespeople working on older buildings, which leads to high, unpredictable costs for labor. Community organizations and non-profit developers have limited capacity to take on complex projects. Challenges associated with city infrastructure were also cited at several points in the conversation. Specific technical barriers include:

**Lack of education and training around building reuse and property rehabilitation**

- Decisions that need to be made when rehabilitating a property—such as when to replace windows, abate lead, and ask for professional help—may be confusing to those not familiar with the process. Educational opportunities related to navigating the permitting and zoning process are also limited.

- Tradespeople who deal with rehabilitation projects are in high demand due to a lack of training for new laborers, which drives up cost and delays project timelines.
Lack of public infrastructure

- Maintaining the physical infrastructure of such a large city poses numerous challenges. Reduced public services such as schools, libraries, and recreation centers, as well as a lack of street, water, sewer, and transit investment dampens the potential for viable rehabilitation in many neighborhoods.

REGULATORY BARRIERS

Stakeholders indicated that developers and property owners face an overly complicated permitting process when considering potential building reuse projects. Available incentive programs and overlay zones are complex, voluminous, and poorly aligned. Some stakeholders felt that the zoning code is inflexible to the challenges of building reuse, open to widely varying interpretation by different city staff, and inconsistently applied to different types of projects. Parking requirements were cited as a particularly challenging aspect of the zoning code. Specific regulatory barriers mentioned by Partnership for Building Reuse participants include:
Permitting, plan review, and zoning

- With the multitude of city agencies that touch commercial and residential building rehabilitation comes bureaucratic barriers, overlap, redundancy, and miscommunication. Improvements that are happening to reduce “red tape” and streamline services are either not happening fast enough, or are not clear enough to end users when they do happen.

- The permitting process for developers interested in reuse is complicated, involves multiple departments, and is not well understood.

The zoning code and current variety of overlay districts make the regulatory environment more complex and difficult to navigate

- The zoning code is complex and out of date, including parking requirements that prioritize and incentivize automobile use. Interpretation of zoning codes by city officials is seen as inconsistent and unpredictable.

- Detroit benefits from having a variety of overlay districts, but this can lead to complexity when multiple overlays are applied in a single area.

Incentives and programs are not deployed strategically and do not impact wide swaths of the city

- Some stakeholders felt that development incentives and city programs are spread too thin across the entire land area of the city and that many Detroiter do not see their impact. Participants suggested that greater impact might be possible if the city’s efforts and available incentives were targeted more strategically.

Analysis of Opportunities for Building Reuse

In addition to describing the obstacles that are making building reuse difficult in Detroit, stakeholder meetings also focused on opportunities for the future.

Many project participants were cautiously optimistic about the strength of Detroit’s real estate market, which has gained momentum in some areas of the city in recent years, bringing new investment and residents. However, these participants also worried whether this renewed attention would be able to bring investment and revitalization to more areas of the city. Some participants felt strongly that additional planning capacity within the city would allow for more strategic public and private investment, especially in neighborhoods poised for growth. Additionally, some stakeholders suggested that increased community-based planning efforts, location-specific technical assistance, and incentives could increase development opportunities across a more diverse section of the city’s neighborhoods, while taking advantage of local knowledge that often goes untapped.
MAPPING AREAS OF OPPORTUNITY

With positive market trends and increased opportunities for reuse emerging in Detroit, a key question is how to more fully engage investment, incentives, and city policies and programs to bring the benefits of revitalization to more neighborhoods and more residents across the city. In an effort to better understand the connections between current neighborhood conditions and the potential for building reuse and revitalization, the Preservation Green Lab brought its experience with the Older, Smaller, Better research to further analysis of Detroit’s urban landscape.

Using data from Data Driven Detroit, the City of Detroit Open Data Portal, and other publicly accessible sources, the Preservation Green Lab team developed two models for identifying areas of the city that are well-positioned for successful building reuse projects in the near future. The models spotlight areas that have concentrations of older, smaller buildings, access to some neighborhood amenities, and signs of social and economic vitality, as well as indications of vacant or underused properties and limited investment. These models represent an expansion of methodologies used in other Partnership for Building Reuse cities, and were developed iteratively with input and guidance from the project stakeholders and the Advisory Committee.

