Case Studies of Nonprofits Enabling the Historic Rehabilitation of Single Family Affordable Housing

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# Table of Contents

Table of Contents.................................................................................................................................................. 2  
List of Tables ......................................................................................................................................................... 3  
List of Abbreviations ............................................................................................................................................. 3  
Introduction............................................................................................................................................................ 4  
  - Literature Review.................................................................................................................................................. 5  
  - Purpose............................................................................................................................................................... 7  
  - Application......................................................................................................................................................... 8  
Methods................................................................................................................................................................... 11  
Case Studies ............................................................................................................................................................ 13  
  - Charleston Affordable Housing .......................................................................................................................... 13  
  - Cleveland Restoration Society, Preservation Resource Center, Cleveland, OH ........................................ 16  
  - Macon Heritage Foundation, Macon, Georgia .................................................................................................. 19  
  - Operation Comeback at the Preservation Resource Center, New Orleans, LA ......................................... 22  
  - Partnership of New Bern Preservation Foundation and Habitat for Humanity of Greater New Bern, New Bern, NC .................................................................................................................. 24  
  - Providence Preservation Society Revolving Fund, Providence, RI ................................................................. 26  
Findings...................................................................................................................................................................... 28  
  - Experience Matters, Not Size ............................................................................................................................ 28  
  - Organizational Type.......................................................................................................................................... 31  
  - Funding Sources............................................................................................................................................. 33  
  - Keys to Success.............................................................................................................................................. 35  
Conclusion ................................................................................................................................................................. 37  
Interviews................................................................................................................................................................. 41  
Works Consulted....................................................................................................................................................... 42
List of Tables

Table 1: HUD 2002 Median Family Adjusted Income Limits for Macon, GA ...................... 20
Table 2: Comparison Table of Non-Profits Enabling the Creation of Affordable Historic Housing ........................................................................................................... 29
Table 3: Organizational Structure .................................................................................. 31
Table 4: Funding Sources ............................................................................................... 34

List of Abbreviations

CAH Charleston Affordable Housing
CDGB Community Development Block Grant
CHDO Community Housing Development Organization
CRA Community Reinvestment Act of 1977
HOME HUD funding program for affordable housing
HOPE VI HUD program for revitalization of severely distressed public housing
HPSD Historic Preservation Society of Durham
HUD U.S. Department of Housing and Urban Development
MHF Macon Heritage Foundation
NBPF New Bern Preservation Foundation
NTHP National Trust For Historic Preservation
OC Operation Comeback of the New Orleans Preservation Resource Center
PNC Preservation North Carolina
PPS Providence Preservation Society
PPSRF Providence Preservation Society Revolving Loan Fund
RLF Revolving Loan Fund
SHPO State Historic Preservation Office
Introduction

A great number of historic buildings, defined as those over 50 years of age, are located in low-income neighborhoods across the country. When only considering the 340,000 historic buildings that exist in historic districts that are eligible for historic tax credits, one finds that 200,000 of these buildings are in census tracts with a poverty rate of 20 percent or more (Andrews, 1999). Thus, if a nonprofit chooses to preserve historic buildings, it is important to understand how historic rehabilitation of low-income housing can be accomplished.

Affordable housing is traditionally defined as housing that costs no more than thirty percent of the earnings of a low income person, one who earns 50 percent or less of the area median income. According to the National Register for Historic Places guidelines, a historic building is defined as a structure that is over fifty years of age and has one or more of four these characteristics:

- The building is associated with events that have made a significant contribution to the broad pattern of our history;
- The building is associated with lives of persons significant in our past;
- The structure embodies the distinctive characteristics of a type, period or method of construction; or
- The property has yielded or may yield information important to our history.

Throughout the United States many businesses, individuals, governments, community development corporations and nonprofits have successfully combined historic preservation in creating affordable housing. These policies, programs and partnerships have been presented and discussed in many works concerning community revitalization.
**Literature Review**

Some of the publications that discuss how community revitalization is accomplished with the help of preservation include: the National Trust’s *A Best Practices Toolkit for Historic Preservation and Redevelopment: Rebuilding Community* (Community Partners Consultants, 2002), Alexander Garvin’s *American City: What Works, What Doesn’t* (1996), and Richard Moe and Carter Wilkie’s *Changing Places: Rebuilding Community in the Age of Sprawl* (1997). A few chapters in each of these works touch on nonprofits that produce or encourage the production of affordable housing through historic preservation.

Of the twenty-two “best practices” identified in the National Trust publication, five are nonprofits that provide affordable housing as well as rehabilitate historic properties. Identified best practices include: design guidelines developed in Atlanta, Technical Assistance programs developed in Providence, a focused rehabilitation project and lease-to-purchase program in Pittsburgh, and the Providence Preservation Revolving Fund. Richard Moe’s book gives a complete history of the Preservation Resource Center in New Orleans and of the Pittsburgh History and Landmarks Foundation, both of which provide affordable housing through their preservation organizations. Garvin’s book contains a chapter that generally mentions housing rehabilitation but focuses more on planning and the role of the city than historic preservation, affordable housing or the role of nonprofits. Although all of these works touch on both affordable housing and historic preservation, they do not look specifically at how nonprofit organizations combine these goals in their projects and programs.

Additional works by Beaumont (1996) and Torbett (1998) highlight state and local policies and programs that encourage historic preservation, some of them affordable. Beaumont’s work seeks to identify programs initiated by state governments that “help citizens preserve their communities.” Her work, *Smart States, Better Communities*, never mentions affordable housing, but she identifies programs such as property tax incentives used in Fairview Place, Phoenix, AZ, that allowed residents to fix up their houses and save on their taxes. This and other examples in her book look at what private citizens have done with incentives provided.
by their state governments. Torbett’s graduate work identifies different policies used to encourage affordable housing in historic districts. She looked at seven cities throughout the United States that had innovative affordable housing rehabilitation programs and, or preservation programs. Her work is written from the view of a municipal government. She advocates for cities to be “innovative” in the incentives provided for historic affordable housing creation. As apart of this reaching this goal she encourages cities to consistently enforce building codes and provide for its citizens through living wages, educational and training opportunities, and transit. Both of these works identify ideas and programs that are useful for combining affordable housing and historic rehabilitation however; they do not look at how nonprofits are contributing to the production of affordable historic housing.

Even with these works, there remains a recognized need “to document the range, nature and impact activity currently bridging the two fields…[of historic preservation and affordable housing and] analyze those projects and programs to discern what really makes them work” (Yeater, 2003).
**Purpose**

Rather than examining community revitalization as a whole, this document will examine a small, specialized piece of the revitalization movement: nonprofits that provide affordable single-family housing while preserving historic structures. Case studies of non-profits providing affordable, historically rehabilitated houses will be assessed from the perspective of a non-profit preservation executive looking for best practices for creating a new program. The Historic Preservation Society of Durham (HPSD) is such a group. HPSD is seeking this information for developing a pilot project in East Durham, a low-income neighborhood of Durham, NC.

