

# Building Blocks

## Inner-City Revitalization from the Bottom Up

[By Bruce Innes]

Courtyards that have turned into havens for drug dealers. Buildings are vacant and run down. Regular maintenance and upkeep long neglected. Overcrowded homes with no amenities or services. These are the symptoms of an urban project that has fallen into hard times.

Often, private developers of multifamily housing find it hard to turn around distressed urban areas suffering

from years of disinvestment, high crime, and poverty rates. Funding for these projects can be hard to come by and getting community support can be an even bigger challenge. That said, developers *need* to make a long-term commitment to the project and the community and figure out a way to rehab the building and attract new clientele.

The developer's attitude toward distressed urban markets often determines the project's eventual success or failure.

One approach to urban redevelopment is urban husbandry. According to *The Living City*, a book by urbanologist Roberta Brandes Gratz, urban husbandry involves the gentle nudging of a troubled neighborhood back to health by encouraging a series of selective, small-scale investments. For instance, a once elegant row of townhouses is transformed into flats for young professionals. A long-abandoned warehouse is given new life as loft apartments. An abandoned



Prior to the redevelopment of Jeffrey-Lynne, buildings within the core suffered from years of neglect, including routine and preventative maintenance. Boarded-up windows, loose screens, and poor landscaping were common sites.

### CASE STUDY

#### JEFFREY-LYNNE, ANAHEIM, CALIF.

Once a thriving blue collar community of garden-style apartments in Anaheim, Calif., Jeffrey-Lynn's smaller units and lower rents primarily attracted young single and newly married blue- and gray-collar renters. Hastily thrown up in the late 1960s as part of the explosive growth that followed the 1957 opening of Disneyland, the property consisted of 750 garden units configured as a series of eight-plex buildings.

Over the years, the population of the community has changed from singles and just-starting-out couples to Hispanic families well into their family raising. Units built for one or two people were accommodating five, six, or more. The amenities available to residents didn't fit the needs of the current population; for example, there were no recreation

facilities for children or teens. Another major design flaw in the initial site plan was the lack of straight, perpendicular alleyways and streets; a number of nooks and corners created perfect hiding places for drug dealers and thieves. Because there wasn't a clear line of vision and no effective control over what happened in the community's common areas, streets, or alleys, crime escalated.

Impetus for change actually originated with the city of Anaheim, which 10 to 15 years ago realized it was spending in excess of \$700,000 per year to provide services (police, fire, welfare, etc.) to the residents of Jeffrey-Lynne with very little return. In an ironic sequence of events, the city announced that Related Cos. of California won the award for redevelopment of Jeffrey-Lynn at the same time that Disneyland filed a request to build a second gate right in the shadow of the community.

The result was a media and resident uprising around the false supposition that Disney's request was somehow tied to the renovation of Jeffrey-Lynne. The uproar was further fueled by the activists for the right (defending the rights to the absentee landlords) and the left (defending resident rights).



In rebuilding Jeffrey-Lynne, density was reduced. While the number of units decreased from 432 to 193, the units themselves are larger, better suiting resident needs—67 one-bedroom, 138 two-bedrooms, 78 three-bedrooms, and 10 four-bedrooms.

railroad right of way becomes a biking trail. A closed school is recycled as a community center. Over time, each investment attracts additional development.

Urban husbandry works well in neighborhoods with a fairly intact housing stock, but it takes time and can have the adverse effect of displacing the original residents by fostering gentrification. After decades of disinvestment, some urban residential neighborhoods are beyond saving through the seed approach because the existing housing stock is too old, too dense, or too deteriorated.

Still prevalent is the “big project” approach, which gave us the massive housing projects that characterized urban renewal in the 1960s and 1970s. This approach, which advocates razing existing stock and starting afresh, often leads to failure because it doesn’t seek community input. It’s a top down approach to revitalization.

Increasingly, developers working in distressed urban neighborhoods realize the value of a hybrid approach, often referred to as bottom-up development, or BUD. BUD combines the all-encompassing vision and scale of the big project approach with the sensitivity to the existing community and its residents that typifies urban husbandry.

### Building Trust

The greatest challenge, and most important success factor, when working in distressed urban areas is winning the trust of the local community—both the residents’ and the community power structure’s. One strategy is to first create an alliance with an existing, trusted community-based group. Once this relationship is formed, developers can successfully reach out to the larger community. This is important because the BUD approach is based on creating

what the community wants and will support. “When Bank of America first came to Harlem Park in Baltimore, nobody trusted anyone,” says Jelili Ogundele, president and CEO of Harlem Park Revitalization Corp. “It took a year, but they earned our trust, and thereby our support, by showing they were ready to listen. They came asking what we thought we needed.”

