

Comment on David Listokin, Barbara Listokin, and Michael Lahr's "The Contributions of Historic Preservation to Housing and Economic Development": Historic Preservation in a Neoliberal Age

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Abstract

Listokin, Listokin, and Lahr argue that historic preservation can function as a community development tool, but there are numerous deficiencies inherent in this method that make it a less-than-desirable way to revitalize. Historic preservation generally leads to gentrification that in turn displaces many low-income households. The historic rehabilitation tax credit also represents a circuitous means of providing affordable housing that would be more effectively delivered through direct subsidy.

Keywords: Development /revitalization; Preservation; Gentrification

We live in neoliberal times, dramatically different from even two decades ago. Liberal urban policy, which had dominated government involvement in the urban social economy since the 1930s, is now largely a memory, significant surviving programs notwithstanding. Indeed, twentieth-century liberalism, a specifically American rendering of Enlightenment liberalism designed to respond to the threat of socialism, is itself largely history. We are left, however, with the urban geography created by this liberal political economy, but with fewer and fewer of the policy tools necessary for its regulation. In the age of neoliberalism, when it comes to the social results of economic change—who gets what, when, and where—the market is its own judge, jury, and executioner.

It would surely be an unqualified good if the physical, aesthetic, and architectural goals of historic preservation could be accomplished with minimum social cost. Hardly anyone, presumably, would prefer broken-down buildings, slumped from years of concerted disinvestment, to the bright, sandblasted facades and new windows of newly restored and reoccupied structures. Much of the traditional rationale for historic preservation proceeds on the basis of such narrow physical assumptions. Its fulcrum is a strategy of

economic and social innocence whereby physical and architectural criteria crowd out other concerns. The importance of the assessment offered by David Listokin, Barbara Listokin, and Michael Lahr is that they explicitly comprehend the broader social and economic context. In providing a comprehensive review of the economic benefits of historic preservation, they recognize the new, neoliberal context within which such efforts now inevitably take place. Even more unusually, they do not shrink from intimating the detrimental social and economic consequences that can accompany historic preservation. My concern in this article is that recognition of the neoliberal context may have passed over into acquiescence, that urban policy liberalism may now have nowhere to go except neoliberalism.

The authors' central argument is that historic preservation projects can be justified not simply in terms of the physical transformation of buildings and neighborhoods but by their economic transformation: Historic preservation is a highly effective strategy for community and economic development. Rehabilitation, new housing construction, tourism, and downtown development can all be stimulated by successful historic preservation, and the multiplier effects outpace new construction. Nor are the benefits entirely enjoyed by one social group; 16.7 percent of new housing units constructed under federal housing preservation statutes in the last two decades has been designated for low- and middle-income occupancy.

But let us look at this argument. If production of low- and middle-income housing is a real criterion of success, then 16.7 percent does not represent a major achievement. Likewise, the difference between the multiplier effects for historic preservation and new construction, while systematically favoring historic preservation, are small across the board. For example, for multifamily housing, the benefit of historic preservation over new construction per \$1 million expended is measured as 0.3 jobs; \$13,000 of income nationally; \$55,000 added to the gross domestic product; \$3,000 of additional state taxes; and \$2,000 in local taxes (Listokin, Listokin, and Lahr 1998, table 7). For the same \$1 million, the federal government could build numerous new public housing units. It is important to ask, therefore, whether the social benefit of housing these households outweighs the meager economic advantage registered by historic preservation.

A second discrepancy in the article is the asymmetrical treatment of the benefits of historic preservation versus its detrimental effects. While the assessment of the benefits corrals the most careful and comprehensive data available in a single source on this question, the discussion of the negative effects of historic preservation is underdeveloped. This represents less the lapsed research of the au-

thors than the fact that good data on increased rent levels, evictions, and displacement in all its forms are generally not collected by those with a vested interest in historic preservation projects, or indeed in gentrification more broadly. The data that exist tend to be local and are usually gathered by tenant advocates and housing activists, and their collection rises and ebbs with the housing movement (Bach and West 1993; DeGiovanni 1987; Marcuse 1986).

