

Fayetteville Street Corridor Durham, North Carolina

A ULI Advisory Services Panel Report

May 15–20, 2022



 **Urban Land
Institute**
Advisory Services

Fayetteville Street Corridor Durham, North Carolina

Forging a Path for Intentionally Inclusive Development

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Urban Land Institute
2001 L Street, NW
Suite 200
Washington, DC 20036-4948
uli.org

About the Urban Land Institute

THE URBAN LAND INSTITUTE is a global, member-driven organization comprising more than 45,000 real estate and urban development professionals dedicated to advancing the Institute's mission of shaping the future of the built environment for transformative impact in communities worldwide.

ULI's interdisciplinary membership represents all aspects of the industry, including developers, property owners, investors, architects, urban planners, public officials, real estate brokers, appraisers, attorneys, engineers, financiers, and academics. Established in 1936, the Institute has a presence in the Americas, Europe, and Asia Pacific regions, with members in 80 countries.

The extraordinary impact that ULI makes on land use decision-making is based on its members sharing expertise on a variety of factors affecting the built environment, including urbanization, demographic and population changes, new economic drivers, technology advancements, and environmental concerns.

Peer-to-peer learning is achieved through the knowledge shared by members at thousands of convenings each year that reinforce ULI's position as a global authority on land use and real estate. In 2021 alone, more than 2,700 events, both virtual and in person, were held in cities around the world.

Drawing on the work of its members, the Institute recognizes and shares best practices in urban design and development for the benefit of communities around the globe.

More information is available at uli.org. Follow ULI on Twitter, Facebook, LinkedIn, and Instagram.

COVER: A selection from the mural *Black Wall Street (Hayti Heritage)* by Emily Eve Weinstein and David Wilson, reproduced at the Hayti Heritage Center. The mural depicts the Fayetteville Street Corridor area in the 1940s, a time when Durham's Black populations were making big strides both financially and in the business world. (*Deborah Myerson*)

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About ULI Advisory Services

THE GOAL OF THE ULI ADVISORY SERVICES program is to bring the finest expertise in the real estate field to bear on complex land use planning and development projects, programs, and policies. Since 1947, this program has assembled well over 700 ULI-member teams to help sponsors find creative, practical solutions for issues such as downtown redevelopment, land management strategies, evaluation of development potential, growth management, community revitalization, brownfield redevelopment, military base reuse, provision of low-cost and affordable housing, and asset management strategies, among other matters. A wide variety of public, private, and nonprofit organizations have contracted for ULI's advisory services.

Each panel team is composed of highly qualified professionals who volunteer their time to ULI. They are chosen for their knowledge of the panel topic and are screened to ensure their objectivity. ULI's interdisciplinary panel teams provide a holistic look at development problems. A respected ULI member who has previous panel experience chairs each panel.

The agenda for a five-day Advisory Services panel (ASP) is tailored to meet a sponsor's needs. ULI members are briefed by the sponsor, engage with stakeholders through in-depth interviews, deliberate about their recommendations, and make a final presentation of those recommendations. A report is prepared as a final deliverable.

Because the sponsoring entities are responsible for significant preparation before the panel's visit, including sending extensive briefing materials to each member and arranging for the panel to meet with key local community members and stakeholders in the project under consideration, participants in ULI's ASP assignments are able to make accurate assessments of a sponsor's issues and to provide recommendations in a compressed amount of time.

A major strength of the program is ULI's unique ability to draw on the knowledge and expertise of its members, including land developers and owners, public officials, academics,

representatives of financial institutions, and others. In fulfillment of the mission of the Urban Land Institute, this ASP executive summary report is intended to provide objective advice that will promote the responsible use of land to enhance the environment.

ULI Program Staff

Mary Beth Corrigan

Executive Vice President, Global Leadership

Thomas W. Eitler

Senior Vice President, Advisory Services

Lauren McKim Callaghan

Director, Advisory Services

Kelsey Steffen

Director, Advisory Services

Georgia Gempler

Senior Associate, Advisory Services

David Zehr

Senior Associate, Advisory Services

James A. Mulligan

Senior Editor

Barbara B. Hart, Publications Professionals LLC

Manuscript Editor

Brandon Weil

Art Director

Amy Elfenbaum, Arc Group Ltd

Graphic Designer

Craig Chapman

Senior Director, Publishing Operations



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The panel wishes to thank the many participants, especially Angela Lee, executive director of the Hayti Heritage Center, for their participation. A special thanks is extended to Summer Alston, Bill Bell, Keith Chadwell, Nicole Furnace, John Hodges-Copple, and Charles Robinson.



Foundation

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About the Panel

ULI Panel and Project Staff

Panel Chair

Lyneir Richardson

Co-founder and CEO, Chicago TREND Corporation
Executive Director, Center for Urban Entrepreneurship &
Economic Development
Rutgers Business School
Newark, New Jersey

Panel Members

Erika Brice

Social Investment Officer
The Kresge Foundation
Troy, Michigan

Juanita Hardy

Managing Principal and Senior Consultant
Tiger Management Consulting Group LLC
Silver Spring, Maryland

William G. Lashbrook III

Senior Vice President (retired)
PNC Real Estate
Hopewell, New Jersey

Bayé Muhammad

Chief Executive Officer
Rochester Economic Development Corporation
Rochester, New York

Tom Murphy

Senior Resident Fellow
Canizaro/Klingbeil Families Chair for Urban Development
Urban Land Institute
Pittsburgh, Pennsylvania/Washington, D.C.

Julia Stevenson

Director, Mid-Atlantic Region
Langdon Park Capital
Washington, D.C.

ULI Project Staff

Thomas Eitler

Senior Vice President
Advisory Services

Rebecca Hill

Senior Associate
Meetings and Events

Deborah L. Myerson

Myerson Consulting LLC
Panel Project Manager

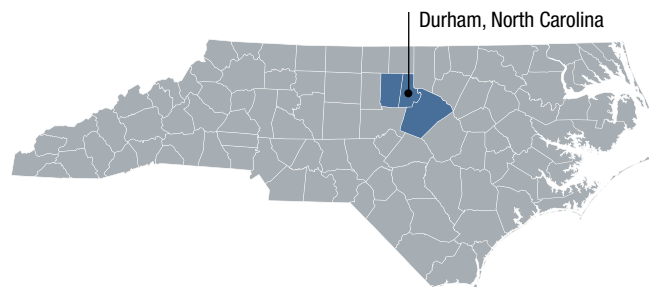


Introduction and the Panel's Assignment

THE HAYTI HERITAGE CENTER asked ULI to explore opportunities for the redevelopment of the Fayetteville Street Corridor with a community-centered mind-set and to ensure that the community is involved in both planning and economic participation.

The panel's study area, the Fayetteville Street Corridor, is a spine through the middle of Durham, North Carolina's Hayti District, which is the historical location of many of Durham's Black businesses and the hub of economic activity. Unfortunately, the construction of North Carolina Highway 147 in the 1960s (also known as the Durham Freeway) effectively dismantled the once-thriving Hayti community.

Today, Hayti is still home to many small businesses, historical landmarks, and community organizations of importance to the Black community. The Fayetteville Street Corridor is a gateway that remains vital to the economic development of Durham and the preservation of Black history and culture.



Located in the Piedmont region of North Carolina, Durham is one of three cities in the Research Triangle metropolitan area; the other anchors are the city of Raleigh and the town of Chapel Hill. The Research Triangle is also home to three major research universities: Duke University in Durham, North Carolina State University in Raleigh, and the University of North Carolina at Chapel Hill.



The boundaries of the study area, outlined in red, encompass much of the historic Black community as well as North Carolina Central University, a historically Black university.

5. How does Durham properly develop Fayetteville Street while maintaining its rich history of Black Wall Street and more?
6. What opportunities are available to the community now and in the future to participate, economically, in the development of the Fayetteville Street Corridor as a whole?
7. What strategic action steps will make the development of Fayetteville Street Corridor a success—that is, economically viable and community-centric—given the players involved?

Summary of the Panel's Recommendations

The panel's recommendations for the Fayetteville Street Corridor and the broader Hayti neighborhood include the following:

- Launch a community-led engagement effort to establish a shared vision for the future of Hayti and the Fayetteville Street Corridor.
- Improve Fayetteville Street with streetscape upgrades and protection of historic structures.
- Maintain cultural identity through creative placemaking.
- Maintain affordability in both rental and ownership housing, especially for legacy residents.
- Integrate North Carolina Central University more closely into the community, and nurture NCCU's entrepreneurial activities.
- Invest in the Hayti Heritage Center.
- Launch a capital fund targeted for Black entrepreneurship and Black-led real estate development and ownership.
- Develop new employment opportunities for Hayti residents.
- Leverage strategic partners and communicate goals.

The Panel's Assignment

The sponsor asked the ULI panel the following questions:

1. What are the current land economics of the Fayetteville Street Corridor (Liberty Street to Cecil Street)?
2. What can the community (residents, business owners, and landowners) do now in the Fayetteville Street Corridor to take advantage of existing land uses?
3. What are the future land economics of the Fayetteville Street Corridor (Liberty Street to Cecil Street)?
4. How can local organizations such as Durham CAN (Congregations, Associations, and Neighborhoods), Durham Community Land Trustees, Hayti Heritage Center (HHC), and others prepare for making pockets surrounding Fayetteville Street affordable?



Urgency of the Current Moment

CURRENTLY, AN UNPRECEDENTED MARKET DEMAND exists for property in Durham, North Carolina. The land economics of the Fayetteville Street Corridor point to increasing development pressure as the demand outpaces the supply of property. Homes are rapidly selling or renting at record levels, and impending change to the historic neighborhood is palpable.

It is important to start by recognizing the proud history of the Fayetteville Street Corridor and the Hayti District. Black business success, home ownership, educational achievement, arts, culture, and entertainment are all woven into the fabric and folklore of this community. The panelists have deep respect for the significance of St. Joseph's Church and Durham's Black Wall Street. They also understand the community trauma and wealth destruction resulting from the Durham Freeway construction as well as the urban renewal in the late 1960s and early 1970s.