The results surprised Bank of America. “We started with the idea of replacing the decaying housing stock with affordable multifamily units. We didn’t intend to start out building an affordable senior housing community, but that’s how Harlem Gardens got started,” says Nichole Doyle Battle, assistant vice president of the Community Development Bank for Bank of America, the muscle behind the Harlem Park revitalization effort. “Area residents said what they needed most was a place for

All the furor was calmed “by talking turkey and satisfying the residents’ concerns, not just spewing forth hype,” says Bill Witte, a principal with Related.

“To its credit, the city insisted that the stock of affordable housing be protected. They didn’t want to see the residents forced out by a gentrification process. So the development goal became to upgrade the neighborhood while preserving it as affordable housing. There was no illusion or policy of attracting upper-income folks to this area,” Witte says.

After looking closely at the project, the developer decided to break redevelopment into two stages. The first stage attacked the core—the center of the community where most of the crime also was concentrated. Residents were temporarily relocated and then the buildings completely rehabbed—all the way down to the studs. One building was demolished to make way for a 12,000-square-foot community center that, in accordance with resident wishes, includes a 25-meter swimming pool, computer lab, video room with theater-style seating, and multi-purpose rooms. There’s a full-time social services coordinator and programs like English as a Second Language and computer literacy classes. “People need more than just housing; they need the social services component. If you want a real neighborhood, then you, as a developer, have to be willing to provide those services. If you’re not, then you don’t belong in this kind of development,” adds Witte.

The pool represented a special challenge. “Like any owner we didn’t want to provide it because of the expense, upkeep, liability, and general hassles. But the residents insisted, so we did, and I’m glad. It’s really used. There are so many kids. It just shows the wisdom of listening to your community,” Witte explains.

Funding for Phase One (the core) came through a 9 percent tax credit deal. This required residents to be at 40 percent to 50 percent of the area median income (AMI), but the AMI in the area is so high, the prospective residents couldn’t even afford the tax credit rents. The city provided Section 8



**The rebuilt core of Jeffrey-Lynn is aesthetically pleasing and safer. By improving common-area lighting and replacing the narrow, crooked alleys and pathways with clear sight lines, crime has been reduced, making residents feel more secure.**

certificates that effectively lowered the income eligibility thresholds to 25 percent to 35 percent AMI. Eighty-five percent of the former residents moved back into newly renovated apartments—now a gated community with no alleys and straight, wide common areas with clear sight lines.

Has Phase One been successful? “Absolutely,” says Witte. “The number of calls to the police from the core is down to almost none from 800 per year. The police are one of the biggest advocates for this project being a success. In addition to decreasing responses inside the neighborhood, they used to be swamped by calls from surrounding neighborhoods complaining about the residents; they don’t get those calls anymore.”

Phase Two, which will rehab the remainder of the community, is scheduled to start next year.

their elders to live comfortably, safely, and with dignity. When we started to design the senior living community, we didn't plan to include retail space open to the community. But, again, that's what the community said they needed—local services," she explains. The building offers a café, physician offices, and a pharmacy.

The story is the same across the country. Related Cos. of California is the developer behind the Jeffrey-Lynne revitalization project in Anaheim, Calif. "Initially, the 10 resident representatives

on our advisory board were very distrustful. They became firm supporters once they saw that we did what we said we would do," says Bill Witte, principal with Related. Developers, city officials, neighborhood organizers, and residents all say that creating trust revolves around commitment—organizational and personal.

Residents of disinvested neighborhoods have heard a lot of promises over the years, lived through a lot of disappointments, and seen lack of follow-through. They've also seen what happens

when a developer puts up a project and leaves, forcing the project to sink or swim on its own.

That may be acceptable in more intact communities, but success in heavily disinvested urban communities requires a long period of nurturing and husbandry. The developer has to have a long-term commitment to the community and has to be willing to help the community address some of the issues that led to a cycle of disinvestment in the first place. In Bank of America's case in the west side of Baltimore, organizational commitment

CASE STUDY

HARLEM PARK, BALTIMORE

Once an urban gem of a neighborhood, Harlem Park features 32 square blocks with outward facing row homes. Inside each block is a central green area that was envisioned as a place where children could play safely away from busy streets, residents could gather in the evening to converse and barbeque, and homeowners could have small garden plots. Well, that was the scenario envisioned by planners in 1960s. However, by the 1980s, Harlem Park had fallen on hard times. The once innovative central squares had become dumping grounds. The street corners were ruled by drug dealers.

Now, on a typical block, there are more houses vacant than occupied. Unemployment is high, and income levels low. After decades of sporadic efforts at city-sponsored revitalization, residents and community leaders felt defeated, abandoned, and distrustful of any strangers with big promises.

Then in 1997, Maria Miller, senior vice president of Bank of America's Baltimore Community Development Bank, found the project she had been looking for in Harlem Park—a city neighborhood that would benefit from a sustained redevelopment partnership. The city also had been looking for a responsible developer to help with the revitalization of Harlem Park. And the community, though angry and distrustful, had been looking for a way to reverse decades of disinvestment.

