



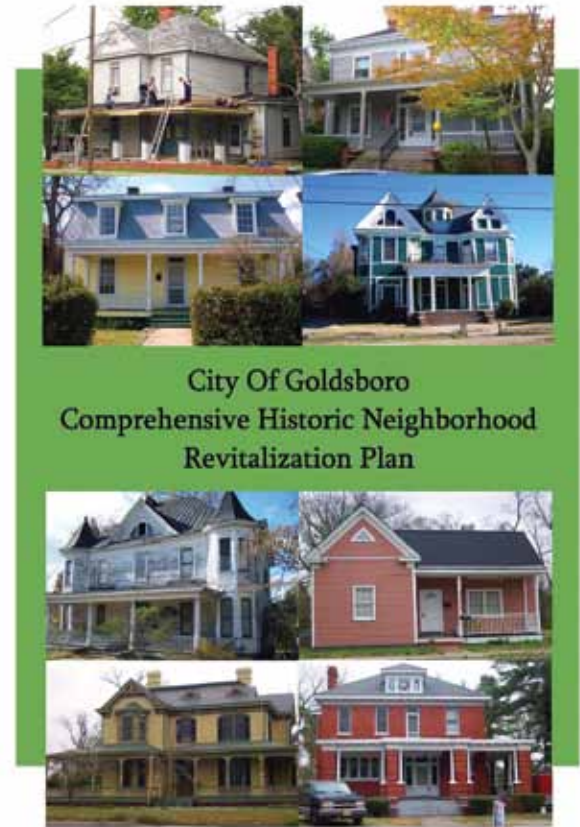
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By Tom Neeley

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When trying to deal with empty buildings, a group of stakeholders in Goldsboro, North Carolina, decided to take the bull by the horns and found a way to reduce residential vacancies. Using public funding provided by the city government, they began an innovative program that acquires and stabilizes historic homes before selling them to private owners.

Goldsboro (population 39,000) has a long-established Main Street program that was started in 1984. After focusing solely on the community's historic downtown for nearly 20 years, city officials realized that several neighborhoods surrounding the business district had become persistent sources of attention for several of their departments. For the police department, it was an issue of crime; for the inspections department, it was an issue of condemning derelict and dilapidated homes and demolishing some of the structures; and for the public works department, it was a an issue of maintaining vacant land created by demolition.



*Goldsboro's neighborhood revitalization plan focuses on three downtown neighborhoods with a high concentration of historic homes facing demolition.*

The seemingly endemic issues facing the neighborhoods stemmed not only from a failure of city leadership in areas such as land use, which allowed a neighborhood of prominent turn-of-the-century, single-family homes to be turned into an area dominated by multi-unit rental conversions and boarding houses but also from sequential neglect by property owners.

“My belief has always been, the house isn't the problem,” says Downtown Goldsboro Development Corporation Director Julie Thompson. “It's the people owning them who are the problem.”

The tipping point occurred in September 2005, when the Inspections Department had run through its annual \$100,000 appropriation for home condemnation. The department head wrote a letter to the city requesting an additional \$100,000. City Manager Joe Huffman asked if that amount would take care of all the problems, to which the director laughed. When asked how large an appropriation would be needed to condemn all property for the year, Huffman was told it would take \$1 million.

### Devising a Plan

Faced with this staggering amount, Huffman approached the city council with a proposal to stop seeking demolitions and, instead, generate a plan that would revive the neighborhoods around downtown. In October 2005 a group of stakeholders, including Downtown Goldsboro Development Corporation's Thompson, was charged with developing a plan to present to the city council at its February 2006 retreat. The plan presented to the council, the Goldsboro Comprehensive Historic Neighborhood Revitalization Plan (known as the Neighborhood Plan), was unanimously approved and implementation began in summer 2006.

“I like to tell people it's not really a plan; it's a set of goals,” says Thompson. “It's not something that sits on the shelf. It's constantly evolving and taking on new issues and problems because the only thing we're concerned about is the end goal — traditional owner-occupied neighborhoods.”

The Neighborhood Plan targets three neighborhoods: the Depot District (about five blocks long and three blocks wide), North James Street (about three blocks by two blocks), and South Williams-South John Street (about five blocks by two

blocks). The neighborhoods were chosen because each has strong community fabric — many historic homes, large canopy trees, and sidewalks — as well as a high concentration of at-risk structures facing demolition and about 70 vacant lots.

“We had obviously missed a lot of opportunities to save historic structures,” Thompson says. “In order to recreate a traditional neighborhood feel, we wanted to create an environment that would attract private investment of owner-occupied homes.”

In order to attract this kind of investment, they developed a two-part approach: (1) work to stabilize and rehabilitate the existing housing stock by creating incentives for owners to invest in the work themselves or sell the home to someone who would; and (2) fill vacant lots with new, affordable housing that fits into the fabric of the historic neighborhoods.