Many historic preservation and affordable housing groups have taken on the effort to combine the goals of preserving historic structures and creating affordable single-family housing. However, there has not yet been a detailed look at how these dual goals are accomplished within the different organizations. For every group, there is a different method for creating historically rehabilitated affordable housing. As with all neighborhood revitalization work, each project is driven by the local environment, personalities, policies and programs. With each project there is a complex relationship of financing and partnerships.

This document will present six case studies of non-profit groups in the eastern United States outlining:

- How their organization began providing low-income single-family housing using rehabilitated historic structures;
- How their non-profit is organized;
- What are the special features of their programs; and
- How their historic affordable housing is funded?

Conclusions drawn from the case studies about how the programs work and keys to their success are offered in the findings section of the paper. These findings will then be used to recommend a strategy for the Historic Preservation Society of Durham to rehabilitate affordable housing in East Durham, North Carolina.
Application

It is hoped by creating a document outlining the ways the overlapping goals of historic preservation and affordable housing creation are achieved, nonprofits will have a better understanding of how they might best take on the task of creating affordable, historically-rehabilitated structures. The Historic Preservation Society of Durham is one of the nonprofits who may benefit from this study.

The Historic Preservation Society of Durham

HPSD is a preservation organization in North Carolina dedicated to preserving the history, architecture and cultural history of Durham and Durham County and to serving as an institution for the education of citizens through the promotion of this heritage. The organization began with volunteers in 1974 and hired its first executive director in 1995. Since 2001, three additional positions have been added: an educational coordinator, a community development specialist and a part time office manager.

In 1997, HPSD established an Endangered Properties Program. Through this program, houses in danger of demolition or neglect are placed under option while the Society markets the properties for resale. At sale, protective covenants are placed on the house to protect its historic features. HPSD has a small revolving fund that is used when a house must be purchased to be saved. Thus far, fourteen properties have been saved. While not aimed at creating affordable housing, those houses have been sold inexpensively so new homeowners are able to restore the houses economically.

Beginning in 2000 HPSD began investigating how to “ensure that the architecturally and historically significant properties of East Durham are recognized, protected and rehabilitated, as the area undergoes revitalization.” As a part of this initiative, HPSD identified a potential Historic District that will be entered into the National Register of Historic Places in 2004. Developing a new affordable housing program is another
one of the methods being considered for helping to preserve significant buildings while providing existing residents quality homeownership options. In order to develop such a program, an understanding of the area’s history and existing conditions is helpful. This background information helps frame the problem and thus identify possible solutions for the unique conditions of the area.

**East Durham Background**

East Durham developed as a working class manufacturing neighborhood in the late 1800s. Beginning in the 1950s with the loss of manufacturing jobs combined with the splitting of neighborhoods with the construction of the Durham Freeway and becoming the location of numerous public housing complexes, the area saw a period of decline that has continued.

In 1975 with the creation of the Community Block Grant Program, the City of Durham began addressing the declining conditions of East Durham. Over the next ten years funding went towards improving parks, creating more public service programs and housing demolition and rehabilitation. In the late 1980s the Durham City-County Planning Department began creating community driven small area plans for the fifteen small areas of Durham. The Draft East Central Durham Plan was one of these. A revised draft was released in 1991, but the plan was neither agreed upon by the residents nor adopted by the City.

In 2000, East Durham was identified as the location of the Durham Housing Authority’s first HOPE VI project, a federal program designed to “eradicate severely distressed public housing.” As part of this program, one of the area’s large housing projects, Few Gardens, will be razed and replaced with new, single-family, mixed-income houses. This project will be funded by 35 million dollars of federal HUD funds. As a direct result of this dedication of federal funds to this neighborhood, the city government has started reinvesting in the area as part of the 89 million dollars that will be leveraged from public and private funds.
In 2003, after a year of community meetings and discussions, a new Northeast Central Durham Strategic Revitalization Plan was released. The local citizens and the City Council have not yet adopted this plan but strategies are already underway to see the plan through implementation. The Historic Preservation Society of Durham is on the North East Central Durham Action Team and will help implement this plan. The plan recognizes preserving the historic character of the community as an important piece of encouraging the redevelopment of the area. Another goal identified in the plan is providing opportunities for existing residents to stay in the area. Since approximately eighty percent of the residents of East Durham study area are renters, an additional goal is to increase the levels of homeownership. The creation of quality affordable housing opportunities for current residents through historic rehabilitation is a possible response to some of these goals. HPSD hopes to assist with this rehabilitation.
Methods

To examine methods for non-profits developing affordable, historic-rehabilitated, single-family homes, six groups were identified which had conducted projects combining affordable housing and historic rehabilitation. These groups were identified through literature searches, internet searches and discussions with preservation professionals, including the executive director of Preservation North Carolina and representatives of the National Trust Community Partners. The nonprofits identified include:

- Charleston Affordable Housing;
- Cleveland Restoration Society Preservation Resource Center;
- Macon Heritage Foundation;
- Operation Comeback at the Preservation Resource Center;
- The Partnership of New Bern Preservation Foundation and Habitat for Humanity of Greater New Bern; and
- Providence Preservation Society Revolving Fund.

All but one group is a preservation organization that has developed programs providing affordable housing. There are certainly many more affordable housing developers that address the preservation of historic single-family properties. Affordable housing producers who redevelop older, vacant and dilapidated structures are most likely doing some historic preservation work without celebrating it. Likewise, some of these historic preservation organizations do not consider themselves affordable housing developers, although they create affordable living options. Since coming from the standpoint of a historic preservation organization interested in creating affordable housing options, this paper is biased towards the preservation viewpoint.

Questions were asked of representatives of each organization to learn how they create affordable historic housing and what enabled them to do it. Some of these questions included:

- How their organization began creating low-income single-family housing using rehabilitated historic structures;
- How their non-profit is organized;
- How their historic affordable housing is funded; and
- What are the special features of their programs?
Additional information was also gathered from the organization websites, articles written about the organizations and materials that the organizations mailed as a result of the interview.

These identified groups represent only a portion of nonprofit groups combining historic preservation and creation of single-family affordable housing. Other groups creating affordable housing through historic preservation that were identified but not included in the case studies are:

- Allegheny West Civic council INC with the North Side Leadership Conference, Pittsburgh, PA;
- Bloomfield Garfield Corporation, Pittsburgh, PA;
- The Historic District Development Corporation of Atlanta, GA;
- The Pittsburgh History and Landmarks Foundation, PA;
- Memphis Heritage, TN;
- Savannah Landmark Rehabilitation Project, GA; and
- Stop Wasting Abandoned Properties, Inc, Providence, RI.