From the first meeting in 1997, the city of Baltimore's request for proposal for redevelopment, and endless hours of meetings with community



leaders and residents sprung Bank of America's \$100 million, 10-year commitment to revitalize the west side of downtown Baltimore—Harlem Park is located in this part of the city.

At the community's request, the first phase of the project was a four-story affordable independent living community for seniors that provides 94 apartments and commercial space, which includes a café, physician offices, and a pharmacy for use by the entire community. Harlem Gardens offers one- and two-bedroom units, each with a fully equipped kitchen, large closets and in-unit storage space, individually controlled heating and air conditioning, and wall-to-wall carpeting. Resident services include scheduled transportation, a Resident's Council, and planned social activities. Amenities include an arts and crafts room, media resource center with computers and Internet connection, backyard garden area, off-street parking, and covered sun terraces.

The lease up of Harlem Gardens, which opened in November 2002, is going according to pro forma. Bank of America expects to begin construction on Phase two early next year.

**Harlem Gardens, an affordable senior housing facility (above), is the first phase of revitalizing Harlem Park. The project is surrounded by decaying row homes. Eventually 10 square blocks will be torn down and replaced with 160 to 190 affordable homes.**



took the form of a \$100 million investment pledge over a 10-year period.

However, organizational commitment is not enough. Building trust and cooperation with the community also requires that the people representing the developer exhibit a personal sense of commitment to the project and to the community. Everyone associated with

the Harlem Park revitalization project agrees that it wouldn't have happened without the leadership provided by Maria Miller, senior vice president of Bank of America's Baltimore Community Development Bank. Her style, openness, and obvious personal commitment to Harlem Park helped dispel the community's initial lack of trust and also helped

carry the project through the first difficult phase of planning approval and building community consensus.

### Be Realistic

It seems to make sense for cities to cooperate with BUD developers. And usually they do. Harlem Park or Jeffrey-Lynne couldn't have succeeded without active city cooperation across many different departments. But sometimes cities are their own worst enemies. An interfering city bureaucracy can permit and inspect a project to death.

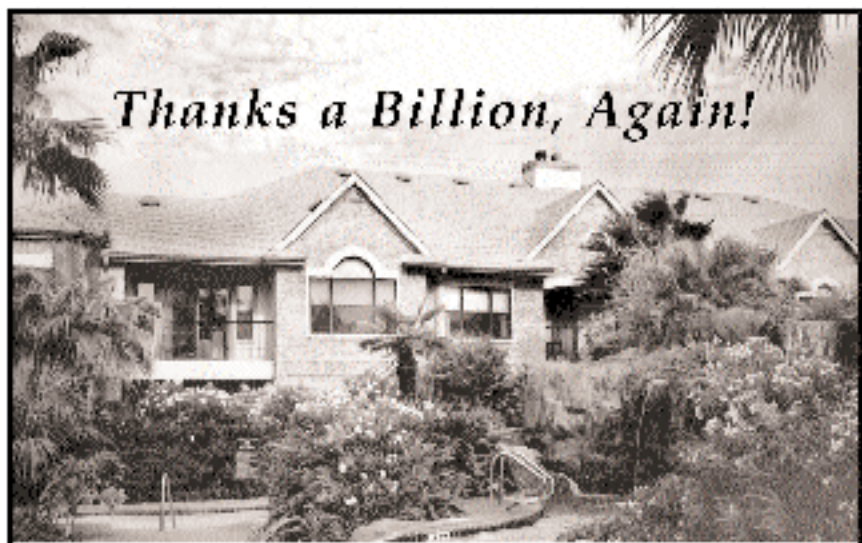
One way around local government barriers is mobilizing the community. If the community is firmly behind the developer, which requires trust, then the city usually falls in line. This is what happened in Harlem Park. While the city of Baltimore had approved the original plan, it didn't waste a lot of time approving the community's changes to the plan.

Above all, redeveloping distressed neighborhoods requires a realistic approach. "Multifamily development in disinvested neighborhoods is not for the faint of heart," observes Witte. It's hard—there are endless hours of meetings and battles and compromises on the part of developers, city employees, residents, and community leaders. But this hard work is what makes projects successful.

Battle, from Bank of America, sums it up. "By winning the community's trust, responding to their needs, and being part of the community over the long term, we not only make each project a success, we also contribute to the community's health, increase the quality of life, improve the tax base, generate future customers for the bank, and show that we are more than just a lender—we are a partner. We don't sit on top of the community; we look to establish a long-term, organic relationship with the community." That's the reward and the promise of bottom-up development.

Distressed urban areas present their own set of challenges to private multifamily developers. But if the project is done right, there are plenty of rewards, including positive cash flow. ■

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