Reversing the Decline
Partnering with the City to Revitalize A Hospital’s Declining Neighborhood

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In urban areas across the country, the story is familiar: A once-attractive, safe, well-maintained neighborhood gradually deteriorates and becomes an area of decay, crime, and fear. Crack houses replace family homes, and streets that once were the source of community enjoyment and childhood play now belong to drug dealers, prostitutes, and gangs.

Impact on the City
Few problems are more serious for cities than the decline of neighborhoods. Virtually every aspect of a city’s viability is affected by its neighborhoods. Declining property values erode the tax base. As properties become vacant, their tax revenues may disappear. As tax revenues dwindle, the cost of those areas to the city increases. Decaying properties become safety hazards, and often the city must bear the cost of fixing the problem. Arson may add to the burden of providing fire protection. The cost of police protection increases. Public health costs increase.

Eventually a plateau is reached where the emphasis is more on containment than correction. Available civic resources may be spent on maintaining areas that are still relatively viable, trying to contain the spread of the decay.

Impact on the Hospital
For hospitals caught in a decaying environment, the consequences are serious. Hospitals are huge capital investments, and the decline of a hospital’s neighborhood threatens that investment. The hospital may experience a growing volume of uninsured patients, while those with insurance may be increasingly uncomfortable with using the facility. As the stable population base of the neighborhood erodes, the hospital’s volume may decline. The state of the neighborhood may discourage physicians from locating there. Staff recruitment may become more difficult. Security costs increase. Often the general health level of the neighborhood declines with its decay. High-risk obstetric cases may increase. The number of HIV and tuberculosis cases may increase. Emergency rooms may be overtaxed by being used as a primary care source as well as by increased numbers of victims of violence.

Flight or Fight
As its neighborhood environment becomes increasingly untenable, the hospital faces a serious dilemma. With the decline, the hospital experiences many of the same problems as the city. Neighborhood decay often results in declining revenue and increased costs.

A decade or two ago, the answer often was to relocate. By following shifting populations to the suburbs, hospitals solved many of their problems. But in doing so they often left an underserved population in their wake, abandoned a sizable capital investment, and incurred major debt in creating a new facility. With the advent of managed care and tightening of financial resources, the option of relocating is far more difficult today than it was two decades ago.

A second common approach in dealing with neighborhood decline is to create a “moat.” By purchasing a band of property around the hospital and building good fences, hospitals have tried to distance themselves from the most serious problems and provide a buffer between themselves and the neighborhood. The primary focus of the moat is security and control of the area nearest the hospital.

This approach is at best a standoff. Problems of image, real estate values, and increased operating costs are unchanged. This approach does nothing to reverse the general decline of the area or...
improve the health of the community. By creating a barrier around itself, the hospital, in effect, turns its back on the community it serves, while doing little to solve its own problems.

**The Problem of Inertia**

Once the downward slide of a neighborhood is underway, it becomes more and more difficult to reverse. A complex web of social, economic, and physical factors intertwine to create a seemingly impenetrable barrier to change. No single institution is likely to have the resources or the will to make an impact on the problems significant enough to produce real improvement. Because the scale of the problem is so formidable, often the institutions that could affect the situation simply are overwhelmed and do little or nothing.

The question, then, is what can a hospital do to improve its situation? Flight—moving to another location—is tremendously costly, both in terms of a replacement facility and in abandoning existing assets. Relocation may not be realistic because of the distribution of facilities already serving the market. The moat approach does little to correct the hospital's problems and is, at best, a holding pattern. What is needed is a force powerful enough to create real change, to break the inertia of the neighborhood’s downward slide.

**Hospital/City Partnership**

While protecting a large capital investment is a strong reason to try to improve the hospital's neighborhood, other reasons are equally compelling. From a financial perspective, with the advent of managed care and capitation, it makes business sense to try to improve the health of the population the hospital serves. A decayed neighborhood brings with it a host of health problems that directly impact the financial performance of the hospital. Beyond the financial incentive, the very mission of the institution may suggest the need to find ways to improve conditions. Hundreds of hospitals and hospital systems across the country have mission statements that include some version of “improving the health of the people and communities we serve.”

While the hospital may be willing to commit time and resources to improving its neighborhood, a successful program for change usually is beyond the capability of the hospital alone. An integrated program that attacks the problem from several directions is required to effect a neighborhood turnaround. Often the major force for stability in the neighborhood, as well as the major employer, the hospital can do much to bring about change. Perhaps the most important elements the hospital can provide are its leadership, its willingness to commit resources to change, and its unwillingness to settle for the status quo.