METRICS – RESIDENTIAL REUSE OPPORTUNITY MODEL

Social Metrics and Neighborhood Amenities
- Top third: Percent of residents with a commute to work that is 20 minutes or less
- Proximity to groceries: Located within ¼ mile of a grocery store
- Proximity to good schools: Located within ¼ mile of a “top school” as rated by Excellent Schools Detroit
- Proximity to other goods and services: Located within ¼ mile of a healthy economic area

Real Estate Metrics
- Middle third: Total dollars invested in alteration and renovation permits, 2010-2015
- Middle third: Number of demolition permits less the number of new construction permits, 2010-2015
- Middle third: Average property value per square foot
- Number of vacant buildings: Grid square includes one or two vacant buildings
- High Character Score: Top 33 percent in Character Score metric

Demographic Metrics
- Top third: Percent of population that newly moved to Wayne County in the previous year, 2013
- Top third: Change in the size of the population between 2000 and 2010
- Middle third: Change of the computed Racial and Ethnic Diversity Index between 2000 and 2010
- Middle third: Change in median income between 2009 and 2013
Both models use the Character Score (see page 10) for each 200-meter-by-200-meter grid square in the city as the baseline for analysis. Areas with high Character Scores are those sections of the city with high percentages of older, smaller buildings and mixed-vintage blocks. Using additional data on building condition collected by volunteers through the Motor City Mapping survey effort, the Preservation Green Lab developed a customized Character Score measure for Detroit that also spotlights areas of the city with buildings in good condition. Grid squares with above average Character Scores are included in the opportunity models, while areas with low Character Scores are excluded. In high Character Score areas, performance was assessed using a range of social, economic, real estate, and demographic measures.

The first model identifies areas that could benefit from focused programmatic and policy assistance to accelerate residential building reuse. Rather than focus only on areas that currently have dense populations and low vacancy rates, the residential reuse opportunity model explores high-, mid-, and low-density areas and identifies areas within each tier where targeted attention could yield the greatest impact. The three tiers were defined by each grid square’s respective population density and percent of buildings that were listed as occupied during the Motor City Mapping survey effort in 2013 and 2014. In each tiered zone, data related to neighborhood amenities, population change, economic vitality, and real estate metrics are used to spotlight high-opportunity areas.
Recognizing that the commercial corridors of Detroit could play an important role in supporting the city’s neighborhoods, the Preservation Green Lab developed a second model focused on opportunities for reusing commercial buildings. This model includes only grid squares that had at least one job and at least one square foot of commercial space. The commercial reuse opportunity model was designed to highlight areas of Detroit that have older, smaller commercial buildings, signs of healthy economic activity, and are located adjacent to growing neighborhoods and important neighborhood amenities.

In developing the reuse opportunity models, the Preservation Green Lab and the Advisory Committee made the decision to focus on areas with mid-range and top-tier performance—those that scored in the middle third or top third on various measures. The rationale for this approach is that, when focusing on some metrics, areas of the city that are already performing strongly may not need additional programmatic or policy assistance to support further building reuse and investment. For instance, areas with lots of development activity and very high property values may not benefit from focused efforts to bolster building reuse.
BUILDINGS CONSTRUCTED BEFORE 1945.
This map shows the percentages of properties in each grid square that were built before 1945. Many of Detroit's neighborhoods are colored in red and orange, indicating that the vast majority of the building stock was built before World War II.
OCCUPATIONAL FOR REUSE OF RESIDENTIAL BUILDINGS. The Preservation Green Lab used a variety of publicly available data to highlight parts of Detroit where targeted investment in building reuse could have the greatest impact. In this map, darker colors suggest stronger potential for reuse of residential buildings in high-density (red), mid-density (purple), and low-density (green) areas of the city. Areas with particularly strong opportunities for the reuse of residential buildings include Banglatown, Southwest Detroit, Fitzgerald, Grandmont Rosedale, Core City, Bagley, and Islandview.
OPPORTUNITIES FOR REUSE OF COMMERCIAL BUILDINGS. This map highlights areas where targeted investment in commercial buildings could have the greatest impact. Darker shades of blue indicate stronger potential for reuse of commercial buildings. Areas with particularly strong opportunities for the reuse of commercial buildings include the Grand River corridor near Grandmont Rosedale and Riverdale; the areas surrounding the intersection of Livernois and McNichols; commercial areas in Mexicantown, Delray and Southwest Detroit; and the East Warren Avenue corridor near East English Village.
At the same time, some neighborhoods may be dealing with so many fundamental quality of life issues (crime, high unemployment, very few existing buildings) that policies and programs focused on building reuse may have limited effect on the vitality of the area. The models do include some measures focused on the top third performers, however. The Preservation Green Lab staff and the Advisory Committee felt that it was important to build upon some successes in Detroit, so for a few select measures, the models highlight areas that have seen strong performance in recent years.