Although individuals for these organizations were not interviewed, some information was gathered about a few of the organizations. This information is used to enrich the discussion of best practices in the analysis of the programs studied.
Case Studies

**Charleston Affordable Housing**
Cathy M. Kleiman, Executive Director
[www.americastreet.com](http://www.americastreet.com)

**Origins**

Charleston Affordable Housing (CAH) is a non-profit affordable housing developer located in Charleston, SC. CAH was formed in 1991 in response to the aftermath of Hurricane Hugo. The 1989 storm left large numbers of the cities’ poor without housing. In spite of existing social service agencies attempts to help, the Mayor’s Council on Homelessness and affordable housing found the situation was not improving. With the Mayor’s support Cathy Kleiman, a Charleston native, returned from New York City to found Charleston Affordable Housing.

Although not dedicated to doing historic preservation work, this organization has successfully rehabilitated ten single-family homes for affordable rental housing on Charleston’s historic peninsula. CAH recognized that there was a need to combine the concepts of historic preservation and affordable housing since virtually the whole peninsula of downtown Charleston is a historic district. Historic preservation was a necessity to produce any housing in this area.

**Organization**

CAH is a Community Housing Development Organization (CHDO) and so at least a third of its board must be comprised of residents from the targeted low-income area. These members also work with the staff and lend their expertise in fulfilling the professional needs of the organization. Being a CHDO also increases the chance of the nonprofit receiving federal HOME grants since fifteen percent of the funds granted to the state are required to go to community housing development organizations.
In 1998, CAH had a full time staff of one and relied on contract workers, interns and volunteers to perform specific tasks as needed. Since then it has grown to a staff of three employees. To add needed skills it continues to use partnerships. For example, in one of its latest projects, building a new affordable housing subdivision, Fairway Villas, on James Island, South Carolina, CAH has partnered with five organizations. Partners include the Charleston Homeownership Council and Charleston Bank Consortium is providing special financing and homeownership services, Trident Urban League is sharing their skills for homeownership counseling, First Federal is providing acquisition financing and Community Research and Development Association is serving as the developer. These partnerships will help create twenty-eight new homes for a total cost of 3.4 million dollars.

Programs

CAH has completed two rehabilitation projects, the Peninsula Housing Rehab and the America Street Initiative Projects. In these two projects, CAH rehabilitated ten houses to produce eighteen rental units in the East Side Neighborhood of Charleston. The organization acquires vacant dilapidated houses and rehabilitates them with the help of funding, primarily through grants and loans. Additional monies are raised through fundraisers. CAH’s historic preservation projects include the Peninsula Housing Rehab Project that rehabilitated four houses, and the America Street Project that rehabilitated six properties.

Although CAH has successfully rehabilitated several properties in the Charleston Historic District, the America Street Initiative was almost forced into foreclosure. All buildings on Charleston Peninsula are highly regulated by both the Historic Charleston foundation and the Board of Architectural Review. After construction had begun, both of these groups reversed approvals and changed specifications. This led to increased costs, materials that could not be used that had already been manufactured, and stop work orders (Kleiman, 2001). These and other challenges resulted in a funding shortage of over $400,000, and the general contractor walking off the job (Davis, 2002). Rather than letting the project fail, the Mayor brokered a compromise between all of the interested parties and the project was signed over to a neighborhood AME Church and the Charleston Housing Authority who completed the project.
Funding

In its projects involving historic preservation, CAH has received financing from numerous sources. The America Street project required over a million in funding and had over fourteen sources of financing. Sources used by CAH for grants and loans include: The America Street Foundation, Bank of America Fund, BB&T, City of Charleston CDGB, HOME and Housing Trust funds, The Community Foundation, Enston Home Foundation, The Enterprise Foundation, Federal Home Loan Bank of Atlanta, The National Endowment for the Arts, National Trust for Historic Preservation, Sisters of Charity, South Carolina Arts Commission, South Carolina Housing Trust Fund and SouthTrust bank.
Origins and Organization

The Cleveland Restoration Society was founded in 1972 as the volunteer group, Downtown Restoration Society. The first executive director was hired in 1987 and since the non-profit organization has grown to a staff of 13. The Society now has programming that reaches beyond saving downtown structures to preserving architecture and community character of all of Cleveland and its seven surrounding counties. Although the programs are not exclusively geared to serving low-income individuals, the Cleveland Restoration Society has two programs that can be used to facilitate the purchase and rehabilitation of single-family homes. These programs are the Neighborhood Historic Preservation and Heritage Home Loan Programs. The Neighborhood Historic Preservation Program has four staff, two members who handle loan processing and two who manage day-to-day activities. The Heritage Home Loan Program has four staff members, one director of technical services and three who manage day-to-day activities.

Programs

The Neighborhood Historic Preservation and Heritage Home Loan Programs are low-interest loan programs that are pioneering and unique to Cleveland and the Cleveland Restoration Society.

The first of these programs implemented by the Restoration Society in 1992 was the Neighborhood Historic Preservation Program. The program has three primary functions:

- To provide comprehensive technical assistance for owners of historic property;
- To finance low interest loans for recommended repairs in designated neighborhoods; and
- To save endangered buildings through initiation of housing receivership actions in the Cleveland Municipal Court, Housing division or through purchase and resale.
The program provides technical assistance and low interest loans to areas within the fifteen CDGB funded areas of Cleveland. The technical assistance includes finding appropriate contractors and materials to do rehabilitation projects, and monitoring the rehabilitation process. The program also works with whole neighborhoods to develop design standards and partners with other organizations to facilitate neighborhood improvement. So far this program has been very successful and has granted over 400 loans resulting in 9.2 million dollars of neighborhood reinvestment. The Neighborhood Historic Preservation program coordinates approximately 50 projects annually and more than two thirds of them could be considered affordable (Wolfe, 2003).

The Neighborhood Historic Preservation Program loans act as construction loans. The homes are appraised for their post-rehabilitation worth. Although the bank must still approve the loans, CDGB link deposit money enables homeowners to get better interest rates. In May of 2002, the interest rate on the Society’s loans was 2.5% (1.5% in 2003). At that time the Federal Reserve Bank prime loan rates were 4.75%. Since the post-rehabilitation value is used for dispensing the funds, the rehabilitation money is put into escrow and like a construction loan; money is dispensed as portions of the project are completed. This mechanism also allows the homeowners to draw more money if the project timeline changes. To help insure there are no defaults on the loans, the Restoration Society writes the construction specifications for all of the loans and follows the construction process.