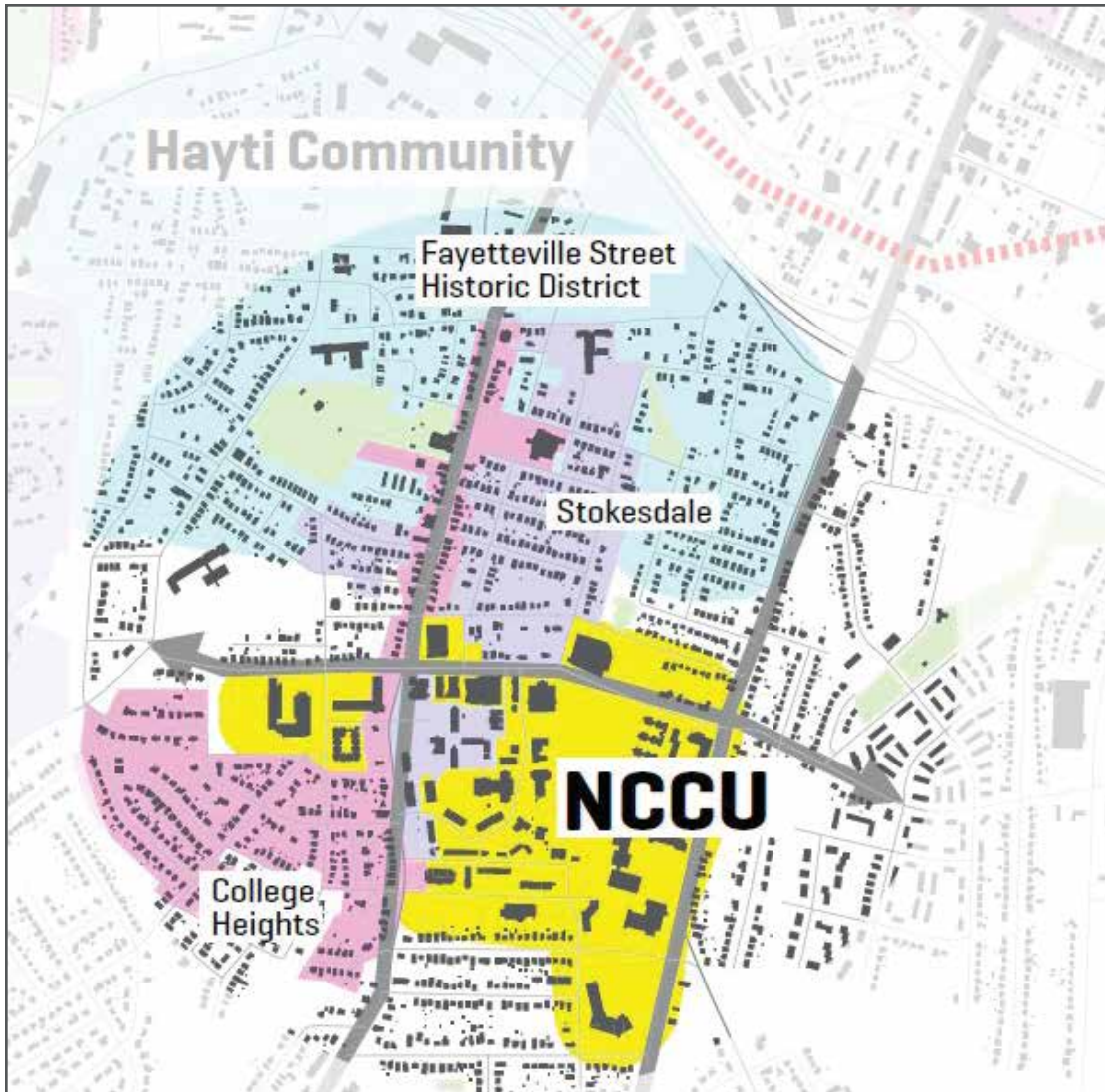
Support Intentionally Inclusive Development

As development pressures surge in the Fayetteville Street Corridor's study area, there is an immediate urgency to support intentionally inclusive development—a need for

bold investment and strategic actions that will empower the community to participate economically. Important actions will involve the following:

- **Improve Fayetteville Street.** Upgrade existing streetscapes and facades, bury overhead utilities, repair broken and missing sidewalks and curbs, address drainage problems, control traffic, and invest in home repair and in small business development. This initiative could include the transfer of Fayetteville Street from the state to the city of Durham.
- **Integrate North Carolina Central University.** NCCU is landlocked and needs to acquire additional property, which offers an opportunity to integrate it more closely within the community. The property could be developed for educational uses or housing (or both) for students, faculty members, and the NCCU staff. Equally important, retail,

NCCU Campus in Relation to the Hayti Community



restaurants, and service amenities could be developed to serve NCCU and the broader community while building on Hayti's rich culture.

- **Invest in the Hayti Heritage Center.** HHC is a beloved community asset, and its capacity should be expanded. It holds a treasure trove of information about African American progress in Durham since the Civil War. It is well-positioned to hire additional staff members and to engage expertise that will allow the community to revitalize its real estate and community strategy and implementation.
- **Provide Grants for Legacy Homeowners.** Legacy homeowners need not fear being displaced by community improvements and rising property values. Programs could be created to provide grants that will enable long-term, low-income property owners to make home repairs, renovate façades, and pay increased property taxes.
- **Launch a Black Business Fund.** With support from philanthropic sources and corporations, the community should create grant programs and an angel investment fund to empower Black entrepreneurs to start and expand businesses. New investment vehicles can enable Black residents in Durham to lead in the co-development and ownership of commercial real estate in Hayti.

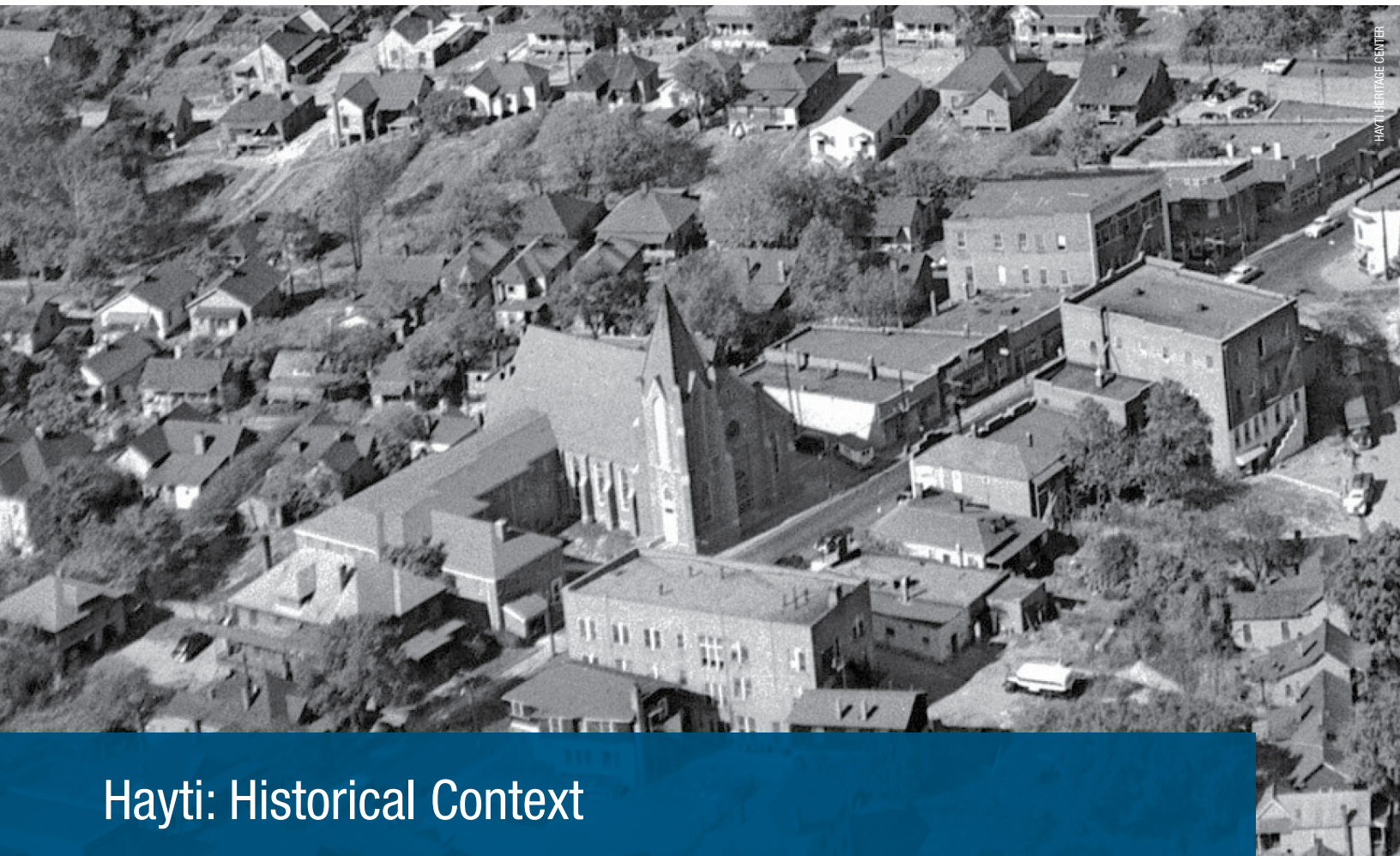
Dedicating Financial Resources

The panel recognizes the opportunity for all levels of government, the UNC system, the philanthropy groups, and the private sector to dedicate necessary financial resources that will drive forward these recommendations. Financial resources are available, and racial equity arguments can be made to support an organization of local stakeholders.

The fate of each of the cultural, historic, and economic interests that will seek space in the Hayti District depends, in large part, on the community’s collective ability to develop a shared strategic vision about the quality and type of community that its members want, as well as who will be able to live in it.

Investing in Intentionally Inclusive Development: A Proposed Budget

Investment	Sources	Funds
Improve Fayetteville Street	State sources, the American Rescue Plan Act, and Community Development Block Grants	\$25,000,000
Integrate North Carolina Central University within the community	University of North Carolina’s system	\$20,000,000
Invest in the Hayti Heritage Center	Philanthropy	\$3,000,000
Support legacy homeowners	Private developer density contribution (and tax increment financing)	\$5,000,000
Launch a Black Business Fund	Philanthropy and corporations	\$10,000,000
TOTAL		\$63,000,000



Hayti: Historical Context

HAYTI WAS ESTABLISHED shortly after the end of the Civil War when freedmen came to Durham to work in the tobacco warehouses and began living on the city's southern edge. James E. Shepard, Aaron McDuffie Moore, John Merrick, and Charles Clinton Spaulding, who were some of the founding fathers of the growing neighborhood, named the area after Haiti—the only country in the world created by a successful Black slave revolt.

The success of the North Carolina Mutual Life Insurance Company and other African American–owned businesses created significant investment in the community. By the early 1900s, Hayti was the first black community to become fully self-sufficient. The growth of Hayti included the construction of Lincoln Hospital, staffed by black doctors and nurses, as well as a theater, a library, hotels, and more than 200 businesses. North Carolina Central University was founded in Hayti in 1910 and became the first liberal arts HBCU (Historically Black College or University) to be state-funded in 1925. Moreover, leading members of the community built large, architecturally impressive dwellings along Fayetteville Street.