Because the neighborhoods were so heavily dominated by rental units and neglectful landlords, the group sought to increase the percentage of owner-occupied housing, which at the time represented less than 10 percent of the housing stock in the area. Additionally, city officials knew that the development of the 1909 Union Station

Goldsboro works with Preservation North Carolina (PNC) to preserve the community's historic homes. After the city has acquired a home, stabilized it, and cleaned it up, PNC then markets the house to potential buyers. PNC ensures that restrictive covenants and rehab agreements are customized and attached to each property.

**SAVE** this old house

An extraordinary house worth saving

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THE MOLLY SMITH THOMPSON house is a late-Victorian-era mansion with elements of the Queen Anne style, located just outside downtown Goldsboro, North Carolina. Built in 1912, it is named for the woman who owned it from 1912 through the 1960s. We imagine she lived there quite happily, too, since it would be hard to be depressed in such a turn-of-enthusiasm interior with natural light pouring through an abundance of original four-over-four windows. The house also boasts a full-length porch, with original spindlework and turned posts, and a front gable decorated with hand-sawn shingles. Sure, it requires a major rehab, including new electrical plumbing, and HVAC systems. But the work will be more affordable thanks to the state's 20 percent tax credit for historic properties such as this.

Goldsboro, a city of around 40,000 that is also home to Seymour Johnson Air Force Base, is hell-bent on making a comeback after years of slow job growth and economic malaise. Outlets of new businesses have moved into the historic downtown. A city new-city hall recently opened for business, and the state's department of transportation is rehabilitating the 1909 Union Station to provide bus and rail service to nearby Raleigh and Wilmington, both about an hour or so away. The city is also working with Downtown Goldsboro Development Corp. and Preservation North Carolina to buy up dilapidated houses and sell them cheaply to anyone willing to adhere to a rehabilitation agreement and some protective covenants. So far, they've sold 11. But 15 more, including this one for the pining liver-upper, are still up for grabs. —ed@thpnc.org

Available for Rehabilitation  
**The Historic Grantbam-Baker House**  
106 N. Virginia Street, Goldsboro  
Waynes County

**Price: \$46,000**  
Square Feet: approx. 3,710  
Lot Size: 0.3 acre  
Zoning: R-1

For more information or to make an appointment to see the Grantbam-Baker House, please contact:

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**Live in a landmark that is part of Downtown Goldsboro Revitalization**

Built in 1912, the Grantbam Baker House is an attractive Victorian house with a wrap-around front porch. Interior details include a side-hall floor plan with hardwood interior walls, original stained marble and wood floors. The Grantbam-Baker House is situated at the top of a .3 acre lot, allowing for a deep and spacious backyard. The house will require a complete rehabilitation, including all new electrical, HVAC, and plumbing systems, as well as a new kitchen and bath. Located in the Goldsboro Historic District, the property is eligible for tax credits.

PNC is partnering with the City of Goldsboro, the Downtown Goldsboro Development Corporation, and Self Help Credit Union to revitalize several neighborhoods in downtown Goldsboro. The neighborhoods will be transformed into a blend of residential historic structures and new houses that will include historic architectural details. Houses range in size from 1,000 to 6,000 square feet and consist of a variety of architectural styles including Queen Anne, Victorian, and Italianate. The unique historic district includes residential and commercial structures. Goldsboro is located 55 miles east of Raleigh, the city is a desirable population of 40,000 residents and is the governmental seat of Wayne County and home to Seymour Johnson Air Force Base.

**PNC/LEI**  
For more information about Preservation PNC and other endangered properties visit [www.PreservationNC.org](http://www.PreservationNC.org)

train depot into a multimodal transportation hub would make Goldsboro more attractive to new residents and young people seeking to live in a quaint historic town within commuting distance of nearby Raleigh.

Given the scale of the work required to rehab existing homes and build new ones, the group recognized the need for partners. In terms of preservation, it was clear that the historic district commission alone was ill-equipped to deal with the scope of the buildings in the neighborhoods. Thompson invited the regional representative of Preservation North Carolina (PNC), the state's largest nonprofit preservation organization, to the second meeting to discuss protecting the historic housing stock.

### Preserving Existing Homes

"We really wanted to save the neighborhoods," says Thompson. "There's a niche market of people who want to save these structures and provide a little TLC."

The process begins with identifying homes that are threatened. Then those homes are acquired by:

- Donation;
- Option: the owner gives up control of the property and it is put up for sale; or

- Acquisition: the property is bought through a city revolving loan program, which was started with \$100,000.

Ideally, property owners will take the initiative to maintain and preserve their homes, but if they don't, the city can acquire properties. Officials have shied away from using eminent domain; instead, they rely on incentives to encourage maintenance by the building owner or persuade an absentee landlord to sell the property to the city.

