ReUrbanism: Past Meets Future in American Cities
Roadmap to ReUrbanism: Identifying and Overcoming Barriers to Building Reuse

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Cities and towns across the country have valuable, yet often untapped, assets in their older buildings and neighborhoods. Older buildings and blocks are foundational to creating strong economies and providing smaller, adaptable spaces that can help cities weather an economic storm. They offer affordable commercial space and housing of all types, creating communities that can be home to new and established businesses and residents alike. And they provide a distinctiveness that gives communities character while maintaining room for growth and change. Keeping older buildings in use is an essential element of sustaining and promoting better cities and towns.

At the Preservation Green Lab, we have taken great strides toward demonstrating the value that older buildings and blocks deliver to cities and towns across the country. We’ve ushered the preservation movement from making subjective and general statements to using the data-driven language of developers and policymakers, leveraging the ever-expanding trove of publicly available data. Our research—summarized in the 2014 report, Older, Smaller, Better—has shown that older buildings and blocks are havens of creativity, ingenuity, and entrepreneurialism. They are economic and cultural ecosystems that provide density and diversity. We have found that, in city after city, the relationship between older buildings and a robust local economy is strong. One can no longer deny the value of these assets.

Our next task? Moving from why to reactivate older urban places to how to get it done.

MAKING REUSE EASIER AND MORE LIKELY

The National Trust’s ReUrbanism initiative seeks to make reuse of buildings the default development option in cities across the
county, rendering demolition the option of last resort. As it stands, the regulatory system in many places makes demolition the easier choice. “If I want to rehab a building in Philadelphia, I need to get multiple approvals, but I can get a demolition permit the same day I apply for one,” notes Paul Steinke, executive director of the Preservation Alliance of Philadelphia.

Through our Partnership for Building Reuse, the Preservation Green Lab has worked with the Urban Land Institute in five cities across the country—Los Angeles, Philadelphia, Detroit, Chicago, and Baltimore—to uncover specific barriers to building reuse and develop local solutions that make reuse easier and more likely. In each city, the Preservation Green Lab and a local advisory committee convened a variety of stakeholders and practitioners—including preservationists, developers, real estate and finance professionals, and city staff—to identify specific barriers to redevelopment. We found that four major obstacles were most commonly cited.

Requirements to Provide Parking
As the 10 principles of ReUrbanism note, cities should be built for people and not for cars. Yet the auto-oriented development patterns of the late 20th century persist—along with, in many places,
unavoidable continued car use necessitated by a lack of reliable public transit and an imbalance in the location of good jobs. Many cities have parking regulations that use a rigid formula to determine how many spaces each business or building needs to provide. At face value, this may make sense: If you have a hardware or grocery store, you should be able to provide parking for the number of customers you may have at any one time. However, many studies have proven that these formulas often overestimate the amount of parking needed. To prove this point, the #BlackFriday Parking project crowdsources photographs of parking lots that are half empty on Black Friday, the supposed busiest shopping day of the year. If the spots aren’t used then, when will they ever be?

Big box lots aside, many smaller redevelopment projects—such as those along historic commercial corridors—may need to provide even less parking, as they can take advantage of shared lots and street spaces. Adjusting the parking formula—or removing parking minimums altogether, either for reuse projects or for targeted zones of cities—can be one of the most powerful incentives to even the development playing field.

Despite the American love affair with the automobile, this notion is gaining traction across the country. Between 2015 and 2016, estimates of the number of cities that have removed or reduced parking requirements for certain districts increased from a couple dozen to well over 100. Many will find this to be a tricky political fight in their town, but it’s important to note that reducing or eliminating requirements does not equate to eliminating parking spaces. A study of the impacts of Los Angeles’ Adaptive Reuse Ordinance, which eliminated the requirement to create any new parking for new residential units, found that some developers still did deliver parking as an in-demand amenity. In 2004 London planners changed their parking minimums to parking maximums in an attempt to decrease the number of spaces being built and increase investment in providing more housing. They found that, after this change, only 17 percent of new developments provided the previous minimum, 25 percent provided no parking at all, and 22 percent met the maximum allowed. This shows that removing
the minimum doesn’t eliminate parking—it decouples parking from development, allowing market forces to determine where spaces would be most useful.