The tables on pages 31 and 32 provide detail on how various social, economic, real estate, and demographic metrics were used to spotlight opportunities for reuse of residential and commercial buildings. The maps on pages 35 and 36 show the results of the residential and commercial reuse opportunity modeling of Detroit.
Ideas to Advance Building Reuse: Second Stakeholder Convening

Following the first stakeholder meeting in September 2015, which focused on barriers, participants in the Partnership for Building Reuse reconvened in October 2015 to generate ideas for how to overcome these challenges. As background to this discussion, the Preservation Green Lab also presented an analysis of potential areas of opportunity. The meeting participants provided comments and suggestions to the Green Lab team, which were integrated into the revised maps illustrated in the previous section of this report.

The October meeting produced a range of ideas for how to increase building reuse in Detroit, which are presented below. Again, it is important to note that the Partnership is not recommending moving forward with all of these ideas, and recognizes that some might not be feasible in the near term. At the same time, these ideas reflect strong support, optimism, and creative thinking to increase building reuse.

Increase the flexibility of existing regulations and remove regulatory barriers for reuse projects

- **Embrace a range of adaptive reuse policies and programs that remove barriers to building reuse.** This could be a citywide adaptive use program or one that applies to high profile, high opportunity areas. Some incentives and support could come through the streamlining of permitting and inspection, thus minimizing additional cost to the city. The newly-established City of Detroit Development Resource Center could be bolstered to further support building reuse. Policies could also provide waivers to elements of the city code that add unnecessary and undue burden on building reuse projects. For example, an ordinance could waive the requirement of additional off-street parking spaces when the project involves building reuse.

- **Reduce barriers and expedite review of adaptive reuse projects.** Establish a single point of contact for adaptive reuse projects within the City of Detroit Building, Safety Engineering, and Environmental Department (BSEED). Assign project managers who are familiar with the particular challenges that building reuse projects frequently encounter with the city code to adaptive reuse projects. Strengthen electronic plan review and web-based portals to support better communication between architects, developers, and city staff.

- **Explore opportunities to expand and strengthen existing programs to support additional older and historic buildings.** The City of Detroit School Building Adaptive Reuse Ordinance has not been utilized since it became part of the city code in 2014. An audit of the policy could reveal opportunities to strengthen and expand its application to other building types. Additional marketing and promotion of the policy could
also draw out property owners and real estate developers who are not aware of the existence of the ordinance.

Expand and increase the effectiveness of reuse incentives

- **Develop zones for targeted investment where reuse incentives, regulatory barrier removal, and other exemptions are packaged.** Streamline overlay system and provide guidance for tiering multiple overlays when they occur on a single parcel. Encourage developers interested in building reuse to propose development concepts to the “Pink Zoning Detroit” initiative, which aims to reduce red tape in the building and zoning code in targeted areas. Use Green Lab opportunity mapping to determine areas that could benefit most from a suite of targeted resources.

- **Advocate for federal and statewide incentives for building reuse.** Advocate to make the federal historic tax credits stronger, more flexible, and more widely understood and leveraged in the city of Detroit. Build a coalition of developers, planners, and preservationists to lobby for a renewed Michigan State Historic Tax Credit. Advocate for full funding for the Michigan Community Revitalization Program.
• Create online tool for clarifying which overlay districts, incentive programs, and policies affect any user-entered address within the city. Overlay districts and incentive policies and programs are not well understood by property owners and real estate developers. An interactive mapping portal could make the complex regulations much more user friendly and easy to understand.

• Provide upfront inspection, pre-development loans, and other services to make reuse projects more attractive to developers. The City could pre-inspect for issues (like lead) in priority corridors or neighborhood anchor buildings and provide a roadmap to mitigation or abatement for a potential buyer. Pre-development loans could help developers get a jump start on understanding the particular challenges facing a building, enabling more informed decisions in the development plan.