The city can pressure negligent property owners to make physical improvements and maintenance through its demolition-by-neglect ordinance. The ordinance states that properties with historic value need to be treated with respect to that unique value and allows the city to fine property owners who neglect the exterior of their buildings. The city also has the authority to stabilize at-risk structures and bill the property owner for the cost of the repairs. Faced with these costs or with the costs of being billed for demolition, many property owners opt to transfer their properties to the city.

In an attempt to limit the number of boarding houses, which tend to be poorly maintained, the Inspections Department outlines strict requirements for legal boarding houses. This action increases the cost of operations, which has reduced the number

of boarding houses in Goldsboro.

Once the city acquires a home, a small amount is spent to stabilize the structure and clean it out in preparation for sale. Then Preservation North Carolina markets the home to potential buyers. On average, it costs about \$10,000 to cover attorney fees, deeding, and prepping properties for sale. Once a home is sold, the costs associated with prepping or selling the property are returned to the revolving loan fund, and profits are divided between Preservation North Carolina (75 percent) and Goldsboro (25 percent). PNC also receives \$5,000 for each house sold. Because the properties pass ownership through Preservation North Carolina, restrictive covenants and rehab agreements are tailored and attached to each property. All state that the property owner recognizes the historic value of the home, will protect its historic nature, and will live in the house for at least five years after the purchase.

### Building New Homes

To fill the vacant lots, the Neighborhood Team wanted a stock of new, affordable housing to hedge against gentrification. Goldsboro envisioned its residential neighborhoods achieving a 50 percent balance of owner-occupied housing and rental units.

To address the issue of vacant lots, the city partnered with Durham-based



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*Left: Members of the Goldsboro Neighborhood Team, DGDC staff, and volunteers from the Seymour Johnson Air Force First Term Airman Center clean out one of the homes acquired in 2007 with revolving loan funds supplied by the City of Goldsboro. Below: Sold in April 2010, the home has been restored and painted a lively bright green.*



© Julie Thompson, DGDC

Self-Help, which agreed to build homes for low- and moderate-income buyers on lots donated by the city. Self-Help forms partnerships throughout North Carolina to create affordable, owner-occupied, single-family homes and help build wealth among people who frequently are not served by traditional lending institutions. To assist in Self-Help's mission for the Neighborhood Plan, the city set aside \$100,000.

Despite its long and successful history, Self-Help has had little experience building homes in a historic neighborhood. Typically, it constructs homes with vinyl siding to lower building and maintenance costs for first-time homebuyers. Changing building materials and adding architectural details to the homes pushed costs above the narrow range in which Self-Help is usually able to sell to targeted demographics. Because the city wanted the new homes to blend in with the fabric of the historic homes, it agreed to provide \$10,000 per house to fund upgraded building materials and design structures compatible with the historic district.

In 2008, three homes were constructed. Although the first home sold on opening day, five months after construction started, the other two houses took about a year to sell. A master plan consultant determined that Goldsboro has a much stronger market for market-rate housing than for affordable housing, given the existing housing stock.

Given the challenges of finding suitable homeowners for the last two properties,

Self-Help decided to step back from the Neighborhood Plan. Self-Help realized that its capacity to provide counseling to first-time homebuyers in the low- to moderate-income bracket in Durham was particularly important, and that the lack of such counseling in Goldsboro affected its ability to find suitable homeowners. As a result, Goldsboro is currently looking for ways to provide counseling through a program like Self-Help's or through the local community college. Additionally, the community is looking into the possibility of partnering with other affordable housing organizations.

### Exit Plan

The Neighborhood Plan gave the city control over more than 30 properties; over half of the buildings have been sold, and some have already been resold. The entire community witnessed a huge increase in both public and private investment — especially in the downtown. The new energy in Goldsboro can mostly be attributed to the fact that the city saw an opportunity and a growing market for historic homes and neighborhoods.

“By rolling up our sleeves, setting a goal, and working toward it. By not taking ‘no’ for an answer, we’re seeing great results,” says Thompson.

Although the Neighborhood Plan's vision

is to turn these three neighborhoods into areas with about 50 percent owner-occupied housing, the larger goal is to allow the private sector to take its course. To protect the character of the neighborhoods while encouraging private investment, Goldsboro is instituting neighborhood design guidelines as more independent developers begin rehabbing properties. Still, as with development in the downtown, Goldsboro officials foresee long-term vigilance in promoting the revitalization of the neighborhoods.

“I think we have another 10 years before we say we can safely exit,” Thompson says.

*Tom Neely was an intern with the National Trust Main Street Center in 2010 and is currently working on his Masters in Public Policy at Georgetown University in Washington, D.C.*