Many advocates for affordability in cities find that parking requirements increase the cost of housing—whether or not residents have cars. Seattle’s Sightline Institute found that parking requirements added an average of $200 per month to the rent of each new housing unit, regardless of car ownership. Other research has shown that requiring two spaces per unit can increase the cost of a development project by as much as 25 percent, making it impossible for some projects to even get off the ground.

It goes without saying that advocacy around eliminating parking requirements must go hand-in-hand with advocacy for increased access to reliable public transit. If we are serious about reducing this barrier, transit advocates should be part of the conversation.

### Out-of-Date Zoning

As with parking provisions, zoning codes often reflect the priorities of a different era and can be a major barrier to encouraging the sensitive, organic neighborhood development that many urban advocates seek. In New York City, zoning was established, in part, to prevent skyscrapers from blocking out sun and airflow to smaller buildings—creating a setback design that allows sunlight to reach
the sidewalk. In other cities, zoning was born of a desire to separate incompatible uses—industrial from residential, for example.

On its surface, this practice is sound. Who would want to live next to a slaughterhouse if they could avoid it? However, much has changed since the 20th century, and the type of development reinforced by single-use districts is no longer serving the needs of much of the population. In fact, recent studies have begun to note how much of certain cities would be “illegal” under current zoning. The highly valued, mixed-use, 24-hour commercial corridors that have a diversity of housing options couldn’t be built today as a result of current zoning.

In Baltimore, neighborhood corner stores are prevalent throughout the city, grandfathered in when many neighborhoods were rezoned solely for residential use in the 1970s. But when the ownership changed hands, the parcels were not allowed to house commercial space. In Remington, a neighborhood near Johns Hopkins University, this meant that eight out of the 12 corner stores in the neighborhood remained vacant for years. In 2012 the city embarked on a comprehensive rezoning effort to address this and other issues. But this intensive process can often take a city planning staff years to complete. In 2015 Remington residents and the Greater Remington Improvement Association promoted a bill—eventually passed by the city council—that allows those eight stores to re-open for their original use.

Though an entire rewrite of the zoning code that encourages reuse and infill development is likely to have greater impact, smaller tweaks like the Remington bill can have an immediate effect. This strikes at the core of what ReUrbanism seeks to do—leverage the original urbanism present in so many cities and towns to provide a wealth of activities, uses, and housing types within a connected, walkable community.

Inflexibility of Building Codes
The building codes we live with today were put in place to regulate various aspects of how buildings perform. Many life-safety codes originate from devastating fires or other disasters that demonstrated the need to regulate egress or materials. Others, such as energy
codes, are designed to generate a specific outcome. In most cases, they have been written as a set of rigid regulations to be strictly interpreted and enforced. However, this formulaic approach to codes can eliminate the opportunity for developers to come up with creative, case-specific solutions that better suit their adaptive reuse projects.

The formula goes like this: If you use certain materials and follow specific installation guidelines, you automatically meet code. Following this kind of checklist is sometimes called a “prescriptive” approach. This may work for large developers or new projects—if you are starting from scratch, you can just follow the checklist. But if you want to convert a warehouse into apartments or a gas station into a coffee shop, you’re going to need to get creative. In our Partnership for Building Reuse discussions, we heard numerous examples of prescriptive building code application posing a challenge for reuse projects—such as the requirement for a secondary internal staircase, which may be important for huge multifamily projects but may not be necessary in a smaller building with a particular layout; or the requirement that windows be a specific dimension, rather than simply operable and large enough to use as an egress. Additionally, when developers are forced to apply building codes mainly designed for new construction to buildings with materials, layouts, and features from earlier times, it can add unpredictability to the redevelopment process, a disincentive for those not already familiar with rehab projects.