The community evolved around the two major churches: St. Joseph's African Methodist Episcopal (AME) Church, which was established in 1869, and White Rock Baptist Church, which was organized in 1873. Both churches built their significant structures during the 1890s. St. Joseph's AME, which is still standing, was built in 1891 and is one of the country's oldest AME churches. White Rock Baptist was built in 1896, but it was demolished to make room for the Durham Freeway.

Today, St. Joseph's AME is home to the Hayti Heritage Center, which is an arts, culture, and education facility dedicated to preserving and advancing the heritage and culture of historic Hayti and the African American experience.

Fayetteville Street continued to thrive in the first half of the 20th century. In 1912, W.E.B. DuBois marveled at the economic wealth and sustainability in Durham's Hayti community when he commented:

To-day, there is a singular group in Durham where a black man may get up in the morning from a mattress made by a black man, in a house which a black man built out of lumber which black men cut and planed; he may put on a suit which he bought at a colored haberdashery and socks knit at a colored mill; he may cook victuals from a colored grocery on a stove which black men fashioned; he may earn his living working for colored men, be sick in a colored hospital and buried from a colored church; and the Negro insurance society will pay his widow enough to keep his children in school. This is surely progress.

However, by the 1950s and 1960s, the segregated community started to fade economically. It was destabilized by real estate interests that were buying and consolidating land, transplanting residents from "slums" to new public housing, and rerouting Fayetteville Street to the west of its historic location.

The Durham Redevelopment Commission, created in 1958, oversaw multiple projects to rebuild areas deemed blighted and to build a freeway that would connect the newly planned

Research Triangle Park to downtown. Those redevelopment efforts displaced over 4,000 families and 500 businesses in the once-thriving Hayti community over the course of a decade. Only a significant effort from the entire Durham community, led by the Historic Preservation Society, saved St. Joseph's Church from the wrecking ball. Urban renewal leaders did not honor promises to the African American community, thus failing to provide adequate replacements for lost housing and businesses. Those failures led to protests, unrest, and distrust in the community. For more about Hayti's history, see Preservation Durham at <https://opendurham.org/category/neighborhood/Hayti#desc>.

We are now witnessing new evidence of change, this time evidenced by investment for return finances as homes are purchased.

It is time now for that "beacon on the hill" to be the center, anchoring and harnessing the energy of change for its residents and stakeholders to convene, plan, and form a renewed community that is deep-rooted in the heritage of the past. Promoting the talents and skills of all residents, of caring supporters, and of market participants could bring back the joy and stability of a thriving community.



HAYTI HERITAGE CENTER

The years-long freeway construction project created a major barrier through the center of Hayti and disconnected the communities and its members from downtown Durham. The orange lines represent streets that existed in Hayti before the freeway construction.

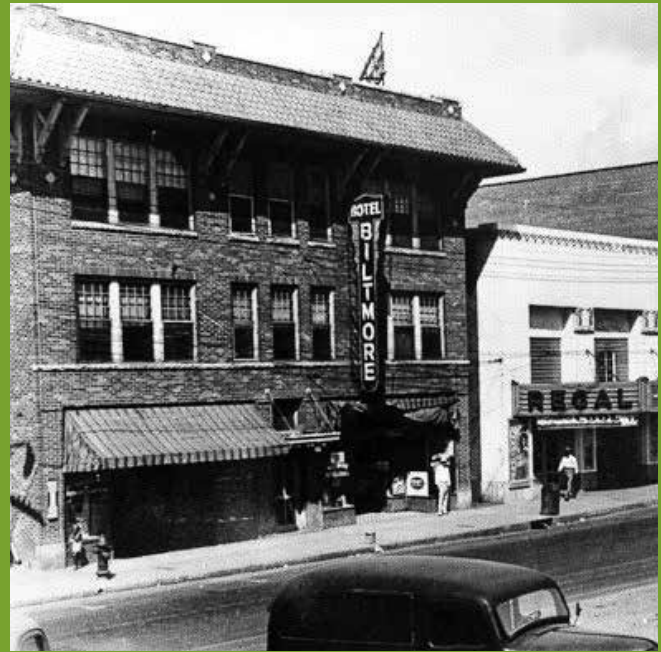
HAYTI: A BEACON FOR CONVENING

By Bill Lashbrook, ULI Advisory Services panelist

From the Hayti Heritage Center hill
You could see how they gathered, newly free
How they supported each other, applied their skills
Even building their city with their own bricks
Part of, but yet separate from the other city below
Where factories and mills used their labor in
tobacco and textiles
To create wealth for others

From the Hayti Heritage Center
You could see how they built their city
The houses of the leaders
The Houses of Worship
The supports of trade
Their entertainment
And their homes

From the Hayti Heritage Center
You could see the business rise
Serving and employing those here and throughout the state



HISTORIC HAYTI

Hotel Biltmore was built around 1929 in the Hayti neighborhood. In a time when the South was sharply segregated, the Biltmore was the preeminent hotel serving Blacks in the Southeast.



DURHAM HERALD CO. NEWSPAPER PHOTOGRAPH COLLECTION, LOUIS ROUND WILSON SPECIAL COLLECTIONS LIBRARY, UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL

A view of Fayetteville Street from White Rock Baptist Church, 1952. This section of Fayetteville Street, along with most of historic Hayti, was lost to urban renewal and the Durham Freeway by 1968.

And down the road from the Hayti Heritage Center
 One could see the hospital built that lengthened their lives
 And trained nurses to improve the health of others
 throughout the state
 And watch as a new college was built to educate their
 children when other schools would not

Then time past and priorities and visions changed
 It was from the Hayti Heritage Center
 That you could see the evictions of people
 The demolition of businesses
 And the very erasure of the roads at the economic heart
 of their community
 As concrete for faster passage replaced their prosperity

Leaving one building the Hayti Heritage Center as a sentinel
 The holder of the history that was a testament of what
 they had achieved
 Now time has passed yet again

And the Hayti Heritage Center—once the sentinel—is now
 the beacon
 From it, you can see that city it was once a part of yet
 separate evolve, redevelop, stretch out and grow
 From the Hayti Heritage Center



The historic St. Joseph's AME Church building, now the Hayti Heritage Center, has long been an important monument in Durham.

ENDANGERED DURHAM

Cool
 Chuckle

THE DURHAM SUN
 PUBLISHED IN THE PROGRESSIVE CITY OF EDUCATION AND INDUSTRY

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CITY PICKS EXPRESSWAY ROUTE

But Most Of Reserves Staying Put— Council Acts On Inactive Funds
 By JOE DENK... This money is to be placed into special accounts for 'inactive capital' and to pay off the city's bonded indebtedness. The Council met today to set some \$1,000,000 in reserve funds that are carried on such as the city's bank. The \$1 million originally was available by Council vote.

\$151,307 Pledged In UF Drive
 By WYATT T. BRYAN... Pledge drive... amounting to \$151,307 was reported in hand today as the second drive, opening of the 1959 annual United Fund drive was held at the Washington Hotel. The total pledged to date on the drive is \$151,307. The campaign goal is \$500,000.

TENTATIVE EXPRESSWAY ROUTE—Initial approval was voted by the City Council this morning to development of an east-west expressway along the route shown above in black. The thoroughway would have its western terminus near the DUKO tract with connecting links to US 70 and a road northeast to the Research Park. This connection would be returned to the expressway to Mainland Avenue at its intersection with Sanders Street. The route would follow Mainland to American Tobacco Co. where it would turn to the southeast to cross Chapel Hill Street at Victoria Avenue. The thoroughway would then parallel the railroads to pass between Duke University property and the railroad right of way and link up with US 70 at the City Reserve. Cost of the project is estimated at \$1.5 million.

Council To Put Up Million For East-West Road
 By CAROLYN HARRILL... The City Council today voted tentative approval of the location of the proposed east-west expressway... The City Council today voted tentative approval of the location of the proposed east-west expressway... The City Council today voted tentative approval of the location of the proposed east-west expressway...

DURHAM HERALD-SUN, DUKE UNIVERSITY LIBRARIES

Announcement of the route for the Durham Freeway through Hayti, 1959.



Engage and Empower the Next Generation

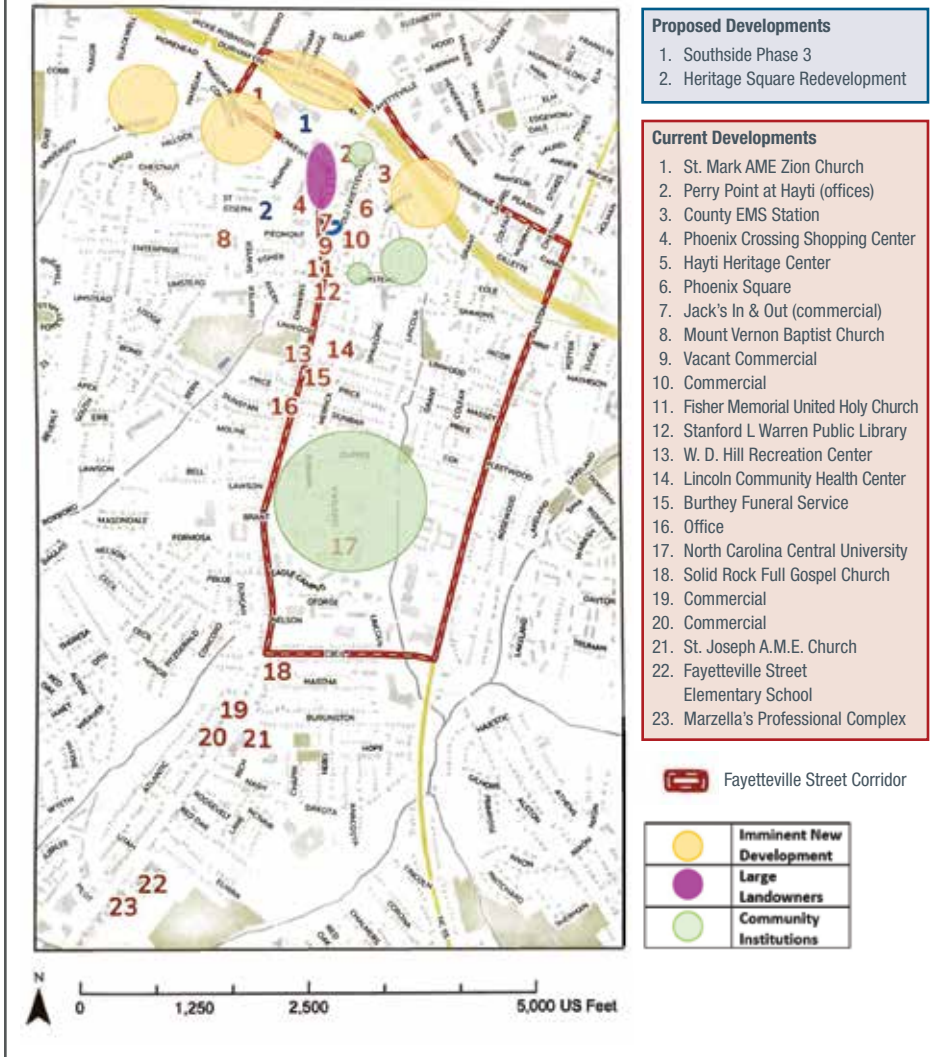
THE HAYTI NEIGHBORHOOD faces changes from many sides. Perhaps the greatest challenge is that of time. The proximity of Hayti to downtown Durham amid the downtown's recent growth is reason enough to prepare. Creating even more urgency are the Durham Housing Authority's imminent revitalization of two housing sites and the anticipated redevelopment a 10-acre, multi-use parcel in the neighborhood. This rapid pace of change compels immediate action to incorporate a community-based view of potential development in the Hayti District.

