

Homeownership, Historic Preservation and the Politics of Exclusion

Cleveland Park Smart Growth Housing Series

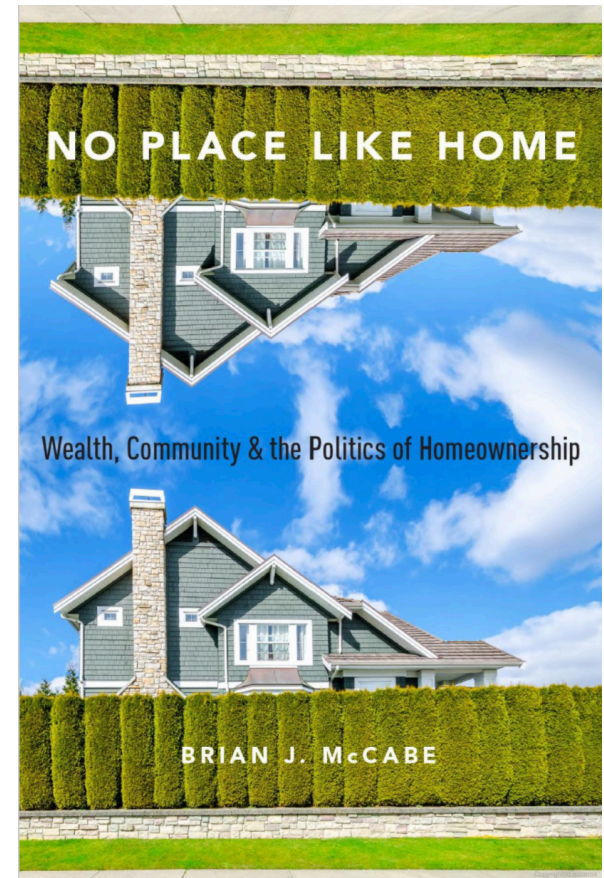
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Research on Housing and Urban Policy

- I am an Associate Professor of Sociology at Georgetown University and an affiliated faculty member in the McCourt School of Public Policy.
- My research focuses on a number of urban policy issues, including evictions, housing affordability, historic preservation and municipal campaign finance.
- Broadly, I'm interested in understanding how social policy contributes to patterns of social inequality in cities.

The Politics of Homeownership

- In *No Place Like Home*, I compare the civic engagement of homeowners and renters to understand how and why homeowners participate in their communities.
- Across measures of civic engagement (e.g., attending a meeting, writing to legislators, voting in an election), homeowners engage at higher rates than renters.
- In the book, I raise the possibility that higher levels of engagement are driven by both **residential stability** and the **financial investment** of homeownership.



The Politics of Homeownership

- **Residential stability** is likely to drive political engagement by deepening place-based attachments, increasing knowledge of the political process and generating a sense of stewardship over the community.
 - In this way, we may expect long-term renters to *behave like homeowners* in their approach to civic and political engagement.
- **Financial investments** suggest that homeowners engage in community politics to protect the value of their largest investments - their homes.
 - Their political involvement centers on reducing uncertainty, rejecting undesirable land uses, or curbing affordable housing development.
 - Several new books, including Einstein et al.'s *Neighborhood Defenders*, highlight the involvement of homeowners in stalling, slowing and stopping new housing development.

The Politics of Homeownership

- One of the central concepts from the book is the **politics of exclusion**.
 - Typically, we think of all **civic engagement as positive**. The more people engage in local politics, the stronger those communities will be.
 - But people have different levels of time, resources and ability to participate in civic life.
- The politics of exclusion suggest that homeowners often engage in exclusionary tactics by **reshaping the common good** to revolve around their interests as owners; highlight their status as **taxpayers** to claim their position in public debates; and **prioritize the status of homeowners** relative to renters in legitimizing political involvement.
- Often, this includes racially-coded language since discussion of property value and neighborhood impacts are acceptable conversation.

The Politics of Homeownership

- Research suggests that there are no property value impacts from the construction of affordable housing.
 - Largely, this reflects the models of affordable housing production generally used to build affordable units.
- Density helps to maintain commercial establishments in a neighborhood and distribute the responsibility for affordable housing production across city neighborhoods.

The Politics of Homeownership

- The lessons about homeownership include:
 - Recognizing how ownership shapes the social and political behavior of neighborhood residents;
 - Affirming the rights of renters to engage in community politics and actively shape neighborhoods; and
 - Recognizing how understandable efforts to protect assets may create and reinforce patterns of social exclusion, often driven by a false sense of impending neighborhood change.