• Promote positive impacts of building reuse and establish new pools of capital that aim to strengthen positive social impact. Promote positive impacts of building reuse identified through Partnership for Building Reuse data analysis and mapping. Connect socially-minded investors to developers where there is clear case for positive social impact. Promote social impact funds as a possible new source of capital. Advocate for a “lower return investment pool”—perhaps seeded by local foundations and philanthropists—that generates a lower, more reliable rate of return, even if the ROI does not reach the threshold of many developers and investors.

Provide new information and new tools to support building reuse

• Create and promote a database of solutions to complex code challenges encountered in building reuse projects. Create a technical manual that identifies solutions to fire suppression, abatement, parking challenges, etc., with a particular focus on adaptive reuse.

• Create a building reuse resource center for developers and property owners. Introduce the building reuse resource center into the start of the city’s permitting and plan review system. Encourage city staff to help developers, architects, and property owners identify challenges early on to save time and money. Organize “meet and greet” sessions with real estate developers, property owners, and city officials and encourage groups to discuss challenges and solutions faced in the building reuse process.

• Bolster existing façade improvement programs and direct those programs to high opportunity commercial corridors. Identify all local façade improvement programs, including those offered by the public sector, by local universities, and by community development and non-profit organizations. Work with Detroit Economic Growth Corporation officials and others to explore opportunities to strengthen existing economic development programs, including Motor City Match. Identify opportunities for coordination of existing programs and steer...
efforts to commercial corridors where potential impact could be most powerful in the short term.

- **Provide tailored education and training focused on lead and asbestos abatement for property owners, real estate developers, and architects.** Such training could come from the Detroit Land Bank Authority and could educate people about what lead and asbestos signal and what level of abatement, mitigation, or removal is necessary in a variety of circumstances. Such training could also include cost ranges for different types of challenges, thereby removing uncertainty when these challenges are encountered for the first time.

- **Create and promote programs for training Detroiters in building trades needed for building reuse projects.** A variety of programs exist in Detroit that could be coordinated and strengthened, providing a pipeline for employment of Detroiters and lowering costs for building reuse projects. Such programs could work through high school co-op programs, small business programs, apprenticeship programs, and entrepreneurial training. The Samuel Plato Academy of Historic Preservation Trades in Banglatown provide the backbone for local economic recovery.
Louisville, KY, led by native Detroiter Jim Turner, could serve as a model for this type of program.

- **Provide educational opportunities to diversify the real estate development market.** Develop materials that use clear language to describe incentives and solutions and direct them to small developers in addition to developers of larger projects. Tailor educational opportunities to first-time property owners. Create community-based workshops to demystify property redevelopment process. Create peer-to-peer learning opportunities between small developers and those interested in redevelopment. Promote owner-occupancy for small businesses along target commercial corridors.

**Stem the decline of important structures that are vacant or abandoned**

- **Advocate for the use of federal Hardest Hit Funds for securing and rehabilitating buildings.** Currently, the vast majority of federal dollars in the Hardest Hit Fund program are able to be used only for demolition. If a portion of these funds could be used to secure or stabilize Land Bank-owned properties that are potential neighborhood catalyst projects or anchors, that could reduce the cost of building rehab and speed the building’s reuse upon the property’s resale at a later date.

- **Prioritize stabilization and security of vacant or abandoned buildings that may be particularly valuable or important in neighborhood revitalization at a later date.** Detroit is a large city and has many thousands of vacant and abandoned properties. Not all buildings can or should be saved. Utilize the Preservation Green Lab’s opportunity modeling and maps to prioritize particular properties that are at a high risk for scrapping or misuse and use best-practice stabilization tools in those places first.

- **Develop training for investors in Detroit properties to ensure that newly-purchased buildings are stabilized and secured.** This could take the form of a short document focused on “10 steps for building stabilization and security before you step away.”
**Action Agenda**

Following multiple stakeholder convenings and careful consideration by a diverse, multi-sector advisory committee, the Partnership for Building Reuse Detroit focused on the following priorities for strengthening building reuse in the weeks, months, and years ahead. These recommendations—crafted as an action agenda for strengthening Detroit neighborhoods and communities through renewed focus on existing buildings—comprise actions to be led by public, private, and non-profit organizations.