Some who wish to be involved in the new Hayti potential have ample resources and can purchase their right to participate. Others are involved because they can facilitate interaction among key stakeholders. Yet, the current carriers of Hayti's culture—characterized by unity, innovation, and perseverance—also deserve the right to have their heritage planted firmly in plans for the future.

Some of the many institutions and activities in the Fayetteville Street Corridor's study area that will continue to affect the future of Hayti include the following:

- **North Carolina Central University** is an important and vibrant institution that is beginning to develop entrepreneurial and technological DNA that could be very important for individuals, as well as for the broader community.
- **Lincoln Community Health Center** is a remarkable institution that is bursting at the seams while serving as much as 10 percent of the Durham population with vital care. With its almost 40,000 patient visits per year and an additional demand of 20,000 patients, the Health Center deserves to have a thoughtful approach to refreshing and expanding its facilities.

Fayetteville Street Corridor Proposed and Current Developments



- **The Hayti Heritage Center** is the keeper of neighborhood's history and stories, as well as a vital place to celebrate art and culture within the community. If it had more funds and space, the center could greatly magnify its community impact.
- **The Durham Housing Authority's** imminent development, on 20-plus acres within the study area, will have a great effect as it creates 700 new housing units on the Fayetteville Place site and another 700 units on the nearby Forest Hill Heights site.
- **The Lofts at Southside** will grow. McCormack Baron Salazar is poised to start construction on phases three and four of the Lofts at Southside, thereby adding 100 more affordable rental units.
- **Heritage Square** is targeted for redevelopment for a life science and mixed-use project, with the potential to add hundreds of new employment opportunities.
- **Durham County Public Library** is upgrading its Stanford L. Warren Branch on Fayetteville Street. The branch is scheduled to reopen in late 2022, following necessary building repairs caused by water intrusion.
- **Several large property owners** in the study area are poised for new development opportunities.
- **Real estate acquisition** is ongoing as several real estate investors continue to steadily buy individual properties throughout the study area.

- **Legacy residents** have financial concerns. A dwindling number of long-time residential owners continue to exist in Hayti, but those residential owners face rising property taxes resulting from all the real estate activity.
- **Vacant historic properties** create potential problems. There are a growing number of vacant, deteriorating historic structures on Fayetteville Street with no clear sense of who is responsible for their restoration and re-use.

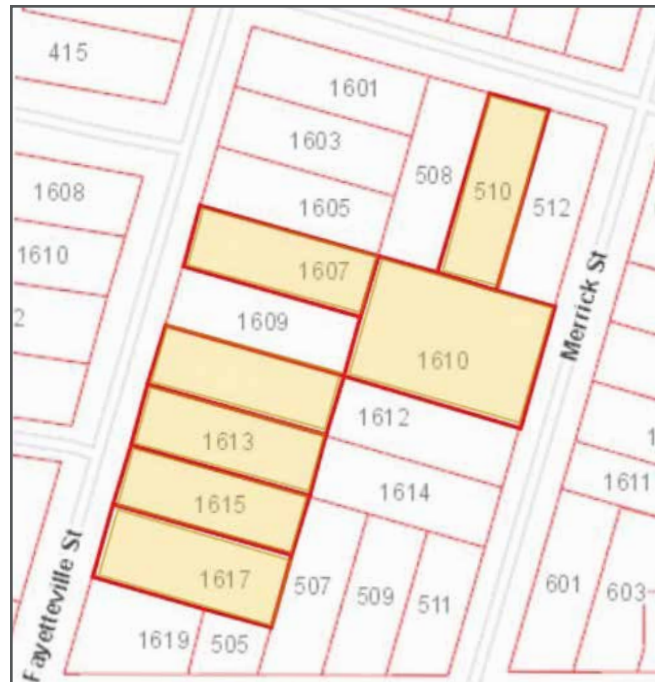
Yet, it appears that each of the institutions and activities is operating independently. Who speaks for the longtime residents, renters, and homeowners whose homes stand in the way of the looming “path of progress”?

With hundreds of millions of dollars poised to be invested in Hayti’s development potential, it is essential that a wide range of stakeholders convene with goodwill to develop a strategic vision that encourages individuals and institutions to thrive—while still protecting the community’s identity and character.

“Urgency” and “intentionality“ are two key words for this moment. Urgency is because the Hayti District is a natural expansion of the developments already in place on the downtown side of N.C. 147. Intentionality is because the Hayti District requires a very intentional and strategic vision. Key components of such a strategic vision include the following:

- Describe the local landmarks that define Hayti.
- Identify actions necessary to maintain those treasured landmarks.
- Name those who have the responsibility for implementation.
- Consider how to pay for essential initiatives.

Nonparticipation is not preparation. Without urgency, investors seeking a lucrative return—but without a significant history or dedication to the community—will fill the vacuum. Without intentionality, legacy residents will get left behind.



An example of a single, out-of-town, real estate investor’s steadily buying several individual properties in the 1600 block of Fayetteville Street and nearby.

DURHAM REAL PROPERTY SEARCH



Establish a Shared Vision for the Future of Hayti

A SHARED VISION UNIFIES STAKEHOLDERS because they see the value for their individual interests as well as for the collective whole. A strategic vision that reflects all stakeholders who have an interest in Hayti can foster several important outcomes. That vision should include these strategies:

- Celebrate the rich history and culture of Hayti with thoughtful restoration of historic structures and streetscapes, as well as with placemaking in public spaces.
- Adopt effective “placekeeping strategies” that maintain affordability for both homeowners and renters. In other words, ensure that the people who live in Hayti are not displaced or forced out because of rising rents or property taxes, but they must continue to be part of the fabric of the community and to enjoy the benefits that new investments bring.
- Create safe and welcoming streets.
- Reinvigorate small businesses in the Fayetteville Street Corridor.

Maintain Hayti’s Cultural and Historic Identity

Hints of Hayti’s grandeur of yesteryear are evident in several of the homes that dot Fayetteville Street. Sadly, many of the homes are vacant. On Fayetteville Street between Dunbar and Dupree Streets, half of the homes are boarded up.

Activating the Fayetteville Street Corridor—as an important landmark and symbol of the Hayti District’s rich history and culture—is essential to the community’s future. The homes could help tell the story of the community and of the people who walked Fayetteville Street, where they lived, and how they contributed to Hayti’s rich history. The restoration of the Scarborough House at 1406 Fayetteville Street, for example, could tell the story of John C. Scarborough Sr., who founded the funeral home and likely built the house around 1913–1914 from parts of homes that once stood nearby. Creative placemaking—

a process in which partners from public, private, nonprofit, and community sectors shape the physical and social character of a neighborhood around arts and cultural activities—has proven to be an effective strategy.

Adopt Placekeeping Strategies to Keep Long-Term Residents in Place

The issue of displacement is pervasive. An unintended outcome of placemaking may be that longtime residents can no longer be able to afford to live in the neighborhood. Although it is good to attract investment dollars that bring needed amenities to a community, people should not be forced to leave because they can no longer afford to live there. Examples of antidisplacement strategies, or placekeeping strategies, that can ensure the security of legacy residents include the following:

- Establishing an affordable housing plan to support low-income renters,
- Using an outreach to long-term homeowners about property tax relief programs, and
- Increasing the capacity of community land trusts.

Create Safe and Welcoming Streets

A residential community deserves walkable, bikeable streets. In its current configuration, Fayetteville Street does not serve local residents or businesses well. Many people whom the panel interviewed shared their reluctance to cross the street at certain places along Fayetteville Street. A business leader remarked that “Fayetteville Street is not pedestrian friendly, bike friendly, or even vehicle friendly.” One interviewee described the area by the Hayti Heritage Center as dangerous.

The Hayti Heritage Center staff members remarked that concerns about street safety may be discouraging people to visit the site. A shared vision for local transportation is an important avenue for self-advocacy about traffic patterns and for preservation of community character.

Reinvigorate the Fayetteville Street Corridor’s Legacy as a Small Business Stronghold

The panel heard interest in accessibility to goods and services in the Hayti District. In addition, many homeowners and landowners are directly tied to small businesses—as owners, lessors, or patrons. NCCU, Durham Tech, and other resource partners have all benefited from having a small business community concentrated in the historic Fayetteville Street Corridor. Leveraging local talent and investments can reinvigorate the history of local entrepreneurs and businesses. In addition, consistent communication about resources to improve existing structures and streetscaping should be available to business owners and property owners.

Each element of a shared vision is integral to making the Fayetteville Street Corridor a safe, healthy, and thriving place for residents, workers, students, visitors, and others to enjoy. For more detail to guide the elements just described, see “Next Steps: Implementation.”



The Fayetteville Street Corridor needs street improvements that make it safe for bicycles and welcoming to pedestrians.

DEBORAH MYERSON



Leadership, Partnerships, and Collaboration

THE PANEL RECOMMENDS that a community-led organizing entity be formed to exclusively represent the Hayti community's priorities related to redevelopment of the Fayetteville Street Corridor study area. The organizing entity should be consensus-driven relative to the interests and goals that are most important to various stakeholders.

Consensus-based leadership attempts to understand a group's perspectives and needs, thereby soliciting individual input and ideas to avoid feelings of exclusion or disillusionment, and it mediates disagreements to help the community find unity. Consensus is not unanimous agreement but, rather, a generally accepted solution after everyone's opinions have been heard and understood. Once established, the organizing entity should work in partnership with a separate entity solely focused on commercial real estate development (development entity).

The development entity should be led by individuals with solid experience and expertise in land development and construction. It should focus on the execution of land development and infrastructure strategy proposed by the community. Together, the organizing entity and the development entity should

support the community's efforts to preserve its unique identity in the face of gentrifying pressure from downtown and surrounding neighborhoods.

