

Downtown Idea Exchange

Perspectives

The three “Ps” of downtown residential development

By Eugenie L. Birch

Census data, informed by locally generated updates, will tell a story of residential living in 45 U.S. downtowns that has lessons for towns and cities of all sizes.

Between 1990 and 2000, the downtowns I am monitoring as a whole experienced a 13 percent increase in housing units. One top-performing group of these had moderate but sustained development for a long time — increases in every decade in the 1970–2000 period. Another exceptional subset had robust expansion in the past 10 years.

The sustained-development downtowns have larger populations than the robust expansion downtowns, but they have been at it longer. The good news is, whether a long- or short-term grower, the numbers keep rising. By the way, both types of downtowns far outpaced their cities in growth rates.

These success stories are not accidents. They are the results of the three “Ps”: promotion, persistence, and patience. So what does this mean?

Promotion: Somebody takes charge of downtown. This can be a public entity such as a downtown development corporation, whose members are appointed by the mayor and city council, and which acts as the agent of the city’s redevelopment agency under law. Or a quasi-public entity such as a business improvement district that encompasses the majority of the downtown and is led by a strong executive director. Or a city agency like a department of planning and development that has appointed staff to specific districts including the central area containing downtown.

Regardless of type, these entities have comprehensive portfolios that include housing among a long list of other functions. The energy, vision, and political savvy of leadership is key. Promotional activities vary by downtown depending on local conditions, but a common set of techniques include: employing municipal tools (ranging from capital investment to planning and zoning to favorable tax policy such

as tax abatements or tax increment financing), sponsoring marketing studies and neighborhood guides, and making sure that downtown is safe, clean, and well-serviced.

Persistence: Promoting downtown housing requires perseverance and doggedness. Downtowns are high-cost and complex places. Central location, high assessed values and taxes, dense networks of infrastructure, historic heritage, confusing zoning, and office space dominance (whether fully occupied or not) are all features that both attract and complicate development decisions — especially when they involve a change of land use as downtown housing does.

Layered in these complexities are the many stakeholders — landowners, consumers, city agencies, elected officials — who often have varying agendas regarding their downtown visions. Understanding these conditions, crafting imaginative strategies, and staying with the effort is critical to success. For example, since 1996 Philadelphia’s Center City District has engaged in more than 15 campaigns related to downtown housing. Today, Philadelphia has the highest number of downtown households in the nation.

This article was reprinted from the February 15, 2006 issue of *Downtown Idea Exchange*.

Interested readers may subscribe to the twice-monthly newsletter by visiting <http://www.downtowndevelopment.com> or phoning (212) 228-0246.

© 2006 Alexander Communications Group, Inc. All rights reserved.

No part of this article may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying or otherwise without the prior written permission of Alexander Communications Group.

Patience: Downtown residential development takes a long time. As mentioned in the beginning of this column, the places that have had the greatest success have been working at it for a generation or more. Dramatic changes do not happen overnight. Today's downtowns, like massive jigsaw puzzles,

have hundreds of pieces.

Housing is just one puzzle piece, linked to many others — jobs, amenities, parks, schools — to form an attractive picture that evokes a resounding “I want to be there” response. And downtowns, like jigsaw puzzles, take patience to complete this attractive residential picture.

Eugenie L. Birch is professor and chair of the University of Pennsylvania Department of City and Regional Planning and co-director of the Penn Institute for Urban Research. She is also author of the November 2005 Brookings Institution report Who Lives Downtown? (discussed in the December 15, 2005, issue of Downtown Idea Exchange). Contact her at elbirch@design.upenn.edu. ◆