

Nathan Hart, AIA
Oakland Square Historic District, Pittsburgh, Pennsylvania

In 2004, I nominated my neighborhood of Oakland Square as a City of Pittsburgh historic district. My neighborhood faced, and continues to face, a demographic challenge. Many of the homeowners in the neighborhood are older. Many houses in Oakland have passed hands from older residents to absentee landlords. We feared that in a few years, if more young homeowners and families were not attracted to our neighborhood, the Oakland Square neighborhood could reach a tipping point at which poorly managed and maintained student housing would quickly erode property values and quality of life and drive out the base of home ownership that we currently enjoy.

The nomination was contentious. On one hand, folks were concerned that a new layer of bureaucracy would govern what they could do to the exterior of their homes. Some older residents had significantly altered their houses and were concerned that they would be forced to spend more money than they could afford to restore their homes back to what they looked like in 1890. Several Oakland landlords fed on this fear with a misinformation campaign aimed at our Italian immigrant population. Other neighbors saw it as a way to maintain quality, reinvestment, and homeownership in the neighborhood.

Just as a poorly maintained or unattractive building can make an entire street less attractive, a charming, well maintained building is an asset for its neighbors. Historic districts help promote a consistently high quality of materials, details, and styles throughout a neighborhood so that the district is a collection of charming, well maintained buildings. It is a trust between neighbors. It assures that every physical change that a neighborhood experiences is a change for the better. It promotes reinvestment by assuring that the investment one neighbor puts into their property will not be undermined by an incompatible alteration by another.

Historic districts work. National studies consistently show that historic districts enjoy higher property values compared to neighborhoods with similar housing stock but without historic protections. Historic districts attract tourism, promote civic pride, and give an area a sense of history and tradition. They create a distinct sense of place. In addition, historic tax credits can often sweeten a deal for savvy developers who might not otherwise consider investing in a property.

At 6 years old, how is my historic district? We're getting there. Every year a house or two gets restored. We've added a few new young homeowners and lost a few older ones. Average property values have risen between 75 - 100%, despite the national housing crash. My neighborhood has an active neighborhood watch program and a strong sense of identity. We have not been immune to the student housing pressures on our borders, but all things considered, the Oakland Square Historic District has been and continues to be a successful endeavor. I am proud to say I am a part of it.

Mark Fatla, Northside Leadership Conference

For the past 5 ½ years I have served as Executive Director of the Northside Leadership Conference, the primary community development corporation for the neighborhoods of the Northside. Given our existing built environment, many of our neighborhoods view historic preservation as an integral part of their revitalization strategy. My house in Allegheny West was built in 1870 and I saw firsthand the neighborhood's successful effort to become a City-designated historic district, and the results of that designation.

Two big-picture thoughts occur to me in response to the question regarding benefits of Historic Preservation:

- **Competitive Advantage:** Neighborhoods and towns are in a competitive environment for residents, businesses and investment. To successfully compete with suburbs, they must offer something the suburbs cannot. The aesthetic and practical differences of historic districts provide that competitive advantage. They provide an aesthetic of style and architecture that cannot be found in the suburbs. They typically are walkable neighborhoods, an increasingly desirable component of living. They are often close to centers of employment (like downtowns and universities), and to cultural resources (like arts facilities, museums and universities), and to hubs of activity and creativity (like restaurants, coffee shops and universities). They save time – residents spent less time driving and more time living. In a transient and mobile society, they provide a sense of permanence and stability for people feeling increasingly disconnected except through electronic devices.

In my own neighborhood, we see it most evident in house tours when people visit and are wowed by the largely intact community of Victorian homes that aren't a movie set but an honest and real place to live. They find a sense of place, both aesthetic and personal, that they feel an urge to be a part of. Most just go home and the feeling passes, but a surprising amount of future homebuyers were once house tour customers who could not shake that need to share that sense of place.