Community-Led Organizing Entity

To form a community-led organizing entity, stakeholders should leverage a third party to overcome the challenges of diverse and seemingly divergent approaches to redeveloping the Fayetteville Street Corridor. One prospective example is Main Street America, a nonprofit dedicated to revitalizing older and historic commercial districts through preservation-based economic development. However, any similarly structured program can serve in this capacity.

Model for Leadership, Partnerships, and Collaboration



ULI PANEL

The panel's recommended structure of leadership should elevate community priorities and the execution of a consensus-led plan.

The panel interviewed several community members and reviewed past redevelopment proposals that various stakeholders have put forward over the years. From this research, the panel recognized an existing consensus on several key points, including these:

- Create safe and walkable streets with lower speed limits.
- Implement an intentional design strategy to improve street lighting, walkways and bridges, and crosswalks throughout the corridor.
- Preserve the Fayetteville Street Corridor's historic ties to several existing structures and small businesses and to a main street feeling relative to retail stores.

Despite seemingly resounding support for those specific points of interest, the community lacks agreement on how to achieve the goals. There are also dissenting opinions on which additional priorities should be included in future redevelopment plans. A third party with expertise in organizing community members around redevelopment strategies could help to mitigate and resolve some of the differences, so that an acceptable solution can arise.

This organizing entity must do the following:

- Be trusted with honoring the community's history and recognizing the community's stakeholder voices.
- Have a proven track record of coalescing multiple stakeholders—community, government, nonprofit, and for-profit entities.

- Be committed to regularly engaging the community. Timely meetings, ongoing outreach, multiple modes of communication, and soft-touch skills will all be valuable.
- Develop an implementation plan for the shared vision.
- Lead the process through applicable government and planning processes.
- Execute the acquisition, funding, and redevelopment strategies put forward in the plan.

Partnerships

The organizing entity should lead efforts to formalize and capitalize on partnerships that are already in place, as well as to establish new relationships. It should leverage existing relationships between residents of the Hayti District, anchor institutions along the Fayetteville Street Corridor, and business owners and lessors. Local and county government entities have expressed support of the changes sought by the community, such as making Fayetteville Street and its intersections, sidewalks, and crosswalks safer for motorists and pedestrians. Members of the business community have expressed interest in preserving Fayetteville Street's small businesses and existing retail.

Institutions and agencies are important partners that can support opportunities for funding, educating, or training. For example, the Hayti Heritage Center could explore formalization of its respective programming with Duke and NCCU. The city's Neighborhood

Improvement Services division could establish an outpost at a neighborhood location, such as the Hayti Heritage Center, and could help by responding to requests for proposals (RFPs), writing grants, retaining land, and legally protecting land use rights.

In addition, many of the individuals affiliated with those resources often live in or near the Hayti District and Fayetteville Street Corridor. For example, politically engaged and formally connected resident stakeholders with ties to NCCU or the city of Durham are important strategic partners. They are aligned with the community and have a vested interest in what happens to this corridor.

Examples of Partnership Opportunities

The panel recommends the following opportunities for working with partners:

- **Create a database of existing relationships:**
 - Involve individual stakeholders, such as present and past senior officials of the city government, several of whom also sit on the boards of NCCU, Durham Tech, and other anchor institutions.
 - Include funding partners, such as Downtown Durham Inc., whose dollars already support the community’s cultural preservation programs and events, such as the Hayti Heritage Film Festival.

KEY LEADERSHIP AND STAKEHOLDERS

The organizing entity must emerge to establish a single community-based vision, to develop a reinvestment plan, to manage the array of affiliated tasks and projects aimed at achieving the vision, and to coordinate activities across multiple stakeholder groups. It will build on consensus, which is the vital foundation for effective leadership and is essential to the future of the Fayetteville Street Corridor.

- **Key institutional leaders to involve in an organizing entity**
 - North Carolina Central University
 - Durham Technical Community College
 - City of Durham
 - Deputy manager
 - Neighborhood Improvement Services Department
 - Office of Economic and Workforce Development
 - Transportation Department
 - M&F Bank
- **Additional supporters to assist**
 - Downtown Durham Inc.—chief executive officer and board
 - Greater Durham Chamber of Commerce—chief executive officer
 - Durham Economic Development
 - Self-Help Community Development Corporation
 - Durham County Board of Commissioners
 - North Carolina Department of Transportation

Qualities of Leadership

Trusted

Establish an entity that can be trusted with honoring the community’s history and recognizing community stakeholder voices.

Capable

Have a proven track record of coalescing multiple stakeholders—community, government nonprofit, and for-profit entities.

Communicative

Regularly engage the community with timely meetings, ongoing outreach, multiple modes of communication, and soft touch skills.

Impactful

Lead the process through proper government and planning processes. Execute using the acquisition, funding, and redevelopment strategies put forward in the plan.

The Organizing Entity must implement effective qualities of leadership to direct the future of the Fayetteville Street Corridor.

ULI PANEL

Resources: Education and Funding

Agency/Organization	Contact/More Information
Carolina Small Business Development Fund	www.carolinasmallbusiness.org
Complete Streets Design Approach and Process	www.completestreetsnc.org
Durham Technical Community College's Small Business Center	www.durhamtech.edu/sbc
HeirShares	Mavis Gragg, Inheritance Land Use Legal Expert www.heirshares.com
The Institute	A nonprofit management consulting and services firm focused on business diversity www.theinstitutenc.org
NCCU North Carolina Small Business and Technology Development Center	www.sbtcd.org/offices/nccu/
North Carolina Department of Transportation	Jamille Robins, Public Involvement Group Leader—the leader of NCDOT's community outreach group responsible for educating constituents apps.ncdot.gov/dot/directory/authenticated/UnitPage.aspx?id=15687
Self-Help Ventures Fund	www.self-help.org/who-we-are/self-help-family/self-help-ventures-fund

- Cooperate with collaborative institutional partners that use the Hayti Heritage Center for training and educational programs.
- **Capitalize on the city of Durham's existing Neighborhood Improvement Services (NIS)**
 - Use community outreach and the engagement arm of NIS to bridge gaps in communication with residents, community advocates, and cultural or institutional partners.
 - Align future development with existing strategy devised by NIS's code enforcement group to improve homes in conjunction with public funds (such as Community Development Block Grants).
 - Host and promote NIS's RFP- and grant-writing training classes so that small businesses and entrepreneurs can self-advocate and can identify additional financial resources on their own.

- **Seek federal funds via the North Carolina Department of Transportation (NCDOT), specifically for restorative justice**

- Meet with NCDOT's Public Involvement Group Leader who is responsible for educating constituents, so the community learns how to navigate state-level funding applications and its various avenues.
- Pursue state- and federal-level financial resources for streetscaping, pedestrian bridges, or traffic calming or a combination of these.

Collaboration with Stakeholders

The study area includes a diverse set of stakeholders, plus external supporters, that are sincerely invested in its revitalization. At the core of the Hayti community are Black small business owners, Black property and land owners, Black multigenerational homeowners and residents, and Black-led

institutional anchors. Examples of additional stakeholders in the Fayetteville Street Corridor study area include the following:

- **Anchor Institutions**
 - North Carolina Central University
 - Lincoln Community Health Center
 - Stakeholders with board seats at anchor institutions
- **Arts and Cultural Centers**
 - Hayti Heritage Center
- **City and County Agencies and Community Organizations**
 - Community development corporations with a mission tied to the target area
 - Durham County Library
 - Durham County Board of Commissioners
- **Housing and Commercial Real Estate**
 - Durham Housing Authority
 - Legacy residents
 - Market-rate developers (residential and commercial)
 - Mixed-income housing developers (for example, McCormack Baron Salazar)
 - Property owners
 - Real estate investors
 - Small business owners on or near the Fayetteville Street Corridor

- **Community Leaders**

- The Collective
- Durham Business and Professionals Chamber
- Durham Committee on the Affairs of Black People
- Durham Business and Professionals Chamber
- City leaders who are also residents of the Hayti District
- Greater Black Durham Chamber of Commerce

All of those organizations, individuals, and institutions have a role to play in realizing the shared vision. Stakeholders in the Fayetteville Street Corridor’s study area—and throughout the Hayti District—must come together to create a shared vision and to take subsequent steps to bring the vision to fruition.



Next Steps: Implementation

ONCE THE COMMUNITY HAS DEVELOPED A SHARED VISION with clearly defined goals under the leadership of an organizational entity, implementation and engagement with resource partners will be crucial. Implementation efforts should focus on the distinct cultural identity of the Fayetteville Street Corridor and the Hayti District. Revitalization does not need to mimic the image or function of downtown Durham. Steps that can help to support implementation are described next.

Maintain Hayti's Cultural and Historic Identity

To preserve Hayti's cultural and historic identity, the panel recommends the following steps:

- **Expand the programming and outreach capacity of Hayti Heritage Center.**
 - Expand the Hayti Heritage Center's capacity to deliver programs, exhibitions, and festivals at strategic points along the Fayetteville Corridor.
 - Explore opportunities to partner with complementary organizations to enhance visibility and city-wide support for HHC's history, art, and cultural programs and educational programs.
- Position the Hayti Heritage Center so it can also be a convener and central location for stakeholders and can support equitable community engagement.
- **Establish technical expertise to acquire and preserve historic buildings.** Historically significant residential and commercial structures for future development and ownership for residents. Work with philanthropy, local banks, the city of Durham, and the state to secure funding for property acquisition.
- **Install prominent historical markers that tell the story of place.** Historical markers could be placed at strategic locations along Fayetteville Street that tell its story. The marker at Lincoln Health Center, while impressive, needs to be more visible from the street. The bus stops not only could provide shelter, but also could be animated to inform transit passengers of Hayti's history.

- **Offer self-guided walking or driving tours that are enabled by state-of-the-art technology.** Phone apps can enable visitors to “see” Hayti’s past, present, and future through an innovation called “augmented reality” through which people can see a building or place as it was in the past or what it is destined to become.
- **Engage artists to activate Fayetteville Street.** Public art, bus stops, historical markers, or design input for augmented reality apps are all opportunities to add an artistic flair to the community.

Adopt Placekeeping Strategies to Keep Long-Term Residents in Place

Several initiatives can support stability for long-term residents to remain in the Hayti neighborhood.

