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green + historic + affordable



Terrance Clark, left, and Val Chafalovitch, owners of Quality Air, review renovation plans for the home at 213 S. Driver St. with Tiffany Elder, operations manager for Coral Construction & Design.

BY NANCY E. OATES
CORRESPONDENT

RED and green make a beautiful pair in any season. In this somewhat gray real estate market, the City of Durham's Project RED, or Revitalize East Durham, has granted financial aid to Preservation North Carolina to rehabilitate modest homes in some of Durham's historic neighborhoods into energy-efficient workforce housing. Once renovated, the green-certified homes save buyers green through tax credits and low utility bills.

Cathleen Turner, director of the Piedmont regional office of Preservation North Carolina, recognizes the collaboration as a gift to low- and moderate-income homebuyers.

"Green, historic and affordable: We feel they go together," Turner said.

Preservation N.C. has partnered with Preservation Durham to identify abandoned and dilapidated homes in certain neighbor-

hoods that the City of Durham has targeted for revitalization. Preservation N.C. then works with Durham's Department of Community Development to find federal, state and local funds to acquire and renovate the properties, arm them with protective covenants and owner-occupancy restrictions, and sell them to buyers who make no more than 80 percent of the Area Median Income. For a family of four in the Durham Metropolitan Area, the AMI is \$67,800; 80 percent of that is \$54,250. The Raleigh area is slightly higher. The figures adjust up or down, depending on the family size. For instance, a single buyer in Durham could not make more than \$38,000.

The renovated houses will meet historic preservation guidelines to be eligible for federal tax credits and be green-certified as well.

The initiative marks the first time that the city has worked with Preservation N.C. on rehabilitating houses. The process is differ-

ent from the way Preservation N.C. has rescued houses in the past, Turner said.

"Our typical model was acquiring a property through donation or an option to purchase, then finding a preservation-minded buyer who would do the rehab, and putting on protective covenants before selling it," Turner said.

But in supporting Durham's master plan of revitalization, rehabbing blighted and abandoned houses and increasing the number of owner-occupied homes in a neighborhood, Preservation N.C. marketed to a different sort of buyer than in the past.

"The buyers we're looking at might not be in a position to rent while they buy a house and renovate it," she said.

So Preservation N.C. explored renovating modest houses built in the early 1900s as workforce housing and putting them back on the market in move-in condition. For the renovation of its first such house, at 213 S. Driver St. in Durham, Turner tapped Coral Construction & Design. The company's operations manager, Tiffany Elder, has been renovating historic properties in the Triangle since 2005 and has received a number of awards for her historic renovation work. Hiring a company with extensive experience in historic renovations of homes in a wide range of price levels eased Turner's worries considerably.

"I didn't have to worry when I was out of town whether I'd come back to find something had been torn out that shouldn't have been touched," Turner said.

The green, historic, affordable combination is unusual, Elder said.

"Usually, a renovation includes only two of the three," she said. And the process can get tricky, with competing requirements between historic and green.

"In a lot of green rankings, you have to pull out old windows and put in new energy-efficient ones, and you have to pull out interior plaster walls or exterior siding to put in insulation," she said. "But the National Parks Service [which oversees federal historic preservation rules] specifically prohibits you from unnecessarily taking out functioning old wood windows and pulling out intact plaster walls."

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REMODEL

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By following green-built guidelines of the National Association of Home Builders and making tradeoffs to come up with an overall energy-efficient home, Elder was able to get the house green-rated while staying within federal historic preservation guidelines. She made judicious decisions on design, materials and finishes to keep the price low. For example, she refurbished the single-paned, wood-framed win-

dows but added extra insulation to the attic and crawl space where most of a house's heat is lost.

"We want the house to be cute, but we want it to perform well, too," she said.



The Driver Street house is the first of at least eight houses Preservation N.C. has in its sights. Pictured above is the rear of the home before work began. Top, the back underwent major changes, including new windows and siding. Right, Elder, Clark and Chalovitch review plans in front of the home.



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The Driver Street house is the first of eight to 12 houses Preservation N.C. has in its sights. That concentration will make a difference in the Northeast Central Durham area, said Shep Smith, project manager for Durham's Department of Community Development.

"Our goal is to change neighborhoods back to homeownership wherever possible and not have deteriorated rental housing that causes unwelcome living conditions," Smith said. "You have to have a certain critical mass of rehabbed houses or new homes to attract buyers and stabilize a neighborhood."

Community Development concentrates on one area at a time to obtain that critical mass. The department has seen some success in its previous efforts in Southwest Central Durham. The neighborhoods are composed of up to 85 percent rentals and sometimes a vacant or abandoned property rate as high as 15 percent. The city benefits from the increased property tax revenue as home values begin to rise and from the decreased crime rate as the area is repopulated with homeowners who have a stake in the safety of the streets. Homeownership also helps residents become finan-

cially independent, another benefit to the city as people no longer need assistance from social services.

"When we get a neighborhood stabilized to the point it attracts market-rate developers, once it's desirable enough that people want to move there without being offered a subsidy, then we've been successful," Smith said.

To ensure that the affordable houses remain affordable, Preservation N.C. puts on a restrictive covenant that requires the house to remain affordable to 80 percent AMI buyers for the next 15 years.

Not all houses can be saved, however, and when a house has deteriorated to the point it has to be razed and a new one

built, Smith's department works with the builder to make sure the new structure fits in with the character of the neighborhood.

"One of our goals is to maintain the character of the neighborhood," he said. "The other piece is to make homes available to low- to moderate-income buyers." His department won't grant or loan money to developers who are going to put in pricy student rental housing. "That's not an eligible activity using federal dollars," he said.

The real estate market slowdown of the past couple of years has made the initiative possible for Preservation N.C. Prices of the properties dropped and the number of contractors available to do the renovations rose. The downside came in the tighter lending restrictions, reducing the pool of eligible buyers. City programs can help with gap funding, and the 30 percent federal tax credit for historic renovation costs are passed along to buyers.

"Everyone wants a safe, clean, affordable home they can be proud of," Elder said. "Why not bring back those neighborhoods that were beautiful in their time?"

For a look at available houses, visit Preservation N.C.'s visit website, presnc.org. Hover the cursor over "Buy Property," and when the drop-down menu appears, click on "Revitalizing East Durham."

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