<table>
<thead>
<tr>
<th>RECOMMENDATION</th>
<th>POTENTIAL PARTNERS</th>
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<tbody>
<tr>
<td>1. Embrace a range of adaptive reuse policies and programs that remove barriers to building reuse.</td>
<td>Preservation Green Lab, Detroit Future City Implementation Office, Center for Community Progress, City of Detroit, Brick + Beam Detroit</td>
</tr>
<tr>
<td>Streamline and expedite permitting and plan review for small-scale adaptive reuse projects. Create a “solutions database” that highlights successful strategies for resolving complex challenges with building and zoning code and life/safety review. Promote BSEED’s Development Resource Center and advocate for prioritization of adaptive reuse projects. Update building code and zoning code regulations to make them more flexible to the challenges of reusing existing buildings. Remove barriers such as parking requirements and adopt more flexible use categories. Conduct an audit of the City of Detroit School Building Adaptive Reuse Ordinance and make recommendations for strengthening the policy and broadening its impact. Partner with city departments and local data organizations to integrate existing maps and online platforms into a single interactive mapping platform for understanding the relevant overlay zones, available incentives, reuse opportunities, and other applicable building reuse programs for any inputted address in the city.</td>
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<tr>
<td>Detroit Future City Implementation Office, ULI Michigan, Preservation Green Lab, City of Detroit</td>
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<td>Partnership with city departments and local data organizations to integrate existing maps and online platforms into a single interactive mapping platform for understanding the relevant overlay zones, available incentives, reuse opportunities, and other applicable building reuse programs for any inputted address in the city.</td>
<td>Preservation Green Lab, City of Detroit, Data Driven Detroit, Detroit Land Bank Authority</td>
</tr>
<tr>
<td>2. Build capacity and strengthen opportunities for reuse along Detroit’s commercial corridors.</td>
<td>National Main Street Center, National Trust for Historic Preservation, LISC, ULI Michigan, City of Detroit</td>
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<tr>
<td>Re-launch the City of Detroit Main Street Program as part of the National Main Street Center. Beginning with the Jefferson Chalmers neighborhood, encourage the formation of Main Street programs in Detroit’s high-opportunity commercial corridors in conjunction with the NMSC. Provide education and training opportunities to small-scale developers and building tradespeople who work on adaptive reuse projects.</td>
<td>Michigan Historic Preservation Network, Community Development Advocates of Detroit, Incremental Development Alliance, Brick + Beam Detroit, Preservation Detroit</td>
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<tr>
<td>Use data and mapping to identify priority areas for pre-development loans supporting small-scale adaptive reuse projects.</td>
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</tbody>
</table>
Develop energy efficiency programs to lower operating costs for owners and tenants of older buildings.

- Preservation Green Lab, EcoWorks, Michigan Saves, Interfaith Power and Light

Advocate for reforming and expanding the Community Revitalization Program and reinstating the Michigan Historic Preservation Tax Credit.

- Michigan Historic Preservation Network, Preservation Detroit, National Trust for Historic Preservation, City of Detroit

Advocate for federal legislation that will update and improve the federal rehabilitation tax credit. Promote policy changes that will improve access to federal tax credits for projects with qualified rehabilitation expenses of less than $2.5 million. Educate developers and community development organizations about the 10 percent federal rehabilitation tax credit for non-historic, non-residential buildings constructed before 1936. Advocate for the expansion of the 10 percent credit to additional buildings. Support a flexible and predictable interpretation of the Secretary of the Interior’s Standards for Rehabilitation in order to expand opportunities to preserve and adaptively reuse more historic buildings.

- National Trust for Historic Preservation Michigan Historic Preservation Network, Preservation Rightsizing Network

4. Integrate building reuse strategies with major planning initiatives underway or planned.

Pilot implementation of adaptive reuse policies and code changes in targeted “Innovation Zone” areas, which are identified by overlaying Preservation Green Lab opportunity mapping with maps of current programs, planned programs, and priority areas identified by public and nongovernmental organizations.

- City of Detroit, Community Development Advocates of Detroit, Preservation Green Lab, Preservation Rightsizing Network

Advocate for strengthening anti-scrapping legislation and for prioritization of anti-scrapping interventions in areas with strong potential for building reuse. Include provisions for building stabilization, mothballing, and scrapping prevention as part of federally-funded city blight removal and neighborhood revitalization efforts.

- Michigan Historic Preservation Network, City of Detroit, National Trust for Historic Preservation, Preservation Green Lab, Preservation Rightsizing Network

Advocate for a clear, well-articulated role for building reuse in the City of Detroit’s updated comprehensive plan.