Of course, housing low- and moderate-income people is not a central objective of historic preservation; more often it is simply a requirement of federal funding. But this leads back to the physical and aesthetic rationale. To use the language of classical economics, historic preservation is a process through which deteriorated “use values” are restored—a deterioration that resulted from patterns of capital investment and disinvestment in search of “exchange value.” How ironic, then, that we now find ourselves at the point of having to justify and promote historic preservation in terms of the very economic processes that precipitated the deterioration of historic buildings and neighborhoods in the first place. It is in this context that we must understand community fears that historic preservation can be a powerful stimulant for gentrification. Within the larger cycle of disinvestment and reinvestment that marks gentrification, historic preservation provides a means by which disinvested properties and neighborhoods can be made economically attractive for new infusions of capital. It lubricates the cycle of reinvestment. Landlords and property owners have long argued that property tax and related codes encourage abandonment and disinvestment, but the corollary might equally apply—namely, that the historic rehabilitation tax credit and related incentives fostering reinvestment in dilapidated structures and neighborhoods directly encourage and actually reward disinvestment.

If the general catalytic effect of historic preservation on gentrification is undeniable, the intricacies of this relationship have not been comprehensively studied. Again, there is little incentive for public and private advocates of historic preservation to collect the data that would allow such an assessment to be made, and less and less funding is available for researchers outside that mainstream. And while the examples of Savannah, GA; Atlanta; and Pittsburgh may be heartening, no one is under the illusion that wholesale replacement of poor residents into historically restored neighborhoods is the norm. More commonly, even where historic preservation projects tackle whole neighborhoods and significant housing is provided for some working-class and poor residents, gentrification and displacement are not necessarily obviated. This happens most obviously where replacement housing is provided at a distance from the original neighborhood.

There is nothing inevitable about displacement, just as there is nothing inevitable about disinvestment. The historic preservation of central Amsterdam, for example, has not been choked by comprehensive legislation aimed at preventing displacement and ensuring the replacement of existing tenants in restored buildings. Gentrification has been widespread and some displacement has indeed occurred, but in contrast with the norm in the United States, stringent regulation ensured that many households were moved back into their same housing units after renovation. Displacement is first and foremost a social choice, no matter how intricately it is explained or explained away in terms of the workings of abstract economic forces. The benefits of historic preservation in terms of “economic and community development” are heavily weighted toward one part of the population, while the costs largely fall to a quite different group. This invalidates the overall generalization that “historic preservation is an overwhelmingly positive force.” The question always has to be: For whom? Class entwined with race—and not always straightforwardly—provide the crucial markers of the different fates people experience as a result of historic preservation.

These concerns have always been valid regarding historic preservation, I would argue, but they take on a more immediate significance now. The gentrification of U.S. cities, as a process, bears little resemblance to its former self. Beginning in the 1950s and 1960s in such well-known places as Philadelphia’s Society Hill, New York’s Greenwich Village, and Boston’s Beacon Hill, gentrification was a minor process that occurred sporadically and largely in the margins of the mainstream housing market. By the 1980s, however, it was clear that gentrification had become thoroughly integrated into a larger urban restructuring in the context of a global economy. It was bound up with new construction, the expansion of recreational and retail outlets, the expansion of urban tourism, and the transformation of the productive economy via the rapid growth in producer services—all in the central city. The assertion that gentrification was countercyclical vis-à-vis the larger economy could be sustained as late as the recession of the early 1980s, but a decade later the process was sufficiently integrated into the larger economy that the recession of that period was thought to herald the demise of gentrification (Smith 1996).

