

Forbes

America's Most Transformed Neighborhoods

Morgan Brennan, Forbes Staff

Following the tragic events of 9/11, Lower Manhattan fell on hard times. The square mile around the World Trade Center and Wall Street had long been a bustling business hub by day and a desolate residential wasteland by night. Following the Twin Towers' destruction and the loss of 2,753 lives, more than 750 businesses and thousands of the small pool of residents that called the neighborhood home fled from the wreckage and omnipresent dust.

Nearly 10 years and \$30 billion in public and private investments later, Lower Manhattan hasn't just rebounded (despite 2008's financial meltdown), it has been utterly transformed. The number of jobs in the area is lower than before Sept. 11, 2001, as big financial companies have continued a decades-long outmigration from the neighborhood, but with small media firms, tech companies and nonprofits coming in to fill vacant office space, there are more businesses in Lower Manhattan than 10 years ago. And with tax-exempt Liberty bonds financing the conversion of office buildings to residential use, as well as the construction of new apartment buildings, the area's population has mushroomed from 25,000 residents in 2001 to 56,000 this year. Median home prices have doubled and residential rents are higher than many other more established Manhattan neighborhoods. "Today you have a maturing, affluent residential population, the majority of which are in families ... saying they plan to stay here in coming years and saying they chose Lower Manhattan for the quality of life," says Elizabeth Berger, president of the Alliance for Downtown New York.

Lower Manhattan is perhaps the U.S. neighborhood most famously reaping the benefits of an intensive revitalization campaign, but it's not the only one.

Working with the American Planning Association, a Washington, D.C.-based nonprofit educational group for community developers, we've identified nine U.S. neighborhoods in addition to Lower Manhattan that have achieved phoenix-like transformations in recent years. The APA tracks neighborhoods, streets and spaces around the U.S., assessing local economies, housing, transportation and infrastructure, green space, entertainment options, development projects and unique local attributes. Each year the association ranks and releases a list of 10 Great Neighborhoods. Combing through the neighborhoods APA has deemed "great" since 2007, we picked out the ones that earned that title thanks to heavy-duty revitalization projects.

The transformation of some of these places has been decades in the making. Planning programs were first initiated in the late 1980s in Baltimore's Charles Village and Denver's LoDo neighborhood. The borough of Collingswood, N.J., began revitalization efforts in the early 1990s. Downtown Fargo in North Dakota and Houston's Montrose have blossomed much faster, kicking off intensive improvement programs in the late 1990s with hefty public and private investments. In Houston, some \$2.6 billion was spent in Montrose and the neighboring downtown area on public transit, sports facilities and making streets more pedestrian-friendly.

"Ideally to have a successful revitalization, you need a little government money as seed money that can be leveraged and compounded to attract private investments," says APA spokesman Dennis Johnson. "It's not that government is paying the full bill, it's more that government is injecting its vote of confidence to bring in private capital."

In addition to public seed money, buy-in from residents and nonprofit organizations has been key in transforming these 10 neighborhoods.

“Many neighborhoods have their ups and downs and communities are not immune to major changes,” says Johnson. “A lot of what we’ve observed in neighborhoods that have weathered those changes is the commitment of local residents and citizens that say ‘hey, we have something here that is unique, valuable, and worth saving.’”

Take the Paseo, a flourishing bohemian neighborhood in Oklahoma City. Gangs and prostitution defined the streets of the Paseo through the 1980s. Organizations like the Paseo Neighborhood Association and the community housing development group Positively Paseo initiated the area’s rebirth, enlisting the help of locals and partnering with city planners to revive the former artists’ colony. Two decades later the Midwestern hotspot features more than 17 art galleries and an annual arts festival. Real estate prices have shot up as well. Despite the national housing downturn, home values for the area were up 4.5% in June from the same month a year ago, according to Zillow.com’s Home Value Index.

“What has happened there [in the Paseo] is the efforts have been so successful that property values have actually risen to the point where people have had difficulty buying property and being able to keep restoring houses at an affordable price,” says Johnson, noting that gentrification has fanned out into surrounding areas as well.

10 Transformed Neighborhoods

Downtown Salem In Salem, MA



Downtown Salem In Salem, MA Denis Jr. Tangney/istockphoto

Once a locale that drew more tourists than residents, the storied site of witch trials has welcomed dozens of retail stores and restaurants and more than 400 newly built residences in the past decade.