

## PRESERVATION IN THE MIDST OF ECONOMIC CHAOS

# A 20/20 Vision into the Future

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The editors of *Forum* contacted me some time ago to write a piece for this issue. It was put in this context: “In the summer of 1991 you wrote a Forum article entitled ‘Coping with the Economic Downturn.’ Much of what you said then seems germane now; do you think you could update it for this recession?”

As always I appreciated being asked, but I didn’t approach this assignment in that manner. And this is the reason: This is not one more, albeit deeper, downturn in the business cycle. This is economic chaos and is the harbinger of systemic changes to come. Anyone who says how or when it is going to end, or what the structure of our economy will look like on the other side, has allowed their arrogance to overpower their expertise. The truth is, no one knows.

But there are beginning to emerge some patterns, some indicators, that may give us a clue about how historic preservation is going to be affected. I’ve entitled this “A 20/20 Vision into the Future.” But that is not remotely to suggest that I have perfect vision. Rather it refers to 20 trends, 10 risks, and 10 opportunities that may affect preservation in the intermediate and long term.

### TWENTY TRENDS

So here, in no particular order, are 20 trends that I believe will shape our decisions. Credit availability and energy costs are pushing many of these trends.

**1.** There is beginning to be a significant push for, and acceptance of, density.

**2.** There is a very rapidly increasing shift to using public transportation. When gas prices topped \$4 a gallon there was a significant jump in public transportation use. But when prices fell, the use of public transportation did not. We are experiencing a hiatus from high fuel prices, but not a permanent return of cheap gas.

**3.** The cost of fuel has caused some, even wealthy, school districts to reduce the number of students who are served by school busses—requiring more of them to walk to school. I’m not so sure that’s not a

good trend, but for 40 years we have built schools like we built shopping centers—surrounded by open space and designed with automobile orientation rather than pedestrian orientation. Therefore both the distances and the walkability between students’ homes and the schools are often very problematic.

**4.** There will be a renewed interest in neighborhood schools, and this will spur a rebirth of the neighborhoods around them. More and more unused, and often historic, schools will be taken over by charter schools. But many will be reactivated by public schools systems generally.

**5.** Local governments and advocacy groups are beginning to understand the value of mixed-income housing, both on the building level and on the neighborhood level. This is going to mean more inclusion-

ary zoning ordinances and an increased role for nonprofit housing providers. Corresponding with the enlightenment about mixed-income housing will be greater encouragement for mixed-use buildings and mixed-use neighborhoods.

**6.** The infrastructure in this country is in desperate need of repair and replacement. That is going to become more apparent in close-in and older neighborhoods. And where is the money going to come from for that? It should have been the priority in the stimulus package; it was not.

**7.** We are going to see the overall rates of homeownership fall. They peaked at nearly 70 percent of all households at the end of 2004. They've gone down a couple of points since then. But it's not just going to be that people are no longer homeowners because they lost the property in foreclosure, nor will it be because those

but only if design ordinances all over the country require them to do so.

**9.** There will be more and more at-home workers, both heads of independent businesses and employees allowed to work offsite as a part-time alternative to going into the office. All three levels of government will move to have many of their employees work from home at least part of the time. This will make neighborhoods safer, but also increase the demand for more public services, better maintenance of streets, sidewalks, and lights, and more mixed uses within the neighborhood.

**10.** Transportation advocates will be playing a more prominent role in influencing neighborhood policies, and many more transportation options will be created. Many of these will come from the private sector, either independently or through a public franchise to provide transportation services. Even small towns are going to see wider transportation options. Included in this will be more demand for sidewalks

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who might have qualified for a loan three years ago, no longer can. There is going to be a sizable shift from ownership to renter status for baby boomers. If the house is no longer the great investment it once was perceived to be, if it is too big now that the kids are gone and the taxes too high, and there's a decreased interest in shoveling walks and mowing grass and an increased interest in travel, then millions of baby boomers will become renters.

**8.** When it comes to retaining and upgrading historic buildings, there will an ongoing debate between aesthetics and technology. The market will respond by designing technological solutions that are not like giant ugly warts on buildings,

and bike paths within neighborhoods.