Much the same is true of historic preservation. If gentrification has been “democratized” from its upper class and bohemian roots into a stolid middle-class housing strategy, historic preservation has likewise been democratized. Originally something of an elite sport, it is now institutionalized as a fairly standard municipal strategy of economic and community development. This is the importance of the data amassed by Listokin, Listokin, and Lahr: 240,000 federally subsidized housing units in two decades; \$688 million of tax credit

investment alone directly creating nearly 8,000 jobs in 1997; more than \$200 million of federal subsidy per year; and so forth. But like gentrification, there are limits to the democratization of historic preservation, and in the age of neoliberalism these limits can be expected to cut sharply along economic lines. This is nowhere more clearly evident than in the parroting of historic preservation in such new urbanist schemes as Seaside and Celebration in Florida where, under the sign of historical authenticity, an elite class and race separatism is produced that has much more to do with the present than the past.

The strategy of innocence written into the original liberal motivation for historic preservation amounted to an alibi for the state-subsidized “free” market. Federal subsidy of historic preservation functions to mop up after the market, to compensate for the destruction of history wrought by market disinvestment itself, and to pass off the process in terms of the collective good as national heritage. The “undesirable consequences” are not so much unfortunate by-products as written into the original rationale. They are indeed givens in the present political and economic context. And the institutionalization of historic preservation in a neoliberal world market will unquestionably deepen the undesirable consequences at the urban scale.

So what needs to be done? In the first place, there needs to be research—matching the robustness of work demonstrating the contribution of historic preservation to economic development—that documents the true extent of preservation-induced gentrification and displacement. In general, the differential effects of historic preservation need to be better understood. Unless that is accomplished, the debate on historic preservation will be anything but a level playing field, and the results consequently skewed. Second, historic preservation needs to institutionalize at its core a policy of social responsibility. This means above all else a working policy, not simply rhetoric, of nondisplacement.

The larger issue is how historic preservation as a strategy of urban aesthetic and architectural betterment can be emancipated from the straitjacket of economic ideology that renders its laudable goals into a credo of willful self-delusion about benefits and costs. Historic preservation has thrived on popular appeals to the “national interest” and to a common cultural heritage, but the social bifurcation of who benefits and who pays belies these claims. Ways have to be constructed of making historic preservation into an inclusionary rather than exclusionary force. It might be argued that the historic preservation movement simply lacks the power to alter the larger social context within which its aspirations become bent to economic realities. In a narrow sense there may be some truth to

this, but to the extent that it then evokes a resigned realism that all we can expect are incremental victories, it is a self-fulfilling prophecy that rests on a slim physical rather than social agenda for historic preservation. Realism becomes the alibi for collusion with a harsh neoliberalism.

If historic preservation is to avoid this fate, it will be necessary to rethink the rationale for committing hundreds of millions of dollars of public funds every year. Let me propose three premises for that rethinking. They are premises (with qualifications) that are realistic and yet can serve to direct a more socially responsive historic preservation:

1. The physical restoration of historic structures and neighborhoods is a social good (although what counts as historical and how priorities are established is inevitably contentious).
2. The fruition of the democratization of the historic preservation movement is equally a social good, indeed a *sine qua non* of successful preservation (although to the extent that the "movement" is now institutionalized, this democratization also involves democratizing the institutions through which historic preservation is achieved).
3. The institutionalization of historic preservation in the past two decades denies its traditional self-image as a tasteful David against the Goliath of modern urban development and gives it instead a modicum of power within that Goliath (although a power that is always conditional and increasingly has to be justified in relation to class and race interests).

This deliberate entanglement of historic preservation in its social and political context is no more or less a choice than the traditional isolation of preservationist concerns in historical, architectural, cultural, or nationalist privilege. It suggests that historic preservation can be successful in only two ways: Either the objects, places, and ethos of preservation are imposed by an elite that claims some suprapolitical prerogative over history and culture, or we accept that the historic preservation of buildings, places, and landscapes is ineluctably bound up with democratizing the social and political context within which preservation decisions are made. In the event of the latter we will have failed if we do not very quickly find ourselves locked in battle against the normalizing assumptions of neoliberalism.

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