The second program administered by the Restoration Society is the Heritage Home Loan Program. This program is the brainchild of the County Treasurer, who saw the successes of the Neighborhood Historic Preservation Program and of the county’s own rehabilitation loans, but was concerned that many of the changes made with the county loans, such as installing vinyl siding, were actually reducing the value of the properties and hurting neighborhoods. Thus, he decided to partner with the Restoration Society to add the historic preservation component to the county rehabilitation loans. In this case the county provides the link deposit money and pays the administration costs for the loans. The Restoration Society acts as a liaison with KeyBank and follows the construction process; conducting site
surveys up to a year after the project is completed to insure homeowners have complied with
the loan agreement. This program also provides reduced interest rates, 3.5% in May of 2002,
to individuals living not only in a few neighborhoods of Cleveland, but throughout Cuyahoga
County. These home improvement loans, whose value can be up to 85% of the house value,
have more stringent historic preservation requirements, but the loans also have no upper
income limits. The Restoration Society handles coordinates approximately 75 rehabilitation
projects per year through the Heritage Home Loan Program.

Funding

Link deposit money from CDBG and Cuyahoga County enables these low-interest loan
programs. The money provided by CDGB and the County is used to purchase a certificate of
deposit (CD) every time a loan agreement is established. The interest from the CD is used to
buy down the interest on the loan. With this support and technical support by the Society,
the local financial institution, KeyBank, is able to provide below market loan for
rehabilitation. The Society pays for these services to the community through membership
income, support from CDBG and by charging a two-percent fee on the loan amount of
Heritage Home Loans.
Macon Heritage Foundation, Macon, Georgia
Terese Hackworth, Development Manager
www.maconheritage.com

Origins
The Macon Heritage Foundation (MHF) was formed in 1975 to promote the preservation, restoration and revitalization of Macon’s historic districts. The organization started neighborhood renovation in the 1990s. Prior to that they renovated low-income rental housing and renovated homes, scattered throughout the community, one house at a time.

Organization
A staff of three, plus a large volunteer base, runs the foundation. The staff is comprised of an executive director, a development manager and a business manager. The executive director focuses on grant writing, education and the neighborhood and downtown properties. The development manager is in charge of membership and coordinating events, and the business manager manages the finances and the office. Many volunteers serve on several committees.

Programs
MHF acts as a revolving loan fund, buying houses in rundown areas, renovating them and then reselling the houses with protective covenants. Another main goal in improving the neighborhood is reducing crime. This goal is achieved in two ways: by occupying vacant housing and by placing protective covenants on the renovated houses. Most of the houses are left vacant because the relatives of the owners cannot be located. MHF works with the local government to acquire these properties. Once the houses are rehabilitated, covenants are applied which include a clause requiring the homes to be single-family residences and that the properties may not be rented out. MHF has found that this policy has helped to limit crime in the areas in which it works. In fact, MHF monitors the crime in neighborhoods before and after intervention and have documented this drop in crime (Hackworth, 2002). To have a greater impact, the group works in concentrated areas. The MHF volunteer advisory committees determine the neighborhoods where the organization will work next. MFH is currently focusing its efforts in the Huguenin Heights Neighborhood, neighboring Mercer
University, where it is in the process of rehabilitating twenty-five previously vacant and dilapidated structures for resale.

When MHF begins renovating a house it starts with the roof, moves to the foundation, and then does selective interior demolition. The interior is gutted and the floor plan is often altered to fit the new owner’s tastes and modern living standards. Once these changes are made, new wiring and new plumbing are installed. MHF tries to stay true to the historical layouts of the houses, but the organization is primarily concerned with preserving exteriors. During the renovation process extra materials, such as mantles, may be removed from a house but are saved to use as needed in others. The organization does not do the renovation themselves, but they contract out the work and then closely monitor the progress.

While the Foundation does not consider the houses they sell to be low income housing, the houses are usually sold between $60,000 and $90,000, although some houses go for as much as $150,000. Even so, most houses sold by MHF can be affordable for very low-income families. Given the average sales price of the houses and assuming a 7% interest rate and $200 per month in utilities, families earning as little as $23,728 per year could afford purchasing a house without spending more than a third of their monthly income (Table 1). Affordability is also increased by the fact that with previously vacant houses, local property taxes are frozen for eight years at the pre-renovation rate. Mercer College employees receive an additional incentive from the college to live in these houses. The Macon Heritage Foundation has also developed one low-income house through city funding to be sold with income limitations, however this property has not sold yet.

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<td><strong>PERSONS</strong></td>
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<td>Median Family Income</td>
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Assumes 100% financing with a 7% interest rate plus $200 per month in utilities
Affordability is defined as housing costs that do not exceed 30% of monthly income
*Italicics denotes individuals in these income levels could afford a $60,000 home*
*Underline denotes individuals who could afford a $90,000 home*
Funding

The annual operating budget of MHF is $200,000. Funding for the MHF housing projects comes from a credit line from Sun Trust and from the National Trust Community Partners Inter-City Ventures Fund in Atlanta. Credit is used only for purchasing property. Grant income is used to offset the twenty thousand that Macon Heritage usually loses on each house. One of the organization’s primary source of operating income is the forty dollars per month it takes in for each of the sixteen parking spaces the organization owns; a fee that is much more affordable that most parking in downtown Macon. Operating funds come from an endowment that was created over many years from proceeds from the parking lot income and fundraisers. Three percent of the endowment is used per month for operating expenses.
Operation Comeback at the Preservation Resource Center, New Orleans, LA

Maryann Miller, Communications Coordinator for Operation Comeback
www.prcno.org

Origins
The Preservation Resource Center was originally founded in 1974 “to promote the preservation of New Orleans’ historic architecture by expanding the constituency that understand the economic, cultural and aesthetic importance of historic preservation and by involving citizens in preservation projects and services that enhance living in New Orleans.”

Organization
The organization has grown from a staff of two to a staff of nineteen coordinating seven programs. One of these programs, Operation Comeback, began as a revolving fund in 1987 with the goal of “making home ownership a reality for low and moderate income residents of historic neighborhoods [by tackling] the vast number of vacant and abandoned structures which were blighting many areas and to expand the corps of concerned homeowners who would give their time and talent to improve their neighborhoods” (Brooks, 1999).