Historic buildings or reuse projects don’t need to be exempt from building codes, but allowing for some flexibility within the codes themselves or in their application to reuse or smaller infill development would make these types of projects much easier and more likely. Many cities and states have begun adopting flexible building codes, modeled on the International Existing Building Code (IEBC), specifically to incentivize this type of development. The IEBC is part of a family of international codes developed by the International Codes Council, which provides a framework for the health and life safety codes in much of the United States. The IEBC offers alternate approaches to repairs, alterations, and additions for existing buildings while still meeting the desired safety
outcomes of the original building codes. What this really means is that developers and designers are given the flexibility to meet the outcome—a quick exit in case of fire, for example—in the way that makes the most sense for the specific building.

New Jersey officials recognized a need to create more housing by redeveloping existing single-family residential areas and other underused nonresidential assets. To make this work, they created a Rehabilitation Subcode within the state’s building code. Adopted in 1998, this was the first building code in the nation written specifically for existing buildings, describing how to meet health and life safety goals in redevelopment. The subcode lays out a clear set of requirements that are predictable to developers and in proportion to the work planned, so as not to significantly extend its scope. Notably, it allows flexibility in order to enable developers to retain historic fabric.

Inadequate Financing
Finally, stakeholders noted time and time again the need for better access to capital and greater financial incentives for reuse projects. More so than with new development, budgets for reuse projects can be unpredictable, as unknowable issues crop up, requiring tweaks to the plan. That leads lenders to shy away from rehabilitation projects, perceiving them as riskier. Additionally, the complex layering of public and private funding that many reuse projects require can be unfamiliar to some lenders and an obstacle to new developers.

Historic tax credits (HTCs)—at the federal and state levels—have provided an impressive boost to reuse projects across the country. Over the life of the federal HTC, $23 billion in credits have leveraged
$131 billion in private investment—generating more than $28 billion in federal tax revenue alone. Strong federal- and state-level HTCs for rehab work are among the best tools to incentivize reuse and can make—or break—a developer’s ability to have a project “pencil out” financially. Ongoing advocacy efforts to maintain and strengthen these credits are critical to the success of ReUrbanism.

But other creative credits and financial incentives can also help spur investment in older neighborhoods. In 2013 South Carolina passed the **Abandoned Buildings Revitalization Act**, which offers an income tax credit of up to 25 percent to redevelop a building (of any age) that has been at least two-thirds vacant for five years or more. **Motor City Match**, a program of the **Detroit Economic Growth Corporation**, leverages **Community Development Block Grants** to connect owners of vacant commercial space with tenants who are looking to start new businesses—a matchmaking system that should be replicated in any town looking to strengthen its local economy. In the most recent round of grants alone, Motor City Match has leveraged nearly $3 million in grants to serve 572 businesses, including 10 women-owned businesses.

Those undertaking efforts to create new incentives and improve access to financing should always consider how to broaden the developer pool in every city. The historical model of an owner-occupied business should be viable today, at a time when we seek to build economic resilience and neighborhood wealth. The more people participate in real estate development, the better off the preservation movement will be; incremental development is how many of our most-loved neighborhoods evolved in the first place, and we should promote and celebrate that. Training, education, and marketing can go a long way in this effort, and including smaller deals in new financing packages is equally important.

**NEXT STEP: DEVELOPING AND PROMOTING MODEL POLICIES**

Older buildings and blocks are foundational to the healthy, equitable, and resilient cities of the future, so they need to be actively stewarded as resources by city leaders and urban advocates. The Partnership for Building Reuse process provided the greatest insight to date on how the regulatory regime of modern cities is set
up in favor of new construction and larger developments. To change that, we must develop a toolkit of creative strategies and policy solutions.

The beginnings of this toolkit lay in the final report coming out of this work, *Untapped Potential: Strategies for Revitalization and Reuse*. Released in October 2017, it details the major barriers discussed in this article and presents the best strategies for cities across the country to overcome those barriers. The report also comes with a model Adaptive Reuse Incentive Program—an out-of-the-box adoptable overlay that brings together the best regulatory incentives for developers of older, smaller buildings.

Supported by research and policy, ReUrbanism will provide a path forward for urban advocates and city leaders to both recognize the value of their older buildings and take action to put them back into use. FJ

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