The Impacts of Historic Preservation

- In research on historic preservation in New York City, we ask how the preservation of historic neighborhoods leads to demographic change in the city.
- Critics of historic preservation argue that preservation leads to gentrification by **limiting the supply of housing, increasing property values** in historic neighborhoods and **attracting high-income residents** who value historic amenities.

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Does Preservation Accelerate Neighborhood Change?

Examining the Impact of Historic Preservation in New York City

Brian J. McCabe and Ingrid Gould Ellen

Problem, research strategy, and findings: A number of studies have examined the property value impacts of historic preservation, but few have considered how preservation shapes neighborhood composition. In this study, we ask whether the designation of historic districts contributes to changes in the racial composition and socioeconomic status of New York City neighborhoods. Bringing together data on historic districts with a panel of census tracts, we study how neighborhoods change after the designation of a historic district. We find little evidence of changes in the racial composition of a neighborhood, but report a significant increase in socioeconomic status following historic designation.

Takeaway for practitioners: Our research offers empirical evidence on changes in the racial composition and socioeconomic status of neighborhoods following the designation of a historic district. It suggests that historic preservation can contribute to economic revitalization in urban neighborhoods, but that these changes risk making neighborhoods less accessible to lower-income residents. Planners should consider ways that the city government can work to preserve the highly valued amenities of historic neighborhoods while mitigating the potential for residential displacement.

Keywords: historic preservation, neighborhood change, gentrification

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In 1965, the New York City Landmarks Preservation Commission (LPC) designated Brooklyn Heights as the city's first historic district. Today, five decades after the designation, it is one of New York City's wealthiest neighborhoods. Like many other neighborhoods that are designated as historic districts, Brooklyn Heights houses higher-income, more educated residents than the surrounding communities. In general, across the city, the population of New Yorkers living in historic districts differs starkly from the population living outside of them.¹

In this study, we investigate the roots of these differences. Specifically, we study whether neighborhoods designated as historic districts were already more prosperous (or on their way to becoming more prosperous) than other neighborhoods before designation, or whether historic designation itself contributed to their relative prosperity. Drawing on an analysis of census tracts in New York City—a city with a long history of historic preservation (Allison, 1996; Wood, 2007)—we focus on three types of neighborhood changes. First, we examine whether the socioeconomic status of a census tract rises relative to other neighborhoods following the designation of a historic district. We use the household income, poverty rate, and share of residents with college degrees to capture socioeconomic status. Next, we investigate whether historic designation contributes to changes in the racial composition of a census tract. Finally, we examine changes in housing market characteristics to understand the mechanisms behind any population changes. Specifically, we ask whether rents rise or the homeownership rate increases relative to that of other neighborhoods after the designation of a historic district.

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The Impacts of Historic Preservation

- Preservation **limits the supply of housing** by restricting the amount of housing that can be built in a community or the type of housing that can be built.
 - In this way, preservation can act like a “light” form of zoning.
- By restricting the supply of housing and increasing the desirability of a community, preservation can **increase property values** in a neighborhood. (Nearby communities also experience this appreciation from the preservation of historic neighborhoods.)
- Preservation may **attract residents**, including those with high incomes or higher levels of education, who value historic amenities.
 - These residents may bid up the price of housing, ultimately making the neighborhood more expensive.

The Impacts of Historic Preservation

- In New York City, our research shows that the **share of black residents** in a neighborhood **declines** following the designation of a historic district.
 - The **poverty rate declines** and the **median income rises** after a historic designation.
 - The **share of college-educated residents increases** following the designation of a district.

The Impacts of Historic Preservation

- To the degree that neighborhoods become less affordable or more exclusive following the designation of a historic district, they **contribute to patterns of segregation and marginalization**.
- These are secondary consequences of well-meaning efforts to protect the historical character of a community and preserve buildings of architectural significance.
- Especially when patterns of preservation map onto existing patterns of segregation, historic preservation can contribute to social exclusion.

Lessons on Homeownership and Preservation

- From my own work, I emphasize both an acknowledgement of intended effects of social policy *and* the way decisions exacerbate historical patterns of segregation and exclusion.
 - 4.9 percent of residents in Cleveland Park “neighborhood cluster” are African-American (compared to > 46 percent citywide).
 - 74 percent of residents are white.
 - The average family income is \$322,000.