Programs
The program began as a revolving fund in 1987 as a result of the fact that individuals, of all income levels, interested in purchasing dilapidated homes needing rehabilitation were unable to find financing. The group initially solved this problem by buying up a block of five to six houses. The group financed the homes as one block and then signed the homes over to new owners who did the repairs. A year later, and with help from volunteer, the Preservation Resource Center “Christmas in October Program” aided in refurbishing ten homes of elderly, handicapped and low-income individuals in the same neighborhood. In this way, the new and old homeowners were able to remain in their own homes and could be proud of their homes and revitalized neighborhood.
This initial program changed over the years as the market improved for vacant houses in New Orleans’s Historic Districts. In the beginning individuals could not receive permanent financing for homes that were in disrepair and did not meet the building code. Now, Operation Comeback (OC) serves in a technical assistance role, aiding perspective and new homeowners of all of New Orleans’s Historic Districts in finding and acquiring property and in using the incentives provided by the local, state and federal governments. OC now leaves searching out properties to potential homeowners, providing them with a catalogue of the vacant New Orleans properties, called “Homer,” and advising individuals on acquiring the properties. OC also seeks to increase awareness of New Orleans historic neighborhoods through neighborhood displays, neighborhood notebooks and a reference library. These resources advertise the history of the neighborhoods, the progress that has already been made in them and sources to find out more information about neighborhoods and rehabilitate houses.

**Financing**

OC does not directly finance potential homeowners; instead, it refers individuals to other programs and sources of funds for financing the purchase and rehabilitation of property. In New Orleans there are semi-public funds available for lower income individuals to purchase housing. Bond funds enable a percentage of the total loan amount to be frozen at lower interest rates. To receive this money the homeowners must coordinate the financing with the bank and attend special training sessions. The State of Louisiana also provides tax incentives to lure prospective homeowners to buy and rehabilitate historic properties. If buildings are vacant prior to purchase and rehabilitation, property taxes are frozen at a low rate. Once the buildings are restored property taxes may not be reassessed for up to ten years. OC also aids property owners in obtaining National Historic Rehabilitation Tax Credits.
Partnership of New Bern Preservation Foundation and Habitat for Humanity of Greater New Bern, New Bern, NC

Barbara Howelett, Executive Director
http://www.nbpreservation.org
Habitat for Humanity as a Preservation Partner: Four Model Projects, Kerri Rubman,

Origins

In 1991, the New Bern Preservation Foundation (NBPF) joined with other local organizations and city representatives to form an “Affordable Housing Taskforce.” An active partnership between the preservation organization and Habitat began in 1998 after New Bern Preservation purchased two houses through their revolving fund.

Organization

Primarily, New Bern Preservation is a revolving fund based organization, which focuses in acquiring historic houses, stabilizing them and then reselling them with restoration covenants. NBPF was founded in 1972 and hired its first professional staff in 1981. The mission of the foundation is “to preserve New Bern's architectural heritage for future generations to enjoy.” The mission of Habitat for Humanity is to provide “a simple decent place to live” and their goal is “to restore hope and dignity that poverty can strip away.”

Although the missions of the two organizations do not seem to coincide, the NBPF and Habitat recognized that the desires of each other’s organization could help both better achieve their missions. NBPF felt that if they could prove that rehabilitation was affordable, and then some of the bulldozing of older homes would be eliminated. In other projects throughout the country, Habitat had already learned that rehabilitation can be affordable and often neighborhood pride is increased when dilapidated homes are rehabilitated (Rubman, 1999).
**Program**

The two challenges that faced this partnership were cost, and volunteers’ ability to do the rehabilitation work. In this partnership the preservation organization purchased three homes using their revolving fund and then donated the houses to Habitat. Habitat provided licensed contractors to do the electric wiring and plumbing at cost and a volunteer base to do much of the other work. Members of NBPF also donated labor and provided some special skills that the Habitat volunteers lacked. When costs exceeded the budget on one of the houses NBPF held fundraisers to raise the needed money.

NBPF learned several lessons about having such a partnership. Both organizations must agree upfront on what outcome both parties expect and agree that the houses are special. NBPF found that they needed to fight for preservation of the most important architectural elements and concede on other part of the house. This was most true on the house that was rehabilitated first than on the houses that followed. In fact, Habitat saved more than NBPF had asked on a later house. Both preservationists and affordable housing advocates need to make some concessions. Specifically preservationists need to prioritize what aspects of the homes are most important because costs constraints often prevent a full rehabilitation.

**Funding**

Synergistic benefits of the partnership occurred with funding and the neighborhood. A local foundation had given NBPF a loan to purchase the dilapidated housing. Because of the partnership with Habitat, the foundation chose to forgive the loan. Both NBPF and Habitat discovered that businesses like to be involved in innovative pilot projects. Most of the costs of the project were covered by private donations.
Origins

The Providence Preservation Society (PPS) was formed as a small neighborhood organization in 1956 in response to the demolition of historic homes in College Hill. Over the years, PPS has grown into “an organization dedicated to the improvement of the quality of life in the city of Providence through historic preservation and the enhancement of the built environment.” In 1980 the Society created a separate, but affiliated, non-profit revolving fund to address the problem that getting financing to buy or rehabilitate dilapidated homes was very difficult.

Organization

Since 1982 the Providence Preservation Society Revolving Loan Fund, a community housing development organization (CHDO), has had a staff of three professional staff, an executive director, a rehabilitation specialist and an office manager. Policy decisions are made by a committed nine-member board, thirty-three percent of whom live in moderate and low-income areas that are served by the Revolving Fund. The board members have expertise in real estate development, law, architecture and social services. The Providence Preservation Society has a total staff of eight and is overseen by a Board of Trustees, three of which are from the Revolving Fund.

Programs

The PPSRF is able to provide affordable housing to Providence residents; however, their programs are not exclusively geared towards creating affordable housing. The organization found that getting financing for dilapidated homes in affordable neighborhoods was often very difficult. As a way to provide the needed financing the PPSRF created a loan pool. Loans are made to individuals who would otherwise be unable to get a traditional mortgage, most often because the appraised value of the property is too low. Seventy percent of the Revolving Fund loans are given to individuals with low and moderate income.
Thus far the loan pool has flourished. Since the loan pool was founded, 3.5 million has been dispensed and only $65,000 has been lost. PPSRF attributes much of this success to the fact that they do the specifications for their own loans and help find quality contractors. These roles allow the PPSRF to avoid the common construction management problem associated with rehabilitation, as well as, act as a quality control mechanism. In addition to these mechanisms of ensuring that the loans can be repaid, the organization purposely chooses focus areas in which to grant loans. By focusing the locations in which funding is available the PPSRF increases the safety and desirability of the targeted areas and aids in bringing up whole neighborhoods.

Through the use of HOME funds, PPSRF is also required in ensuring the affordability of homes for fifteen years. PPSRF recently began a new program using a HOME grant, in which they have chosen to require that the properties sell to individuals of low and moderate incomes for the life of the properties. While helping make neighborhoods desirable, PPSRF is also ensuring that the market will not price-out current residents so that these neighborhoods will have a mix of incomes for years to come.