- **Commit to an affordable housing plan for low-income renters.** The Hayti District is 96.2 percent African American. Census data reveal that 44.9 percent of those households are below the poverty line and have an average household income of \$15,981. The statistics illustrate the importance of making affordable housing for low-income renters a priority. Durham Housing Authority is building 774 units of mixed-income housing on 19.8 acres in the Fayette Place project, which is just east of Fayetteville Street. Community leaders should note what percentage of the units will be affordable for low-income households, should assess this percentage compared to need or demand, and should explore how to add more units that may be needed.
- **Educate and inform about property tax relief programs for long-term homeowners.** New investments will increase property values. Tax relief programs can provide long-term homeowners with necessary support and protection from resulting increases in property taxes. This effort must involve both Durham County and Durham City because all sites in the corridor pay both city and county property taxes.
 - Current tax relief programs in Durham County include the Department of Social Services Low Income Homeowner Relief Program, the Elderly/Disabled Homestead Exemption, the Circuit Breaker—Elderly/Disabled Deferment Program, and the Disabled Veteran Exclusion.
 - Homeowners should be informed and educated about these programs and how to apply and get approved for them.
- **Expand or increase the capacity of community land trusts.** We applaud the Durham Community Land Trustees for their purchase of tracts of land in the Hayti District. However, this purchase is only a fraction of the need. Opportunities are evaporating in the face of escalating land purchases. More land trust purchases are needed to have a significant impact.

Create Safe and Welcoming Streets

A variety of tactics can improve the safety and ambience of Fayetteville Street and streets in surrounding neighborhoods for use by pedestrians and bike riders.

- **Create a gateway to the Hayti District.** Imagine signage that extends across either side of Fayetteville Street at its northern entrance, thereby marking this historic district and transforming the street into one that is walkable, bikeable, and people-friendly.
- **Pursue a “road diet” for Fayetteville Street.** There have been notable positive outcomes previously from “road diets” that were designed to slow down traffic and to make a safer street for pedestrians and bicycles, such as on Durham Chapel Hill Boulevard. Narrowing the street affords broader sidewalks and “parklets” where people can gather. On Fayetteville Street, a road diet could involve narrowing the four-lane traffic lanes along Fayetteville Street to two lanes and adding bike lanes.
- **Install crosswalks at major intersections.** Adding crosswalks at major intersections, such as where Morehead and Fayetteville Streets meet, will allow for safe-crossing options.
- **Enhance sidewalks and the streetscape.** Morehead Street, for example, does not have any sidewalks. On other streets, existing sidewalks could be repaired or enhanced. The community can work with the city and GoDurham to widen sidewalks, install street furniture, plant trees, and improve bus stops with enhancements.
- **Consider route diversion.** The community should explore alternate routes to move vehicular traffic between downtown Durham and the Research Triangle area.
- **Use transition management of Fayetteville Street.** The community should transfer Fayetteville Street from state to city oversight, with funding to create safe streets. It should work with the state to secure maintenance funding. NCDOT must be a partner in this effort.

Reinvigorate the Fayetteville Street Corridor's Legacy as a Small Business Stronghold

Fayetteville Street has historically been an important hub for Black-owned small businesses. The following strategies can help restore and rejuvenate local retail and commercial opportunities.

- **Establish a retail and small business pop-up facility and incubator.** A small business incubator could support the desire to extend the facility's accessibility to community members. It could be anchored by Durham Tech and served by other providers of relevant small business technical assistance. In alignment with Hayti's history and future, this facility would help to create a "destination retail" district for retailers with goods and services that cannot be found elsewhere. A land footprint does not have to be large, but the development could benefit from being a mixed-use building with retailers or service providers on the ground floor and with housing or artists' work-and-live units above. New construction is suggested to ensure that visitors can clearly see and engage with the businesses. This facility could also support placemaking unique to Hayti's history of being a Main Street and can fit well within the community's historic design.
- **Encourage curated retail.** Some people whom the panel interviewed yearned for a neighborhood coffee shop, fresh food market, specialty shopping, and restaurants. This corridor could be a place for local merchants and residents, NCCU students, visitors and tourists, and many others. Where do NCCU students go for pizza today? Similar to the 9th Street usage by those at Duke University, local residents and NCCU students need neighborhood amenities that they can safely access. Upgraded store signage and landscaping at an existing or new shopping center would help with this effort.
- **Use other opportunities to grow small businesses and storefronts.**
 - Conduct a needs assessment to identify what financial products are needed.
 - Offer classes in the Fayetteville Street corridor for both startups and established businesses.
 - Collaborate with the NCCU business school to establish an internship program in the community.



DEBORAH MYERSON

Many opportunities exist to grow small businesses and storefronts in the Fayetteville Street Corridor.

- Create a business association for Fayetteville Street businesses.
- Create a Black Business Fund that will target area businesses.
- Redesign Durham's Sign and Façade Grant Program to include homes, as well as businesses, and to reduce the investment and reimbursement requirement.

Seek Opportunities for Community Control of Land

One of the most important ways to retain the culture and identity of Fayetteville Street is community control of land. The panel recommends exploring any or all of the following options.

- **Apply for Downtown Associate Community affiliate status for Fayetteville Street from the North Carolina Main Street program.** The Downtown Associate Community program is the process through which North Carolina communities may become affiliated with the North Carolina Main Street program. North Carolina Main Street initiatives build local capacity for downtown revitalization, small business development, and rehabilitation of historic properties. Although Main Street has frequently been used for rural communities, the principles are applicable to urban communities similar to the Hayti community, because that area was the Main Street for this community. There are existing models of where the program has been executed in urban communities. The North Carolina

Main Street & Rural Planning Center selects communities every other year for the Downtown Associate Community program through a competitive application process.

- **Establish an institutional real estate foundation under NCCU.** As an institutional stakeholder and partner in the community, NCCU could establish a foundation that is similar to the North Carolina A&T Real Estate Foundation and that could support public/private partnerships to redevelop real estate in the community. This foundation would create greater flexibility for the school to meet its mission and—when applicable—to partner with neighbors, institutions, and businesses. Such a foundation, along with the Millennium Campus policy, would allow NCCU to leverage more flexible structures and financing that can be directly aligned with the community. This entity can also work with the aforementioned community engagement entity to align, plan, and execute projects that have a community-wide impact.
- **Support legacy property owners.** A confidential study, which is designed to correct any harm done to property owners by construction of N.C. 147, would identify families and legacy property owners in the Hayti District who may be interested in returning to the community and to supporting it. Given the current climate with speculative investors, it is critical that this study is executed confidentially, with the sole intent of supporting such families in establishing a proper ownership structure and protecting their interests. The study could also foster the ability of families that prefer to divest vacant lots or properties in alignment with a community-based vision for the future of the Hayti District. Finally, this study could be used to develop a capital program to support legacy property owners who are interested in investing in improving their property, but who are challenged by a lack of accessible capital. A trusted law firm should design and execute that practical study.
- **Consider the use of community land trusts.** The Hayti District should consider using community land trusts and similar structures, such as Durham Community Land Trustees, to acquire land and to support opportunities for permanent affordable housing, economic security, and wealth-building. For example, a community land trust could acquire vacant land to support homeownership opportunities for legacy community members.

SUPPORT A HIGH-QUALITY UNIVERSITY ENVIRONMENT THROUGH A REAL ESTATE FOUNDATION

The primary purpose of the North Carolina A&T Real Estate Foundation Inc. is to acquire, own, transfer, sell, develop, build, and manage real estate or real estate–related projects in support of North Carolina A&T University. The foundation supports the university’s high-quality environment of exemplary teaching and learning, of scholarly and creative research, and of effective community engagement and public service through the acquisition, ownership, transfer, development, and management of real estate or real estate–related projects.

Activities that accomplish this mission include the following:

- Cultivate and manage gifts of real estate on behalf of North Carolina A&T State University and its associated entities.
- Acquire strategic real estate in support of the Strategic Plan and Master Capital Plan of North Carolina A&T State University.
- Sell, lease, develop, or transfer real estate for the sole benefit of North Carolina A&T State University and its associated entities.
- Manage a portfolio of real estate to provide a consistent revenue stream in support of North Carolina A&T State University and its associated entities.

For more information, see the North Carolina A&T Real Estate Foundation at ncatrealestatefoundation.org/.

PLAN FOR COMMUNITY-BASED REVITALIZATION WITH MAIN STREET COMMUNITIES

The Main Street Communities program empowers communities to set their own destinies. Collective revitalization is challenging work, and the Main Street program offers a road map for locally owned and locally driven prosperity. Across the country, thousands of communities have used the Main Street Approach to transform their economies and to leverage local leadership.

The Main Street Approach offers community-based revitalization initiatives with a practical and adaptable framework for a historic community—a framework that can be tailored to local conditions. The approach provides a clear framework to organize a variety of community stakeholders into a cohesive force.

This framework also provides a foundation to execute and obtain funding for public projects and programs in the community. The only limit is what the collective desires. Key to this program is that the framework does require Main Street–designated communities to have a plan to hire a professional staff eventually that will serve the community’s needs. Funding is available to support the creation of such entities. However, the panel recommends that the city of Durham also supports this organization.

Main Street programs emphasize the importance of working simultaneously in the following areas:

- **Design.** Enhance the physical appearance of the commercial district by rehabilitating historic buildings, encouraging supportive new construction, developing sensitive design-management systems, and using long-term planning.
- **Organization.** Build consensus and cooperation among the many groups and individuals who have a role in the revitalization process.

- **Promotion.** Market the traditional commercial district’s assets to customers, potential investors, new businesses, local citizens, and visitors.
- **Economic restructuring.** Strengthen the district’s existing economic base while finding ways to expand it so it meets new opportunities and challenges from outlying development.
- **Clean, safe, green.** Enhance the perception of a neighborhood through the principles of Smart Growth and of sustainability.

The concept of North Carolina Main Street works in designated communities to inspire placemaking through strategies of building asset-based economic development. Those strategies must achieve measurable results such as investment, business growth, and jobs. The Main Street program has a comprehensive revitalization agenda that was created to strengthen the economic vitality in main streets and neighborhoods.

Grant funds are available through the NC Main Street & Rural Planning Center to communities located in tier 2 and tier 3 counties, in designated North Carolina Main Street communities, or in both. The North Carolina Department of Commerce annually ranks the state’s 100 counties on the basis of economic well-being, and it assigns each a tier designation. County tiers are calculated using four factors: average unemployment rate, median household income, percentage growth in population, and adjusted property tax base per capita. This tier system is incorporated into various state programs to encourage economic activity in the less prosperous areas of the state.

For more information, see Main Street America at www.mainstreet.org/home.

Next Steps: Financing

FINANCING TO EXECUTE PROJECTS must be tailored to the needs of the relevant project. Although numerous financing options exist, it is essential to identify the opportunities and challenges of each option—especially to serve the interests of legacy community members and community-aligned investors, developers, and businesses.

Alignment of the project or activity with the right type of capital is critical. However, a focus on funding strategies that leverage other sources is critical so the community can avoid overreliance on a single source. There must also be a realistic view of what is required to meet the community's goals, including flexibility in capital terms and expectations of project stabilization and repayment sources.

