The New York Times

Destroying Houses to Save Cities

Are banks helping or hurting a community by bulldozing foreclosed property?

A Vision Beyond Rebuilding

Updated October 26, 2011, 06:24 PM

Sarah Williams Goldhagen*, the architecture critic of The New Republic, is writing a book about the contemporary built environment.*

Sometimes, throughout history and all over the world, cities shrink. Each such city suffers its own tale of woe, but the visible economic and social consequences of shrinking cities are everywhere the same: neighborhoods disfigured by vacant homes and apartment houses, which in turn depress the values of adjacent properties, which leads to further abandonment and disinvestment, which creates a downward spiral that simply must be stopped.

Banks holding unwanted caches of foreclosed and vacant properties have taken to donating them to -- or perhaps, more accurately, dumping them on -- nonprofit land banks. Land banks then demolish the vacant and deteriorating buildings on these sites. However dramatic these actions, they are necessary first and second steps to remediating a seemingly intractable problem. But two steps do not constitute a path toward successfully managing the complex phenomenon of a shrinking city.

> Banks, whose lending policies created the mortgage crisis, should be compelled to help develop a realistic plan for responsibly downsizing shrinking cities.

For that, urban policy makers at the state and city levels should insist that banks, whose irresponsible lending policies created the mortgage crisis in the first place, not be allowed to simply walk away from the problem, but be compelled to collaborate with government officials and the land banks to help develop a vision and a realistic plan for responsibly downsizing shrinking cities.

These neighborhoods cannot be simply rebuilt. Cleveland, Detroit and many of the other American cities hit hardest by foreclosures suffer from dispersed, car-centric settlement patterns that seemingly served Americans well throughout the 20th century but, in moving people farther and farther away from dense city centers, dissipate communal life, contribute to poor public health, and are unsustainable in a 21st century of increasingly scarce and expensive fossil fuels that tether the American economy to those of unstable and unreliable countries and accelerate global climate change.

Municipal and state policy makers must not let this crisis go to waste. They should use it as a spur to developing successful strategies for downsizing shrinking cities. Models can be found in the former East Germany, where many cities depopulated rapidly in the years after German reunification, when previously state-supported industries were shuttered. In the region of Eichsfeld, for example, civic leaders and urban policy makers joined two formerly independent small cities, Leinefelde and Worbis, into one municipality.

> East Germany successfully dealt with shrinking cities by combining two cities into one: Leinefelde-Worbis.

The leaders and government officials of the new Leinefelde-Worbis worked with private entrepreneurs to develop a vision for the city’s future, which included revamping its transportation, parks and recreation, and other kinds of infrastructure to improve the city’s carbon footprint and its residents’ quality of life. They invested in well-built and well-designed affordable housing to staunch the flow of residents to other cities. And they created attractive opportunities for businesses to locate there.

It’s worked. Compared with other cities in Eichsfeld, Leinefelde-Worbis has a significantly lower unemployment rate, a healthier business community and a higher quality of life. The city won a United Nations World Habitat award in 2007 for the model it offers of a successfully downsized city.

Why can’t it happen here?

Join Room for Debate on Facebook and follow updates on twitter.com/roomfordebate.

Topics: Business, Economy, foreclosures, housing