**Funding**

The PPSRF was initially created with the help of CDGB, corporate and foundation grants and loans from the State Historic Preservation Office (SHPO) and local banks. Once an revolving fund is established, revolving the loan covers most of the costs of the programs. Additional funds are required for the operating activities. Currently these costs are covered by interest paid to the revolving fund, development and other fees for service as well as from membership and grants (Community Partner Consultants, 2002). Of their current program, funding fifty percent is provided through the use of HOME funds and fifty percent is granted by the City of Providence through Community Development Block Grant money.
Findings

Common themes developed through the six case studies. For preservation organizations, there were similarities in experience needed for creating affordable housing programs. Three common organizational types were identified: revolving funds, CHDOs and technical assistance. Means of finance were identified as well as some keys to success. The findings are summarized in table two.

Experience Matters, Not Size

After examining the six groups presented, it is clear that size is not as important as the experience within the organization. The smallest organization contained only two full time staff and the largest organization nineteen. The number of staff dedicated to programs producing affordable housing ranged from two to eight.

Charleston Affordable Housing had the smallest staff, but relied on numerous partnerships to increase its capacity. Unlike the other organizations examined, CAH is exclusively dedicated to being an affordable housing developer. Since CAH does not offer programs but acts as a project coordinator, CAH is able to focus exclusively on producing housing by bringing the funding and needed skills together from numerous outside organizations.

The New Orleans Preservation Resource Center has the most staff of the organizations examined. Unlike Charleston, New Orleans offers numerous programs providing education and technical assistance to its citizens. The Operation Comeback Program, which helps individuals find affordable housing opportunities, has four employees. Unlike CAH its programs are not focused in one area. Both the number of programs and the wide service area make this program the second most staff intensive venture examined.

Cleveland has the most program staff of the organizations examined. Each of Cleveland’s programs requires a staff of four because of the large areas each program covers and the specialized technical support that is needed for the evaluation and maintenance of the loan
<table>
<thead>
<tr>
<th>Name</th>
<th>Type</th>
<th>Focus</th>
<th>Staff</th>
<th>Founded</th>
<th>Funding</th>
<th>Program Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charleston Affordable Housing CHDO</td>
<td>Affordable Housing</td>
<td>2 Org</td>
<td>1994</td>
<td></td>
<td>HOME, Foundations, Banks</td>
<td>Uses partnerships to lower costs</td>
</tr>
<tr>
<td>Cleveland Preservation Resource Center</td>
<td>Technical Assistance / Loans</td>
<td>Historic Preservation</td>
<td>8 Progs, 13 Org</td>
<td>1992, Org 1972, 20 years</td>
<td>CDGB, County Government, Banks</td>
<td>Helps find appropriate contractors, writes specs</td>
</tr>
<tr>
<td>Macon Heritage Foundation Revolving Fund</td>
<td>Historic Preservation</td>
<td>3 Org</td>
<td>1990, Org 1975, 15 years</td>
<td></td>
<td>National Trust, Bank Loans, savings, Grants</td>
<td>Monitor rehabilitation process. Focus efforts in concentrated area</td>
</tr>
<tr>
<td>New Bern Preservation Foundation and Habitat For Humanity of Greater New Bern Partnership (NBPF Revolving Fund)</td>
<td>Historic Preservation</td>
<td>2 NBPF</td>
<td>1998, NBPF 1972, 26 Years</td>
<td></td>
<td>Private donations, Local Foundation</td>
<td>Flexibility</td>
</tr>
<tr>
<td>Providence Preservation Society Revolving Loan Fund</td>
<td>Revolving Fund / CHDO</td>
<td>Historic Preservation</td>
<td>3 Prog, 8 Org</td>
<td>1982, Org 1956, 26 years</td>
<td>50% CDGB, 50% HOME, Revolving Fund</td>
<td>Focused area, do own loan specs, help find quality contractors</td>
</tr>
</tbody>
</table>
programs. While Providence also has a loan program, it has fewer focused target areas and works strategically within those areas. The staff of three partners with neighborhood organizations to increase its reach in the community.

It takes a long time for preservation organizations to develop programs combining affordable housing programs. With the exception of Charleston Affordable Housing, which did not begin as a preservation organization, the parent organizations were started at least thirteen years before they began offering programs addressing the creation of affordable housing. Three of the organizations began with volunteers and in most cases it took ten years before the organization hired its first executive director. Once fulltime staffs were in place, the preservation organizations developed their affordable housing component within as few as five years, as in the case of Cleveland Restoration Society.

**Organizational Type**

The organizations that were examined used different organizational structures and programs for combining historic preservation and affordable housing. Among the six organizations studied, three different methods were used to create affordable rehabilitated housing: Community Housing Development Organizations (CHDO), Revolving Loan Funds (RLF), and Technical Assistance Programs. As depicted in table three Revolving Loan Funds were used most commonly.

<table>
<thead>
<tr>
<th>Type Number</th>
<th>Community Housing Development Organization</th>
<th>Revolving Loan Fund</th>
<th>Technical Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Charleston Affordable Housing, Providence Preservation Society</td>
<td>Macon Heritage Foundation, New Bern Preservation Foundation, New Orleans Preservation Resource Center, Providence Preservation Society</td>
<td>Cleveland Preservation Resource Center, New Orleans Preservation Resource Center, Providence Preservation Society</td>
</tr>
<tr>
<td>Number</td>
<td>2</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>
Revolving Loan Funds

Four of the six organizations used revolving loan funds, so named because money is constantly entering and leaving the fund, to aid in creating affordable housing opportunities: the Macon Heritage Foundation, the New Bern Preservation Foundation, the New Orleans Preservation Resource Center and the Providence Preservation Society. With preservation groups, these transactions often include the purchase and repair of dilapidated properties. All four non-profits listed above used their revolving funds to purchase and repair structures. The funds are replenished with the proceeds from the sale of properties and/or grants or donations. Once the revolving fund is well established, projects in essence fund themselves. An additional benefit of RLFs is that they enable mission driven nonprofits to reduce the costs of rehabilitation since they avoid paying interest to outside organizations. Once RLFs are reached a suitable size they are sometimes able to provide loans to homebuyers from their fund balance. Providence Preservation Society was the only organization that used their revolving fund to make loans to those who purchased historic properties to rehabilitate.

Technical Assistance

Most of the organizations examined provided some technical assistance. This was a main tenant of the programs in Cleveland, New Orleans and Providence. In Cleveland and Providence, organizations that dealt with loans, a large part of the technical assistance was related to monitoring the loan and rehabilitation process. In both organizations, they provided references for contractors and provided specifications for the work to be performed on the houses receiving loans. This technical assistance was geared towards making sure that quality repair work was done and that the historic characteristics of the property were preserved.