Hayti District “Capital Czar”

It is critical to designate a Hayti District capital czar. That person would be a community advocate with technical expertise in debt finance and charged with organizing capital resources specifically for the community. A person in the role could do the following:

- Help translate the Hayti District's land economics for lenders and community members.
- Maintain market information.
- Monitor economic patterns, and execute other activities that support accurate underwriting of projects.
- Work with community members to size their projects, and find resources appropriate for their needs.

Community Benefits Agreements

Community benefits agreements (CBAs) are a tool that is supported by the city so the community can negotiate needs and amenities. CBAs create the community's ability to strategically participate with the city in the development process as it relates to public approvals and private investment in land.

Any public financing (for example, tax increment financing, grants, tax credits, and so forth) should include a CBA or similar formal agreement. A CBA is a private contract between a developer and a community coalition that sets forth the benefits that the community will receive from the development. Common benefits include living wages, local hiring and training programs, affordable housing, design requirements, environmental remediation, and funds for community programs. CBAs ensure that the development is equitable and benefits all members of the community, eventually contributing to stronger local economies, livable neighborhoods, and increased public participation in the planning process.

Grant Funding or Philanthropy

Is grant funding right? A general rule of thumb is that grant funding is best when an activity is beneficial to the community, but the funding does not have a direct source of repayment—such as community historic markers, a public design standards plan, or a virtual walking tour. Among other sources, a Main Street program often has access to grant opportunities.

Tools

- Traditional grants
- Recoverable grants and forgivable loans

Uses

- Public supporting projects (for example, infrastructure, walking tours, festivals, and so forth)
- Façade improvement (which could be combined with Historic Tax Credits or other sources)
- Nonprofit entities that support community engagement and placemaking
- Property improvement funds for low- to moderate-income legacy property owners

Debt

Debt is an investment defined by a clear repayment source of funds—even if that source will take some time to return. Given historical patterns of redlining and other perceptions of the community, it is critical that debt resources are cognizant of bias in underwriting and lending policies. For example, a high debt service requirement could be shaped by a biased view of risks that are not relevant to this community or by perceived risks that are in fact mitigated by other factors.

Debt programs should be designed to get the most utility with existing resources and to fill critical gaps such as in predevelopment financing, guarantees, liquidity requirements, and acquisition. Debt sources should have flexible and accessible loan terms that recognize challenges in valuation and that consider cashflows and the ability to repay aside from personal assets or guarantees.

Tools

- Local, regional, and national banks with emphasis on community development and tax credit divisions
- Local institutions that have sizable treasuries or other institutional capital resources with sufficient capacity to set aside patient and flexible capital to support activities that are critical to the institution's mission, such as workforce housing or retail development
- Federal permanent debt resources, such as Fannie Mae or Freddie Mac
- Public or philanthropic investment into Community Development Financial Institutions and Minority Depository Institutions that are bank partners and that will create debt resources specific for the Hayti District
- Durham Affordable Housing Bond
- North Carolina Housing Trust Fund
- North Carolina Workforce Housing Loan program (to encourage the development of Low-Income Housing Tax Credit apartments with deeper income targeting)

Uses

- Small- and medium-scale property development that is executed by legacy property owners or that involves legacy property owners in a meaningful way to the economics of a project
- Workforce housing
- Business funding and resources
- Commercial developments

Equity

Similar to debt, equity resources must realistically align with community needs. Equity sources should be entities with a vested interest in the city of Durham and in the Hayti District. Any mismatch could create undue pressures that automatically affect a project's ability to maintain affordability or high-quality operations.

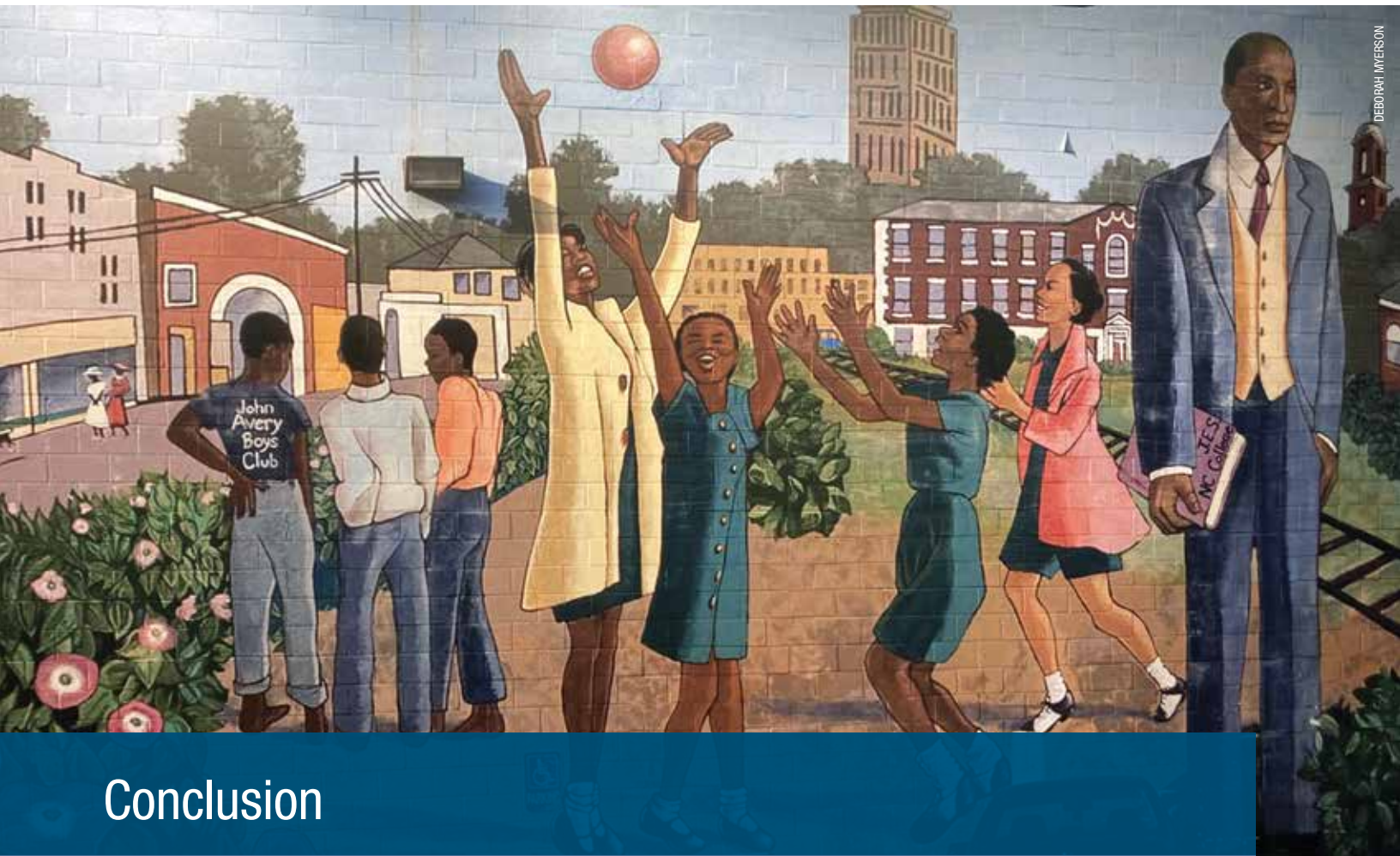
Equity sources must have a strong grasp of risk and return, as well as a willingness to examine the source's standards in the context of market dynamics. For example, a project that serves a large number of people mitigates risk to the return of capital to investors.

Tools

- Public grant funds that can be structured to act as equity through recoverable grants with contingent repayment terms (also known as forgivable loans)
- Local and regional philanthropic partners through program-related investments
- Local institutions
- Tax increment funded equity, such as a loan fund
- Federal sources, such as New Markets Tax Credits, Historic Rehabilitation Tax Credits, and Low-Income Housing Tax Credits

Uses

- Equity that primarily serves as patient and flexible capital that can be used to fund projects and activities outright or to leverage debt



Conclusion

HAYTI IS INVALUABLE—not just the place, but the people. No other place on earth has a Hayti community. Any belief that investment in this community is charitable will yield results that are clearly out of alignment with the economic value of the Fayetteville Street Corridor

Hayti's physical and cultural infrastructure is a quantifiable value—and it is one of Durham's most important assets. When the Hayti District's strategic location, unique culture, residents, and institutions are taken into account, they are an economic force that greatly benefits Durham.

Investment strategies, particularly with public/private partnerships, must recognize and maintain a community focus. Establishing a shared vision for the future of the Fayetteville Street Corridor and the Hayti District among a variety of stakeholders is a powerful way to launch this effort.

Leading this effort must be a consensus-driven, community-led organizing entity that represents the community's priorities for the Fayetteville Street Corridor's study area and that works in partnership with a development entity focused on increasing commercial real estate. A collaborative, intentional, and timely effort to support cultural, historic, and economic interests in the Fayetteville Street Corridor is essential to support a sustainable future for the Hayti District.

About the Panel

Lyneir Richardson

Panel Chair
Newark, New Jersey

Richardson is an entrepreneur working to empower urban entrepreneurs and strengthen economic conditions in ethnic and underserved areas across the United States. He wears multiple hats, investing in commercial real estate, educating and advising entrepreneurs and MBA students, consulting for corporations and government agencies, and structuring deals with philanthropic organizations to get capital to Black entrepreneurs.

Richardson is the executive director of the Center for Urban Entrepreneurship and Economic Development and an assistant professor of professional practice in the Department of Management and Global Business at Rutgers Business School in Newark, New Jersey. He is also chief executive officer of the Chicago TREND Corporation, a social enterprise funded by prestigious impact investors to catalyze urban retail development. Chicago TREND, which has raised over \$17 million of capital from impact investors, owns four shopping centers and has invested over \$11 million in retail and commercial real estate development in urban neighborhoods. Richardson recently raised \$330,000 in equity from 130 Black, small, and impact investors for a project in Baltimore.

Richardson was chief executive officer of the primary economic development corporation in Newark, New Jersey, for Mayor Cory Booker. As vice president of urban development at General Growth Properties Inc., he led the national initiative to improve shopping centers in ethnic neighborhoods in large U.S. cities. Early in his career, Richardson founded his first company and was named a U.S. Small Business Administration “Young Entrepreneur of the Year.” He started his career as a corporate attorney at the First National Bank of Chicago.

Richardson graduated from Bradley University and the University of Chicago Law School. He is a member of ULI and the International Council of Shopping Centers. He serves on the board of directors of the International Economic Development Council. He was vice chairman of the Illinois Housing Development Authority Trust Fund Board and a commissioner on the City of Chicago Planning Commission. He is a proud (but slow) finisher of the Chicago Marathon.

Erika Brice

Kansas City, Missouri

Brice is an investment officer with the Social Investment Practice at the Kresge Foundation. Brice partners with Kresge’s national programs to source, structure, and close program-related investments and guarantees that will advance Kresge’s strategic objectives. In addition to investments, she works to advocate for and implement policies and structural changes that advance equity in American communities. She joined the Kresge Foundation in 2021.