**11.** There will be a significant reduction in the number of automobiles per household. It isn't that everyone is going to give up his or her car. But there will be households that move from three vehicles to two, and from two to one. Even a 15 percent reduction in total cars will have a huge impact on traffic, air pollution, fuel consumption, and neighborhood quality. It will also mean a reduction in the amount of land in a city that is devoted to parked cars. The old ratios of x parking spaces per y square feet should be thrown out the window.

**12.** There will be more multigenerational households, including both aging parents

moving in and 20-somethings moving back in. There will need to be zoning adjustments to allow not only for the granny flat but simultaneously for the boomerang apartment in the basement.

### 13. Housing

costs and immigration will increase the numbers of non-family members occupying a house, having significant implications for the bathroom/bedroom ratios, privacy areas, etc. There may be opportunities for the redevelopment of large historic houses for that purpose. At the same time some cities will continue to pass ordinances severely limiting numbers of non-family persons in dwelling units, often driven by anti-immigrant attitudes.

14. In spite of growing public distaste, we will continue in many places to see the McMansion. These are parasite buildings. They are taking advantage of the character of the existing neighborhood, but are fundamentally destroying that character. The proud owners look out the lumberyard-model Palladian window of their 1,000-square-foot master bedroom suite on a great residential neighborhood. And their neighbors now have to look out the window at a residential structure on steroids. I recently heard them called “starter castles.” What these out-of-scale houses are doing is adding size but often reducing density. Virtually none of those five-bedroom, 6,000-square-foot houses actually has enough people to fill those bedrooms. Size and ground cover are increased, but density reduced.

15. More so-called green builders are



As gas prices stay high and public concern about energy conservation grows, public transportation use will increase and more options will be created.

PHOTO COURTESY PORTLAND OREGON VISITORS ASSOCIATION

going to justify the demolition of historic houses by saying, “Yeah, but we’re going to be reusing the materials.”

16. We are going to continue to hear charges of “gentrification,” but the definition is going to

move away from being primarily race based to being income based.

17. Unfortunately for those of us who believe in historic preservation, we will see an increasing use of historic designation as a NIMBY tool, abetted by preservation consultants who will make claims that anything over 50 years old is historic, without any qualitative judgments or only spurious claims about historic criteria. It’s not that there’s some great tidal wave of born-again preservationists. It’s just that there are very few tools available to influence neighborhood quality, so the historic preservation stick is the one that’s grabbed.

18. Today, not infrequently, LEED designation is being used as the justification for the demolition of historic buildings. That trend will continue until, at a minimum, the U.S. Green Building Council writes into the standards that there will be no LEED certification for a building that required the demolition of a historic structure.

19. In recent years a huge percentage of single-family dwellings (some 40 percent) were purchased as second homes. Some cities are realizing that this has a significant downside. While the out-of-towners are paying property taxes, the two or three weeks a year they are in the house means that 50 weeks a year no one’s there to buy groceries, eat at restaurants, or join the

YMCA. And there is certainly no employment generated. Some cities are looking for ways to limit the number of properties purchased as second homes, particularly in historic districts.

**20.** Finally, there will be an ongoing battle among affordable housing, den-



Despite their high price tags and operating costs, as well as negative effects on neighborhoods, McMansions will not go out of favor quite yet.

PHOTO BY ADRIAN SCOTT FINE

sity, historic preservation, small business incubation, and public transportation proponents—with each faction waving the environmental/smart growth/sustainable development banner. At the moment density and public transportation interests are trumping the other three.

## TEN RISKS

So those are some of the trends. What risks do they represent for historic neighborhoods and heritage buildings?

**1.** First is the push for density. Because historic neighborhoods tend to be among the densest in a city, that should be a positive trend, but it also creates a risk. The argument will go like this: “If density is good, if proximity to the center of the city is good, then let’s tear down those little old houses and replace them with six-story

condominiums.” Historic neighborhoods and buildings will be vulnerable from three directions. First, their proximity to jobs, shopping, and schools makes them targets of further densification. Second, their imagined deficiency in energy efficiency—regardless of how spurious the arguments—subject them to inappropriate rehabilitation. Third, because of their locations, historic neighborhoods tend to be near transportation nodes, creating pressure to demolish smaller scaled structures.