- Detroit Future City Implementation Office, Michigan Historic Preservation Network, Preservation Detroit
Conclusion: Unlocking the Potential of Detroit’s Neighborhoods

Over the past 18 months, an energetic and dedicated group of real estate, development, planning, preservation, and government leaders have focused their attention on how to encourage investment in underused buildings across Detroit. Research conducted by the National Trust’s Preservation Green Lab shows how reuse of these older structures can contribute to a more economically, socially, and environmentally sustainable future for Detroit.

The Action Agenda detailed in this report lays out a range of solutions, from incremental policy changes to broad, new programmatic initiatives. In the coming months, lead partners will be identified and implementation groups will be formed around key strategies. The Preservation Green Lab will continue to provide support to this process. Together, we will move forward to advocate, organize, and execute on the recommendations to make building reuse the default development option in Detroit and unlock the potential of its neighborhoods.
Project Stakeholders and Meeting Participants

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Hamilton Anderson Associates

Jackie Bejma
Land Assembly for Neighborhood Development

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Wayne State University

Kirby Buckholder
IFF

David Carroll
Quicken Loans

Janese Chapman
City of Detroit

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City of Detroit

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Maggie DeSantis
Eastside Community Network

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8 Mile Boulevard Association

David Williams
City of Detroit

James Witherspoon
Quicken Loans

Tom Woiwode
Community Foundation for Southeast Michigan
About the Advisory Committee

MICHAEL J. BRADY, JR.
General Counsel, Detroit Land Bank Authority
Michael Brady is general counsel to the Detroit Land Bank Authority (DLBA), where he directs the Legal Department in providing counsel and assistance to the organization, the Board of Directors, and all of its programs. He is also responsible for overseeing the DLBA’s Nuisance Abatement Program. Prior to joining the DLBA, he was vice president of policy to the Center for Community Progress, a national nonprofit focused on returning abandoned property to productive use. In addition to public policy, Mr. Brady also provided capacity building and local technical assistance to partners in communities around the country on issues such as land banking, demolition & building removal, and code enforcement. Prior to that, he worked as legal & policy director for Michigan Community Resources, where he specialized in vacant property legal issues as part of the Detroit Vacant Property Campaign. Mr. Brady also worked for the Wayne County Land Bank, the Detroit Brownfield Redevelopment Authority, and the Wayne County Nuisance Abatement Program.

AMY ELLIOTT BRAGG
Board President, Preservation Detroit
Amy is board president of Preservation Detroit, the city’s foremost historic preservation advocacy organization, and a co-founder (with Victoria Olivier of Detroit Future City and Emilie Evans of PlaceEconomics) of Brick + Beam Detroit, a Knight Cities Challenge-winning project to bring together Detroit’s community of building rehabbers. Amy is a 2016 recipient of the Michigan Historic Preservation Network’s Citizen’s Award and a noted writer about Detroit’s pre-automotive history. By day she is content director at Issue Media Group, a Detroit-based media company dedicated to the story of growth, transformation and catalytic talent in cities.

HELEN BROUGHTON
Business Advocate, Motor City Match, Detroit Economic Growth Corporation
Helen has worked with program design and delivery, community development, economic development and business support through her position on the Motor City Match team, as a Business Advocate with the City of Detroit Buildings, Safety Engineering & Environmental Department for the Living Cities Integration Initiative and as a Community Manager with the Next Detroit Neighborhood Initiative. A graduate of Central Michigan University and Wayne State University, Helen is a member of the Placemaking Leadership Council, a co-founder of People for Palmer Park, and president of the Friends of the Alger Theater, a nonprofit renovating an historic theater in her eastside Detroit neighborhood.

JELA ELLEFSON
Community Development Director, Eastern Market Corporation
Jela Ellefson is the Community Development Director of the non-profit Eastern Market Corporation, where she ensures stability and growth of Eastern Market District through long-range district-wide planning and development projects. Jela’s work advances EMC’s core goals of authenticity, connectivity, diversity and equitability for the Eastern Market District, the longest operating historic working food district in the US. Jela earned an Urban Planning Master’s Degree from the University of Southern California and has 15 years of finance, urban planning, policy, and community development experience that she leverages into finding qualitative and quantitative solutions to complex problems.