Clearly, the most important additional participant in a successful program for change is the city government. Only the city can enforce zoning regulations, improve the neighborhood infrastructure, and ensure adequate fire and police protection. The city has the power to condemn dangerous properties. The city can provide tax incentives to make redevelopment attractive to investors. With the hospital as catalyst, advocate, and financial participant, and the city as an active, committed partner, a process can be developed with enough scope and impact to stop the downward spiral and produce changes which benefit the hospital, the city, and especially the residents themselves. The partnership of Saint Anthony’s...
Health Center and the city of Alton, IL, is an excellent example.

Some History
Saint Anthony's Health Center has served Alton since 1925, when five Sisters of St. Francis of the Martyr St. George traveled from their motherhouse in Germany to open Saint Anthony's Infirmary. In 1956 Saint Anthony’s Infirmary became Saint Anthony’s Hospital, one of three hospitals serving the Alton community.

In 1989 Saint Anthony’s purchased one of the two other Alton hospitals, St. Joseph’s, and renamed it Saint Clare’s Hospital. St. Joseph’s was Alton’s first hospital, opening just after the Civil War, in 1865. Located near the Mississippi River, Saint Clare’s is in one of Alton’s oldest areas, a residential and commercial neighborhood known as Hunterstown. By purchasing the hospital and enabling it to keep its doors open, Saint Anthony’s reaffirmed its commitment to an expanded role in serving Alton in general and the Hunterstown area in particular.

Hunterstown’s Decline
Hunterstown has been a residential area since the early 1800s. Much of the current housing dates back to the late 1800s. Until the mid-1900s, the neighborhood primarily was occupied by employees of the nearby steel mills and other local industries. Many of the residents walked to work. The neighborhood was well maintained, and the homes, while modest in size, reflected pride of ownership.

When the major industries that employed much of the Hunterstown population began closing and relocating in the mid-1900s, the area began a slow, steady decline. Some residents followed relocated industrial jobs. Some simply moved to other areas of the city. As the stable, working class population moved out, many homes were sold to owners who turned them into rental properties. General maintenance in the area declined. In 1989, when Saint Anthony’s purchased St. Joseph’s and renamed it, the signs of deterioration were obvious.

By 1995 Hunterstown had significant problems. The stability of owner-occupied homes was lost to absentee landlords, and many of the single-family homes were converted to multifamily rental properties. Much of the housing was in bad shape. Local businesses in the area were struggling. Families with other options were leaving Hunterstown. The area’s crime rate was among the worst in Alton. Prostitution and drug activity flourished. The public and parochial elementary schools in the area closed. Illinois had designated Hunterstown an urban decay area. Saint Clare’s had become the remaining anchor of stability in the area.

The Dilemma
The hospital was in the classic “flight or fight” situation. Saint Anthony’s Health System had a sizable investment in the Saint Clare’s property. In addition to the original cost of the facility, the hospital invested in considerable renovation and built a cancer center. In an attempt to safeguard its investment, the hospital began creating a moat, and purchased several properties in the immediate area. The Saint Anthony’s Hospital campus was not large enough to consolidate service from Saint Clare’s without a major capital expenditure. Flight would be expensive.

On the other hand, remaining in Hunterstown in the midst of decay had its own set of problems. Real estate values had declined. Security for Saint Clare’s employees was a concern. The local population was declining. The downward slide of the area constantly threatened Saint Clare’s viability.

The decision to stay and fight was driven by three main considerations:
- As part of its mission, Saint Anthony’s felt a commitment to the community to remain at that location.
- The cost of walking away from the investment on that site was extremely high.
- The Hunterstown site seemed to have considerable potential, if the decline could be reversed and the area revitalized. Much of the neighborhood has commanding views of the Mississippi River. The area has high visibility as drivers approach Alton on the bridge from Missouri. A new marina was opened on the river at the base of Hunterstown. “We sensed the possibility that if it could be stabilized and improved, Hunterstown had the potential to become one of
the most desirable residential areas of the city,” says William Kessler, president and CEO of Saint Anthony’s Health System.

First Attempts
In 1995 Saint Anthony’s approached the city of Alton and a number of local business leaders to discuss ways to improve the Hunterstown area. This group hired a consulting firm, underwritten by Saint Anthony’s, to study the situation and develop a revitalization plan.