The New Orleans Preservation Resource Center, Operation Comeback (OC) provided its technical assistance with education. OC creates lists of historic houses available on the market so buyers know of these opportunities. OC assists homeowners with finding loans and teaches them how to acquire vacant properties. OC also provides information on how to accomplish historic preservation rehabilitation projects and keeps documentation of how the owners have rehabilitated their houses.
Community Housing Development Organizations

Of the six organizations examined, two were CHDOs: Charleston Affordable Housing and Providence Preservation Society Revolving Fund. Federal requirements state that to qualify as a CHDO, an organization:

- Must be a certified non-profit 501(c)(3) or (4) organization;
- Must be dedicated to creating affordable housing as defined by the HOME program;
- Must have a defined service area;
- Must have a formal process in the bylaws for insuring that at least one third of board members are low-income or live in the low-income area serviced;
- Must not have more than a third of its board from the public sector; and
- Must have a formal process to insure low-income input is gathered for affordable housing design, location, development and management. (IFC Kaiser, 1996)

The greatest benefit of being a CHDO is that Housing and Urban Development mandates that fifteen percent of HOME funds allocated annually must go to these regulated community groups. Since it takes many funding sources to develop affordable housing, it is helpful to have a reliable source of funding provided. Like the CHDO certification process, there are many rule and regulations related to the allowed uses for HOME funding. The requirements of being a CHDO overlap with the requirements for HOME funding. For this reason, if an organization expects to go into affordable housing development and plans to use HOME funds, it is very worthwhile to become a certified CHDO. In this way, the organization is able to gain some additional benefits by complying with the rigorous HOME regulations.

Funding Sources

Funding comes from a variety of sources and often involves special funds that exist only in an organization’s state or city. Numerous funding sources were cited by the six organizations, some of the common sources were: CDGB and HOME funds, interest income from revolving funds, and membership and other fees. A list of funding sources used by each organization can be found in table four on the following page. For the most part, funding from grants and foundations was not a primary source of income for programs. However, funding from these grants and foundations was key for Charleston and New Bern because they both produced low-income housing rather than enabling and encouraging low-income housing through long-term programming.
### Table 4: Funding Sources

<table>
<thead>
<tr>
<th>Name</th>
<th>Funding Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charleston Affordable Housing</td>
<td>America Street Foundation, Bank of America Fund, BB&amp;T, City of Charleston CDGB, HOME and Housing Trust funds, The Community Foundation, Enston Home Foundation, The Enterprise Foundation, Federal Home Loan Bank of Atlanta, The National Endowment for the Arts, National Trust for Historic Preservation, Sisters of Charity, South Carolina Arts Commission, South Carolina Housing Trust Fund and SouthTrust bank</td>
</tr>
<tr>
<td>Cleveland Preservation Resource Center</td>
<td>Funding for low-interest loans: KeyBank, CDGB and Cuyahoga County Operation: membership income and fees.</td>
</tr>
<tr>
<td>Macon Heritage Foundation</td>
<td>Credit line from Sun Trust and from the National Trust Community Partners in Atlanta. Endowment created from the parking lot and fundraisers.</td>
</tr>
<tr>
<td>New Bern Preservation Foundation and Habitat For Humanity of Greater New Bern</td>
<td>Revolving Loan Fund, foundations, membership, private donations</td>
</tr>
<tr>
<td>New Orleans Preservation Resource Center Operation Comeback</td>
<td>Bond funds, Louisiana tax incentives, frozen property taxes, National Historic Rehabilitation Tax Credits.</td>
</tr>
<tr>
<td>Providence Preservation Society Revolving Loan Fund</td>
<td>Interest paid to the revolving fund, development and other fees, membership and grants, HOME &amp; CDGB</td>
</tr>
</tbody>
</table>

Another common source of funds came from local banks. Through the Community Reinvestment Act of 1977, federally insured banks are required to meet the credit need of the low and moderate-income neighborhoods, which they serve. In addition to displaying goodwill, this law gives banks an added incentive to support programs that provide low-income housing.

Unique local support that occurred among the six organizations included bond monies, housing trust funds, tax credits and frozen property taxes. All of these programs require state or local legislation for their creation. So there must be wide local support for such measures to be successful in a community.

Finding grants to support programs is more difficult than finding support for projects. Even so, it can be a challenge to raise all of the funds needed for a project. Charleston Affordable Housing tapped many sources, some of them unconventional. While most people would not think that the National Endowment for the Arts, or the South Carolina Arts Commission would support an affordable housing project, both of these organizations supported the America Street Initiative. Preservation organizations should also not overlook religious
institutions, such as Sisters of Charity, as they are also common supporters of affordable housing. On the other hand, New Bern found that finding funding for pilot partnerships was relatively easy. Businesses were eager to give donations to help and get their name behind the two organizations on the new project.

**Keys to Success**

Each organization has unique reasons for how they accomplish creating affordable housing through historic rehabilitation. However there are several common lessons:

- In order to have the most impact and use resources most wisely, it is best to focus on small, defined areas. When working in a target area versus on a house-to-house basis, a program can develop strategic relationships and can have a greater impact. This concept was used to some extent by all of the organizations studied. This concept is also emphasized as important in Richard Moe’s, *Changing Places*, where he comments how PRC’s Operation Comeback has been successful but because of the scattered work in seven districts there is no “dramatic visible impact.” (Moe, 1997)

- Partnerships and community support are vital for effective implementation of programs. Partnerships allow small organizations to fill needs for which the skills are absent within their own organization. Community is important from many angles. Local communities often are the biggest financial supporters through different incentives or allocations of federal funds. Individuals in target neighborhoods know their areas well and may be able to give advice. Working with neighborhood associations also allows a more significant positive effect in an area. “You’re also addressing the quality-of-life issues inside the neighborhood. And you’re also helping the neighborhood association build up its effectiveness,” says Patti Gay, Executive Director of PRC in New Orleans. (Moe, 1997)

- Preservationists need to prioritize the aspects of homes that are most important. As Cathy Kleiman, Executive Director of Charleston Affordable Housing, states, “Affordable housing cannot be a restoration, but a rehabilitation job.” This sentiment is echoed in the work done by the Macon Heritage and the New Bern Preservation Foundations. In Macon they focus mainly on the exterior restoration and are very flexible with interior renovations. In New Bern, NBPF and Habitat reached many compromises over what should and could be done in their rehabilitation projects.

- For the organizations providing loans, it is very important to have both technical assistance and strict monitoring. This is especially the case with Providence since they finance their own loans.
• Programs need to be able to respond to changing needs. In New Orleans, the Operation Comeback team in some sense has worked itself out of a job. The initial goal of OC was to provide a means of financing properties. After years of work, there are now many lending institutions ready to finance dilapidated housing rehabilitation and so OC has begun providing education for finding, financing and rehabilitating vacant housing to reach their goals.
Conclusion

To have a more definitive picture of organizations creating opportunities for single-family affordable housing, more research must be done. However there are lessons to be learned from the six organizations that can be useful for other programs.