**2.** Over the years, local historic districts have sometimes been opposed by so-called property rights proponents and occasionally by low-income housing advocates. Segments of the real estate community also used to oppose historic district designation, claiming one more layer of regulation would *prima facie* hurt property values. That argument has been demonstrably disproved all over the country. So now we have the anti-tax people joining in the fray, saying, “Well, sure, the property values will go up, but that just means you’ll pay more taxes.”

**3.** We are going to see more instances of opposition to historic districts being joined by environmentalists and transportation advocates—the environmentalists because they don’t want to have to figure out how to install windows and solar panels within design guidelines, and transportation advocates saying there needs to be bigger buildings to make ridership numbers feasible.

**4.** This push for density will also manifest itself in more “facadomies.” Unless preservationists more effectively make the case that saving four inches of brick is not historic preservation, and preservation commissions stop approving facadomies, this trend will continue to grow. Sustainable development is a combination of economic responsibility, environmental responsibility, and social/cultural respon-

sibility. The facadomy isn't responsible in any of those categories.

5. Every enforceable historic preservation ordinance has to have an economic hardship provision. In the past, claims under that provision have usually been made based on the Penn Central "reasonable return" standard. I think there's a risk that there will be appeals for demolition or inappropriate rehabilitation under economic hardship clauses based on fuel costs. Preservation commissions are going to have to figure out how to respond.

6. It was noted above that once the real estate market gets back to something representing normalcy, historic neighborhoods will be in strong demand. That's good, of course, but the risk is that we'll start seeing the European pattern of rich in the core and poor at the edges. We need to be taking steps right now to mitigate that.

7. One of the biggest risks is that the EPA, the U.S. Green Building Council, and so-called "green architects" will continue to get away with making believe green buildings are sustainable development. They are not. Sustainable development is a comprehensive consideration of environmental responsibility, economic responsibility, and social/cultural responsibility. The whole bevy of LEED standards are only measurements of green buildings. They are in no way, shape, or form remotely measurements of sustainable development. Period.

8. We are at great risk of the "green building" position carrying the day—back draft dampers, waterless toilets, and high-tech bike racks instead of environmental responsibility, economic responsibility, and cultural responsibility.

9. Directly related to this myopic view of sustainable development is that more and more city governments are adopting "sustainable city" ordinances. But almost all of them focus exclusively on green gizmo technology. If preservationists don't quickly turn around this very fast moving train, historic buildings will continue to be disposable in the name of green architecture.

10. Here's another risk—although many readers of *Forum* may well disagree with this concern. I will readily acknowledge that there are some great buildings constructed in America over the last 50 years, and they should be identified and protected using the same qualitative criteria that has always been applied for historic designation.

But when the movement for the preservation of the recent past succeeds in designating whole neighborhoods of low-density, automobile-oriented, mediocre buildings as "historic" simply because they are 50 years

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old or because they represent a "typology of development" three things happen: 1) We are no longer in the position to claim that our historic neighborhoods are how cities ought to be built and represent the best of urbanism; 2) We move from being the epitome of sustainable urban development to its antithesis; and 3) We lose hard-won credibility in political, financial, and business circles.

Because of some fixation with the neighborhood the Partridge family lived in, we designate wide swaths of suburban mediocrity as historic, thus abandoning the fundamental link between historic preservation and quality, sustainability, and common sense.

For the most part those aren't the neighborhoods that should be preserved; they are the neighborhoods that should be densified.

## TEN OPPORTUNITIES

So those are some of the risks and some of the trends. But both open up avenues of opportunity. Here are some of them, again in no particular order.

1. We have the opportunity to make the case not just for density, but density at a human scale, which is exactly what our historic neighborhoods are. There's an opportunity to conduct more of the kind of research that was recently undertaken by Terry Holzheimer, the director of economic development in Arlington, Va. He looked at density patterns in the entire Washington, D.C., metropolitan region, and concluded, "Relatively high intensity development can be achieved within constraints posed by the

longer interested in having all their assets tied up in home ownership. In the next 15 years there will be both a desire and increased need for baby boomer assets to become more liquid, and this real estate recession is giving them a heads-up that their house isn't a liquid asset.