NANCY FINEGOOD
Executive Director, Michigan Historic Preservation Network
Nancy Finegood was named executive director of the Michigan Historic Preservation Network (MHPN) in 2002. She is a Board Member of Preservation Action and the MotorCities Auto Heritage as well as a member of the Oakland County and Michigan Main Street Advisory Boards. Nancy has been honored as an honorary affiliate of the AIA Michigan. She graduated from Wayne State University with a BA in secondary education, where she also earned an MBA with an accounting concentration.

RICHARD HOSEY
Owner, Hosey Development LLC
Richard is the owner of Hosey Development LLC, a full service real estate development company currently developing the Kirby Center Lofts in Midtown Detroit and Co-Developing the Capitol Park Projects in Downtown Detroit. His 20 year career in real estate development and financing includes experience with HRI Properties, the Reznick Group, Trammell Crow Residential, and Bank of America. He serves as the Vice Chair and Treasurer on the Board of the Detroit Land Bank Authority and as a Board member for the Michigan Historic Preservation Network.
UNLOCKING THE POTENTIAL OF DETROIT’S NEIGHBORHOODS:

GEORGE C. JACOBSEN
Senior Program Officer, The Kresge Foundation
George C. Jacobsen is a senior program officer at The Kresge Foundation. He joined Kresge in 2008 and has managed the foundation’s Detroit Program arts and culture portfolio since 2011, including its work to support individual artists and provide general operating support to a variety of arts and cultural organizations working in metropolitan Detroit. He further pursues grantmaking opportunities in the arts that advance Kresge’s Detroit program to reposition the city as a model for revitalization. George has a master’s degree in urban planning from Wayne State University in Detroit and a bachelor’s degree in interdisciplinary studies in social science from Michigan State University, where he focused on international studies and political science. He is also a graduate of the inaugural class of the Larson Center for Leadership through Urban Land Institute-Michigan and The Funders’ Network for Smart Growth and Livable Communities PLACES fellowship program.

DAN KINKEAD
Principal, SmithGroupJJR
Dan Kinkead, AIA, is an architect and urban designer. He is a principal at SmithGroupJJR where he is co-leading the formation of the firm’s national urban design practice. Most recently Dan was the director of projects for Detroit Future City, and design principal at Hamilton Anderson Associates. Dan’s experience includes transformative projects for Columbia University and Michigan State University, urban district designs in Europe and China, and graphic translation for World Bank urban research programs globally. Dan is a chapter author for the recently released book, Remaking Post-Industrial Cities: Lessons from North America and Europe published by Routledge, UK.

GREGORY R. MCDUFFEE
Chair, ULI Michigan and Executive Director, Detroit-Wayne Detroit Building Authority
Gregg McDuffee became the Executive Director of the Detroit-Wayne Joint Building Authority in 2005 after serving for three years as an Authority Commissioner and its Treasurer. Prior to his work with the Authority, he was a Senior Vice President of SmithGroupJJR, an architectural firm with ten North American offices. He also served as a member of the SmithGroupJJR Board of Directors and as the director of their real estate consulting practice with a focus on urban redevelopment initiatives and public-private partnerships. He currently serves as Governance Chair of ULI Michigan and chairs their Resiliency Taskforce. In addition to ULI, Gregg is also a Board member and Treasurer of Metro Detroit BOMA and serves as a Trustee of Henry Ford Hospital Health System. He is a graduate of The University of Michigan School of Business Administration and is certificated in Local Government Fiscal Management by the State of Michigan.

GINA METRAKAS
Director of Urban Revitalization, Rock Ventures
Gina Metrakas focuses on efforts to spark development and revitalization in Detroit. She is responsible for building effective programs with public and private stakeholders to support city-wide housing and economic development. Prior to joining Rock Ventures, Ms. Metrakas held positions as Senior Advisor for both the White House Detroit Team and the U.S. Department of Housing and Urban Development. In these roles she coordinated and implemented efforts to support Detroit’s recovery. Ms. Metrakas graduated from Villanova University and Catholic University Columbus School of Law. She is a member of the Massachusetts bar.

ERICA RALEIGH
Executive Director, Data Driven Detroit
Erica Raleigh joined Data Driven Detroit (D3) as a founding member in early 2009 as a Research Analyst and is now the owner and Executive Director. She has a background in housing and community development, transportation planning, and public safety research. After taking on leadership of D3 in 2013, she successfully managed the organization’s transition to an L3C. She is the lead author on “Neighborhood disinvestment, abandonment and crime dynamics” which was awarded the 2014 Best Conference Paper Award at the Urban Affairs Association annual conference. Erica is deeply committed to the equitable access of information for data-driven decision-making. She holds a Master of Urban Planning from Wayne State University, and a Bachelor of Arts in Hispanic Studies from the University of Michigan.