The Historic Preservation Society of Durham is nearing a point in its evolution as an organization that it has the capacity to address the facilitation of affordable housing in Durham. HPSD has four different possible main options to follow: expand its existing revolving fund, become a CHDO, provide expanded technical assistance or continuing to provide limited technical assistance with a small revolving fund.

If HPSD follows the path of further developing its revolving fund, it would first have to make strategic partnerships, hire an additional staff member or reassign current staff tasks to better follow the acquisition and rehabilitation process. HPSD would benefit from some significant fund raising to increase the revolving fund balance. The organization has discovered it cannot effectively handle property rehabilitation of more than one or two properties at once. Currently HPSD is managing three rehabilitations with staff, volunteers and organizational budget stretched beyond comfortable levels.

If the Society chooses to be designated as a CHDO, it would first need to form a sub-organization. A sub-organization would then be able to meet all of the regulations of becoming a CHDO in its mission and bylaws. HPSD could chose the target area of this subordinate organization to be either Durham County, the target area of the organization, or East Durham, the current target area of its community development initiatives. If it selected the larger service area it would not have to create a new sub-organization each time it moves on to a new neighborhood. If it chose the smaller target area, the CHDO could be formed for the benefit of the East Durham neighborhood preservation organization, which is in the process of being created. In either case, HPSD would benefit in being in a preferred group for receiving federal HOME funds. In fiscal year 2001-2002, the total CHDO set aside in Durham was $158,000. Currently there are only two CHDOs in Durham with two more
seeking certification. If HPSD were to become certified as a CHDO with these considerations given equal support of the local CHDOs by the City, HPSD could reasonably expect an average annual allocation of HOME funds of $31,600. However, it is not guaranteed any specific CHDO will receive funding and CHDO certification and HOME funds do come with considerable government regulation, monitoring and reporting. The costs and benefits of CHDO certification would need to be strongly weighed by the HPSD board before allowing this path to be taken.

Currently there is a limited need for HPSD to provide technical assistance as there are not many programs with which it could assist. The only incentives that encourage rehabilitation of any kind are federal and state Historic Rehabilitation Tax Credits. The City does have programs for low-income homeowner rehabilitation, but currently there is a backlog of applications and, until recently, this program was unfunded. HPSD could proceed in developing a database of available and vacant properties in the area and assist with their marketing. It could also educate citizens on how to search out and acquire vacant properties. It could compile information on who provides, and how to obtain loans for properties needing rehabilitation. HPSD already assists interested parties with these activities, but it could be more effective by formally creating educational materials for these purposes. HPSD and other non-profit groups should advocate for more local programs encouraging rehabilitation. A loan fund would be best given that funding is usually the biggest deterrent to rehabilitation. If a loan fund or other such program were developed that required oversight by HPSD, more specialized staff would be required.

HPSD could also choose to continue as it is with some simple improvements. As the organization currently exists, given the current number of staff and their existing roles, additional staff would be needed before the organization could adequately implement any new programs. However, some needs could also be filled through developing partnerships with other organizations. HPSD could begin developing a formal library with information for interested parties on mechanisms for acquiring property, getting loans and applying for tax credits. HPSD could target East Durham for the location of all of its revolving fund projects. To date, only one revolving fund property has been located in the East Durham area.
HPSD already has strong relationships with the several groups. The Durham Affordable Housing Coalition, which is an advocate for decent and affordable housing, lends its support when HPSD is seeking funding from the City. Several realtors lend their expertise in advising fair market values for properties going through the Revolving Fund. A local real estate attorney provides her services at no cost to the Society. HPSD also has a partnership with Preservation North Carolina (PNC), which is assisting in plans for developing a pilot rehabilitation project in East Durham that it will also help, fund. Central Carolina Bank has a history of supporting HPSD project with traditional loans; however, HPSD could strengthen its fiscal partnerships by reaching out to other banks such as Self-Help Credit Union. Self-Help has been working on focused rehabilitation projects on the western side of Durham and also lends assistance to less desirable mortgage seekers. HPSD could also develop a stronger business relationship with homeownership and credit counseling and loan organizations. HPSD could target graduates from the homeownership classes for its revolving fund properties. In terms of actually developing affordable housing, HPSD could partner with such groups as Rebuild Durham, Habitat for Humanity, the Durham Community Land Trustees and other possible developers for assistance in rehabilitating historic structures.

So far HPSD has been fortunate in receiving funding for its rehabilitation and community development projects. Currently it has five funding sources for the next fiscal year that include: HOME funds, a City grant, a State Historic Preservation Office grant, a grant from the Covington foundation and funding from memberships. Hopefully this success will continue as HPSD works with PNC and the National Trust for Historic Preservation on a pilot program focused on one small area in East Durham. Until the revolving fund grows, more funding will need to be obtained from granting agencies. Even with a larger revolving fund, additional monies, such as CDGB and HOME, will be needed to support development programs.

Given the current conditions at HPSD and the knowledge gained from the organizations examined, the most reasonable initial response for HPSD is to continue as it is currently operating, but building new partnerships and enlarging the technical assistance component. As HPSD gains additional capacity through increased funding, HPSD should enlarge its
revolving fund and consider becoming certified as a CHDO. Through either a RLF or a CHDO the Society would be able to have a direct role in the creation of affordable historically rehabilitated housing. With a well-developed RLF the Society could be able to obtain a number of properties in one area, rehabilitate them as needed and resell them. While becoming certified as a CHDO would increase the likelihood HPSD would receive HOME funds, allowing HPSD to rehabilitate more properties; the amount of reorganization and regulation required causes the overall benefits of becoming certified as a CHDO to be questionable. To enable HPSD to have more power to encourage rehabilitation in the future, the organization should advocate for the local government to implement an incentive program for rehabilitation such as a tax increase moratorium for recently rehabilitated properties. As HPSD continues its partnership with preservation North Carolina these two groups should focus strategically on a small area of East Durham so that their project may have the most visible impact. In this way both HPSD and PNC can maximize the benefit to the community. The nonprofit’s resources will be used most wisely and the community will feel the positive most impact.
Interviews

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Miller, Maryann, Communications Coordinator for Operation Comeback, Preservation Resource Center, New Orleans, LA. Telephone interview, (504) 581-7032, May 2, 2002.

Schoettle, Clark, Director of Providence Preservation Society Revolving Fund, Providence, RI. Telephone interview, (401) 272-2760, May 10, 2002.


Works Consulted