In many ways I think that colleges also compete in this way. Every college has classrooms and award winning professors and creative initiatives and sports programs and nice dorms and good cafeteria food. What they all WISH they had was a classic campus look – grand old buildings that bespeak permanence and integrity, a visual and architectural aesthetic that woos parents and students, a sense of place that will evoke fond memories in alumni. In my own neighborhood of Allegheny West, we've seen successive administrations of CCAC move from antipathy to historic buildings to a recognition that they are a unique competitive asset that aids them in attracting students, teachers and programs. Where they once bastardized historic buildings with drop ceilings and drywall partitions, they now restore, polish and show them off. The historic buildings are the public face of the college.

- **Stability and Predictability Drive Investment:** Most people, from homebuyers to real estate developers, are risk averse. They value stability in the place they are investing and they value predictability for the future. Those have been large factors driving suburban development. A builder knows that if he builds a house of a certain type he can sell it for

a reasonably assured price and make an assured profit. The homebuyer knows that the value of his/her purchase is supported by the value of all the similar value houses around it. And both developer and homebuyer know that the future is fairly predictable – more development and more buyers of similar houses at similar or higher values.

Urban and town neighborhoods are far less predictable by comparison. Property values are not uniform and income levels of residents are varied as a reflection of that. No one is preserving or repairing whole swaths of houses at once – individual homeowners are doing individual homes at varied times and paces. No one is trying to tear down a suburban house in a housing development to add parking or to expand a business or to help a college grow, but in an urban/town context, such scenarios are common. The built environment is changing and the future is not assured.

Historic preservation efforts, and historic building and district designations in particular, provide a significant dose of both stability and predictability. With a historic district, the homebuyer knows that an investment in a historic home will not be jeopardized by others through insensitive renovations or even demolitions of the built environment. Similarly the builder is more likely to undertake a quality renovation if he or she knows that the value will be sustained by similar quality work. Banks like mortgages in historic districts, again because they value stability and predictability. Even without a formal designation process, historic preservation efforts can generate a powerful sense of shared interest and commitment. In a market inherently unstable and unpredictable, historic preservation offers a rock to hang onto, one that means the tide won't sweep the neighborhood (and your investment) away, but that things can grow from an established base.

The most telling example may be in Historic Deutschtown in Pittsburgh (aka East Allegheny). Here the residential area south of E Ohio St was designated as a City Historic District while the area north of E Ohio was not. The community group built or restored houses in both sections. Both are the same distance from the business district and major employers and local amenities. Community leaders came from both areas. One section attracted strong investment even as values rose. The other lagged and continues to do so, though it is starting to gradually catch up. Want to guess which is which?

However, none of this will be persuasive to the property rights advocate. The PURPOSE of the limitation will be irrelevant to the advocate. The ONLY relevant fact is that it IS a limitation and violates a RIGHT of the property owner, rhetorically insinuating that this RIGHT is somehow inviolable and sacred.

The only response then is really a series of questions – Do you believe that zoning codes are a permissible limitation? What about building codes? Electrical codes? Fire and safety codes? Mandatory sewer and water systems? Control of toxic chemicals? At some point, they must admit that the public good requires limitations on private property rights. THEN the debate becomes WHAT is a strong enough public good to outweigh the private RIGHT. Fortunately for the preservationist, the US Supreme Court long ago settled that question in the “Grand Central Station” case, finding that historic preservation was a legitimate object of public good that could restrict private rights.

Tom Hardy

Managing Member of Palo Alto Partners, a Pittsburgh-based economic development group

I have been involved in real estate development and community revitalization for my entire professional career. Historic preservation has been a powerful tool that I've used numerous times. The benefits of preservation are higher market values and properties that tend to be easier to market because they are unique and have a high degree of curb appeal. Although there are costs associated with preservation, there are resources such as Historic Tax Credits that can significantly offset the cost and help create a viable project. We have successfully used these credits in the City of Pittsburgh in the South Side and Manchester neighborhoods, and currently a project that I'm restructuring in Erie. As I see it, there are clear benefits to historic preservation and historic designations for communities that are large or small. Historic preservation is a strategy that has been used successfully for more than four decades, and as a practitioner it is one that I use quite often.