There is a great opportunity for preservationists to make the case to government officials and housing advocates that house size, in and of itself, is a major contributor to affordability. We should be keeping older, smaller housing stock, and rehabilitating it as an economic and environmentally responsible alternative to what has been done—building units that are expensive in dollars but cheap in construction and short-lived as housing.

4. The whole issue of embodied energy is being refined and brought to the forefront in the more comprehensive debates

about sustainable development.

Historic district commissions have an opportunity to add embodied

energy costs to the evidence that has to be presented in demolition applications.

5. Instead of eviscerating historic buildings and neighborhoods, there is a whole variety of salvaged land sites that can be used for densification. Where are those sites? Brownfields, of course, and that has been going on for a while. But also the following: strip shopping centers, failed malls, car dealerships, vacant big box developments, public housing sites, and school sites—hopefully reusing the school itself as housing then infilling around it.

6. There is a severe labor shortage of those trained in a wide range of preservation skills. Great opportunity exists for both the private and public sectors to enhance

## FOR THE NEXT 25 YEARS there are immeasurable opportunities for small-scale contractors, most of which are and will remain non-union.

height, form and texture of traditional communities as is demonstrated in places such as Georgetown and Alexandria."

2. The neighborhood-based shop—the original prototype for what is today the 7-Eleven—will make a comeback in those places wise enough to change zoning laws to allow it to happen.

3. Above I noted that in recent years up to 40 percent of single-family home purchases weren't for primary residences—they were either for second homes for investment housing. Many of these houses were smaller historic structures. There's a real opportunity for these same small dwellings to serve as rentals to baby boomers who, in fact, have money, just are no

existing training programs and start new ones. These are well paying jobs, particularly for those without advanced formal education. And they are jobs that can't be shipped overseas. This is an area

where even a small shift in funding priorities from state and federal education and labor programs could make a huge difference.

**7.** Innovative firms that are suppliers of materials and building components will shift their product line, and invent new products, in response to regulatory requirements. It's just that the design guidelines that establish those regulations need to be widespread and consistent enough to justify the capital investment.

**8.** Here is maybe the biggest opportunity coming out of this sub-prime mortgage foreclosure crisis—those foreclosed properties ought to be acquired and used as an inventory for workforce housing. In spite of this real estate recession, affordable housing for workers remains the number one economic development challenge today...and will continue to be so for the foreseeable future. Who is being most affected? Those who are necessary for our local economies to survive—teachers, nurses, cops, firefighters. Cities should buy these properties from banks after the foreclosure process has been completed—and buy them for 60 or 70 cents on the dollar.

**9.** Ninety percent of all businesses in America employ fewer than 20 people, and fully 60 percent fewer than five. There is a whole range of small business opportunities emerging, but in many parts of the country it is primarily immigrants who are small



Specialists in preservation construction trades will be in demand, so it's a great time for workers to gain these skills and for training programs to start up or expand.

PHOTO COURTESY OF THE ARCHITECTURAL HERITAGE FOUNDATION, BOSTON

business owners. We need to aggressively court those immigrant entrepreneurs to capture the opportunities that will simultaneously advance historic preservation goals.

**10.** For the next 25 years there are

immeasurable opportunities for small-scale contractors, most of which are and will remain non-union. But in contracting, in training, in procurement these small firms are usually at a disadvantage. There needs to be a strong, national trade organization of small contractors who specialize in historic preservation.

#### OUR "VISION" TEST

Historic buildings are at greatest risk at both ends of a local economy. When there is no money, it is difficult to maintain and reinvest in heritage structures. When there is lots of money, new development plans often are implemented at the expense of historic buildings. Economic downturns provide the opportunity to put into place plans and policies for the future. Because this economic chaos is going to lead to systemic changes in our economy and our culture, advocates need to be diligent in ensuring that preservation plays an even larger role in the life of our communities tomorrow. There are many trends that will help our case, but some of those contain substantial risks as well. We need to mitigate those risks and capitalize on the opportunities if historic preservation is to be a vital part of the next economy. **FJ**

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