Brice began her career in impact and environmental, social, and governance for commercial real estate at UrbanAmerica, a private equity fund that invests in high-impact real estate projects in low- to moderate-income communities across the United States. She later transitioned into roles in debt finance, tax credits, asset management, and real estate development at organizations such as US Bank, NeighborWorks, and Rector Development. Throughout her career, Brice has worked with a variety of asset types to execute impact-focused real estate projects for community and economic development as well as for public/private partnerships that serve communities across the United States.

A native and resident of Kansas City, Brice is a trustee on the Kansas City Public Employees Retirement System. She is involved in many civic and community service organizations and is a proud member of Delta Sigma Theta Sorority Inc. She is a current MBA candidate at the Kellogg School of Management; she earned a bachelor of business administration in finance from Howard University.

Juanita Hardy

Silver Spring, Maryland

Through her work with individuals and businesses, Hardy has a passion for fostering healthy, thriving, and equitable places to live, work, learn, and play. She has more than 45 years of business experience, including 31 years with IBM, from which she retired in 2005, and nearly a decade in the real estate industry. She also has more than 35 years in the arts as a nonprofit leader, trustee, and patron.

Hardy was ULI's Senior Visiting Fellow for Creative Placemaking (CPM) from 2016 to 2018. She led the startup of ULI's creative placemaking project and built a body of knowledge, including best practices in both CPM and case studies. She now serves as a consultant to ULI on creative placemaking and equitable development.

While with IBM, she held leadership positions that spanned software development, systems engineering, and management consulting. After retiring from IBM, Hardy founded Tiger Management Consulting Group, an executive coaching and business consulting services firm. Hardy's client portfolio includes for-profit and nonprofit organizations, including as an executive coach since 2006 for Right Management, a global human capital development firm.

Hardy was former executive director of CulturalDC (2013–2015), a nonprofit that provides both space for artists and creative placemaking services for real estate developers. In 2000, she co-founded Millennium Arts Salon, an art education initiative. For her work in the arts, Hardy was among the 2022 honorees by the Phillips Collection, a prominent art museum in Washington, D.C. She has been an avid collector of fine art since 1985.

In 2010, she was recognized as a minority business leader by the *Washington Business Journal*. Hardy is an accomplished writer and public speaker with articles and essays that have appeared in magazines and journals across the United States and abroad. Her recent writing includes five articles about creative placemaking in *Urban Land* magazine. She is one of the authors of ULI's 2020 publication *Creative Placemaking: Sparking Development with Art and Culture* and is equity adviser for ULI's 2022 publication *10 Principles for Embedding Racial Equity in Real Estate Development*.

Hardy is a member of the leadership team for ULI's Placemaking Council. She is also a member of the board of directors of the Mosaic Theatre Company, based in Washington, D.C., and of Mid Atlantic Arts Foundation, based in Baltimore. In 1973, Hardy earned a BS in mathematics from Livingstone College in Salisbury, North Carolina. She did graduate work in operations research at George Washington University in Washington, D.C., and in business entrepreneurship at the University of Maryland Baltimore County.

William (Bill) Lashbrook III

Hopewell, New Jersey

Lashbrook, senior vice president at PNC Real Estate, has spent his career in commercial banking since he joined the Bank of New York in 1973. After a series of geographic and specialty business assignments, he joined the Real Estate Group in 1986, rising to its national business leader. He joined MidLantic Bank in 1993 as the real estate credit officer, a position he retained when MidLantic merged with PNC in 1996.

Since 1997, Lashbrook has held a variety of executive positions in business, credit, and operational risk within PNC Real Estate. In those roles, he expanded lending activities and integrated numerous acquisitions, in addition to expanding a \$6 billion secured-lending business into a nationwide one worth more than \$60 billion. Lashbrook has been continually involved in regulatory reporting and risk management of bank-secured exposures as part of the common reporting standard (CRE). In 1993, his plan of a focused integration of FIRREA and FDICIA into MidLantic Financial Services's procedures was approved.

In 2009 at PNC Bank's coding and collateral reporting division, he helped to develop a plan that allowed PNC to meet new CRE-exposure reporting to the Office of the Comptroller of the Currency. That reporting flowed into the 2011 Comprehensive Capital Analysis and Review (CCAR) stress test that had been mandated for the largest banks by Dodd-Frank in 2011. Lashbrook assisted in the development and calibration of internal models to be used to meet CCAR, which was a Federal Reserve Large Bank Risk Capital program. Those models are now also being used for CECL (an accounting lending and risk-reporting tool).

Lashbrook influenced how two 2015 Basel-inspired U.S.-banking regulations were applied to CRE exposures, including gaining a modification in reporting by the passage of a law through Congress. With the Liquidity Coverage Ratio, which is a large test of bank liquidity, he met with the regulators in Washington during the drafting stage of the final rule. That meeting resulted in giving banks the option to align reporting on unfunded loans for commercial real estate construction to the actual funding practice rather than apply an unfunded treatment of the commercial credit facility. Thus, the law greatly reduced the cost of compliance for this product.

On January 1, 2015, a capital surcharge went into effect for development exposures of defined High Volatility Commercial Real Estate that affected all U.S. banks. When the industry repeatedly arranged meetings with regulatory officials and those meetings failed to secure changes to align the application of the surcharge with existing supervisory examination practices, Lashbrook led industry groups in a successful effort for statutory clarity. Such relief was included in a banking bill passed by Congress and signed into law in 2018. Industry involvement includes ULI, the Mortgage Bankers Association, and the Real Estate Roundtable.

A former executive committee member of ULI Americas, he continues as a ULI governing trustee and a ULI Foundation governor. Lashbrook has been active in ULI product council leadership, co-founded the Redevelopment Reuse Council, and served as a council counselor. He was an early member of ULI's Climate, Land Use, and Energy Committee, which was the precursor of the Center for Sustainability and Economic Performance. He has been an interviewee of ULI's annual *Emerging Trends in Real Estate*® report for more than 10 years and is a McCoy Symposium participant.

Lashbrook has served on 12 ULI Advisory Services panels, notably on the panel that led to publication of the report *After Sandy* (the TriState impact of Hurricane Sandy) and more recently on panels advising property owner in Washington, D.C., about the impact of the city's Vision 2050 sustainable energy plan and the panel for Toronto's Highrise Residential Towers. Lashbrook is a 1973 graduate of Duke University and was awarded an MBA from Seton Hall in 1976. He resides in Hopewell, New Jersey.

Bayé Muhammad

Rochester, New York

Muhammad is chief executive officer of Rochester Economic Development Corporation (REDCO) and was appointed to the position in August 2019. REDCO is a nonprofit economic development corporation with a mission to bolster commercial growth in the city of Rochester while reducing wealth disparities in middle income and poor Rochester neighborhoods. This mission is being accomplished through the creation and support of locally owned micro and small neighborhood businesses, urban entrepreneurs, and established enterprises. Before August 2019, REDCO was a division of the Rochester's Neighborhood and Business Development Department.

Before joining REDCO as CEO, Muhammad served as Rochester's commissioner of neighborhood and business development. During his tenure, he was responsible for overseeing a \$23 million budget, which included Community Development Block Grant funding from Housing and Urban Development. The Department of Neighborhood and Business Development oversees buildings and zoning, business and housing development, and planning and neighborhood preservation. Notable projects that were accomplished during Muhammad's service were Rochester's Comprehensive Plan ROC2034, redevelopment of Midtown Plaza and the Sibley Building, groundbreaking of La Marketa, and several newly built and affordable housing communities and commercial development of the Inner Loop East.

Muhammad sits on multiple boards in the community, including Visit Rochester, Greater Rochester Enterprise, and ROC2025 Leadership Group. He has served as an adviser for ULI and was a 2016 Daniel Rose Fellow. He is a graduate of the University of the District of Columbia with a degree in political science.

Tom Murphy

Washington, D.C./Pittsburgh, Pennsylvania

Murphy is a senior resident fellow at the Urban Land Institute and is the Canizaro/Klingbeil Families Chair for Urban Development. A former mayor of Pittsburgh, Murphy has extensive experience in urban revitalization—specifically what drives investment and what ensures long-lasting commitment.

Before his appointment as senior resident fellow, Murphy served as ULI's Gulf Coast liaison. He helped coordinate along with New Orleans's leaders and the public to advance implementation of rebuilding recommendations made by ULI's Advisory Services panel after Hurricane Katrina. In addition, he worked with Louisiana leaders, as well as with leaders in hurricane-affected areas in Alabama, Florida, and Mississippi to identify areas appropriate for ULI involvement.

During his three terms as mayor of Pittsburgh (January 1994 through December 2005), Murphy initiated a public/private partnership strategy that leveraged more than \$4.5 billion in economic development in the city. He led efforts to secure and oversee \$1 billion in funds for developing two professional sports facilities and a new convention center that is the largest certified green building in the United States. He developed strategic partnerships to transform more than 1,000 acres of blighted, abandoned industrial properties for new commercial, residential, retail, and public uses, and he oversaw development of more than 25 miles of new riverfront trails and urban green space.

Murphy served in the Peace Corps in Paraguay from 1970 through 1972, and he served eight terms in the Pennsylvania House of Representatives (1979 through 1993). He is a 1993 graduate of the New Mayors Program offered by Harvard University's Kennedy School of Government. He holds an MS in urban studies from Hunter College and a BS in biology and chemistry from John Carroll University.

Julia Stevenson

Washington, D.C.

Stevenson is an impact investor with more than 17 years of industry experience in commercial real estate development and finance. Her career began as an assistant project manager on historic renovation projects in Baltimore and includes development management for a local government housing authority in the Baltimore metropolitan area.

She is a director with Langdon Park Capital (LPC) and serves as a real estate investment manager focused on creating lasting social impact in historically underserved Black and Latino communities across the United States. Stevenson leads LPC's activities in the Mid-Atlantic region. LPC leverages the lived experiences of its diverse leadership team members as they combine institutional capital with a customized investment approach that targets workforce housing and mixed-use assets. LPC maintains offices in Los Angeles and in Washington, D.C. Previously, she worked for LISC Strategic Investments, where she was responsible for deploying capital for its \$250 million flagship fund, the Black Economic Development Fund.

Stevenson graduated from Brown University with a BA in urban studies and from Johns Hopkins Carey Business School with an MS in finance. She currently serves on the Board of Directors for CREW DC (Commercial Real Estate Women, which is a national organization of commercial real estate professionals), and she is a member of ULI Washington. Stevenson is originally from Detroit.



Urban Land Institute
2001 L Street, NW
Suite 200
Washington, DC 20036-4948
uli.org