JENNIFER REINHARDT
Detroit Preservation Specialist, Michigan Historic Preservation Network / National Trust for Historic Preservation
Jennifer Reinhardt is the Detroit Preservation Specialist for the Michigan Historic Preservation Network and National Trust for Historic Preservation where she works with city officials, nonprofit organizations, residents, and other local stakeholders to ensure that plans for vacant and abandoned historic buildings are accomplished in a thoughtful and participatory way. With a background
in cultural policy and asset based community development, Jennifer previously held positions with New Voice Strategies, Windy City Habitat for Humanity, and the Chicago Cultural Alliance. She holds a master’s degree in sustainable urban development from DePaul University and a bachelor’s degree in near eastern archaeology from the University of Chicago.

**SHANNON SCLAFANI**  
**Director, ULI Michigan**  
Shannon Sclafani is the director of the Urban Land Institute’s Michigan District Council, ULI Michigan. She has been fulfilling ULI’s mission of creating and sustaining thriving communities for nearly 14 years as a fundraiser, program coordinator, manager and now director. Through her tenure at ULI, Sclafani has expanded the District Council to a statewide organization, launched an eight-month leadership development program - the Larson Center for Leadership, developed ULI Michigan’s Technical Assistance Program to address unique land-use challenges, and launched the Women’s Leadership Initiative to elevate women within the real estate industry. Sclafani is an active member of the community, serving as the director of Week in Wyandotte, a week-long missions program that teaches teens the importance of serving their communities with no strings attached. She also serves on the Challenge Detroit review committee and the board of the Detroit Center for Design Technology Incubator. Sclafani is a graduate of Michigan State University.

**MARY LU SEIDEL**  
**Chicago Field Director**  
Mary Lu Seidel is the Chicago Field Director for the National Trust for Historic Preservation, working to save nationally significant places and revitalize older urban areas. She has extensive community building experience from her more than 25 years in the Chicago area market working in economically and ethnically diverse areas. Her work has focused on strategic planning, community organizing, public policy, advocacy and development.

**SARIDA SCOTT**  
**Executive Director, Community Development Advocates of Detroit**  
Sarida Scott has served as the Executive Director for the Community Development Advocates of Detroit (CDAD) since September 2012. Prior to coming to CDAD, she worked at Michigan Community Resources, holding positions as Legal Director and Chief Program Officer. She has worked in the community development industry and local government, combined, for more than fifteen years. Sarida received her J.D. from the University of California, Berkeley and her B.S. in Engineering from the University of Michigan. Sarida’s work experience has been concentrated in the areas of nonprofit legal compliance, education and community engagement. She lives in Detroit with her husband and daughter.
Acknowledgments

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Detroit’s Older, Smaller Buildings and Mixed Vintage Blocks: By the Numbers

SNAPSHOT:

261,118 BUILDINGS
IN THE CITY OF DETROIT

Two-thirds of the buildings standing in 2015 were built in 1945 or earlier. Half were built in 1938 or earlier. Nearly 97 percent are at least 50 years old.

NEARLY 2.5X
AS MANY JOBS IN NEW BUSINESS

In areas of the city with a mix of old and new buildings, the average number of jobs in newly launched businesses is more than 2.5 times the average in areas with buildings constructed in the same period of development.

59% of JOBS
IN SMALL BUSINESS

Significantly higher proportions of jobs are in businesses with fewer than 20 employees in areas with older, smaller buildings and mixed-vintage blocks when compared to areas with mostly larger, newer buildings.

NEARLY 70%
OF DETROIT’S MOTOR CITY MATCH BUSINESSES

Nearly 70% of entrepreneurs awarded grants through Motor City Match open businesses located in areas with older, smaller buildings and mixed-vintage blocks. Significantly more businesses overall are located in commercial corridors with human-scaled buildings from different eras.

MORE THAN 90%
OF DETROIT’S TOP RATED FOOD AND DRINK ESTABLISHMENTS

More than 90% of the city’s best restaurants and bars, breweries and distilleries (as listed in Hour Detroit’s “Best of Detroit 2016” list) are in areas with a mix of old and new buildings.