This initial revitalization plan, completed in February 1996, documented the existing situation, detailed the condition of Hunterstown properties, outlined property ownership patterns, and provided an overview of the neighborhood’s social and economic status. The plan presented a vision for neighborhood revitalization that included improvements to existing housing, new housing on vacant parcels, and total replacement of housing on approximately one-third of Hunterstown. New housing was envisioned as breaking away from the existing urban grid with a more suburban character of larger lots on winding cul-de-sacs.

Implementing this plan depended on property owners initiating improvements, and on developers becoming interested enough in the area to invest in it. The plan encouraged the city to begin infrastructure improvements, enforce codes more rigorously, and change the area’s zoning to discourage converting single-family homes to multifamily. The plan recommended a strong neighborhood organization.

Following the completion of the initial revitalization plan, little changed. The city changed zoning in the area as recommended. Nothing visibly suggested that a turnaround was under way.

Initiating a Partnership
Nearly two years after completion of the initial plan, no progress in reversing Hunterstown’s decline was evident. Increasingly frustrated and concerned, Saint Anthony’s concluded that if anything was going to break the inertia, the push would have to come from them; however, active participation by the city was essential to success.

Saint Anthony’s met with Alton’s new mayor and proposed a partnership in which Saint Anthony’s would provide seed money to start a program and the city would take actions that would help move the process forward, such as code enforcement, condemnation, and infrastructure improvements. The mayor was interested in Hunterstown and enthusiastic about the partnership with Saint Anthony’s. With funding from Saint Anthony’s, the partnership hired Christner Inc., planners and architects; and Development Strategies, Inc., consultants in market research, land use planning, and real estate counseling. The planning team was charged with developing an action plan to halt Hunterstown’s decline and begin its comeback.

The Process
The initial plan contained valuable information on the existing situation, and good data on the ownership and condition of property in the area, current land use, zoning, access to public services, and condition of infrastructure. Analysis of why the plan failed to bring change brought the following conclusions:

- No clear implementation plan was developed.
- Responsibilities were not defined.
- Much of the plan depended on the voluntary actions of residents, with little incentive for them to invest in the area. Absentee landlords had virtually no incentive to upgrade their properties.
- The plan did not capitalize on the assets of the area.
- The plan envisioned a suburban, low-density development that contradicted the established urban character of Hunterstown.
- Developers indicated that too much risk was involved, particularly when factoring in their costs in rezoning, assembling land, creating buildable lots, and making infrastructure improvements.
- No ongoing organization was vested with the success of the plan.

To move forward, a three-part process of market research, a redevelopment plan, and a redevelopment strategy was initiated.

Market Research This phase would:

- Define the primary geographic market area from which potential buyers for new or rehabbed housing in Hunterstown might be drawn
- Assemble and analyze pertinent demographic, population, employment, and household income data relating to demand in the market area
- Design, distribute, and analyze a housing market survey to be distributed to employees in the area to help gauge attitudes and potential demand for housing proposed in the area

Redevelopment Plan The goals of the redevelopment plan were to:

- Create a concept plan illustrating a direction for the physical redevelopment of the area, based on the results of market research
- Define basic parameters for development
- Determine needs for infrastructure and landscaping improvements

Redevelopment Strategy Finally, a redevelopment strategy was needed to:

- Define an organization and structure for redevelopment management
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• Develop a land strategy
• Design an implementation strategy

MARKET SURVEY
Key to the entire planning process was understanding the economic viability of redeveloping Hunterstown. Would people be willing to move there? What type of housing would be most attractive to potential buyers? What price range was realistic? What sorts of amenities were people looking for in the neighborhood? What were people’s chief concerns about the area?

A questionnaire designed to help answer these and other questions was distributed to employees of Saint Anthony’s and other local employers. Of nearly 2,000 questionnaires distributed, more than 30 percent were returned, a good response. Encouragingly, 27 percent of the respondents were interested in living in Hunterstown. The questionnaires showed a clear preference for new single-family detached housing on modest lots, traditional in character and in a $70,000 to $100,000 price range.

Among the neighborhood features important to interested respondents, “stable neighborhood” ranked first, “walkable neighborhood” ranked second, and “garage” and “landscaping” ranked third and fourth. Of the respondents who were not interested in living in a newly developed Hunterstown, most simply were happy where they were. But a significant number mentioned concern with Hunterstown’s crime, drugs, and prostitution. Clearly, the image of Hunterstown needed to change dramatically to broaden its appeal.

REDEVELOPMENT PLAN
In addition to the market survey, market analysis included demographic research and discussions with the real estate and development community, and review of several competitive housing products in the area. The analysis suggested that the local market would respond well to new and rehabilitated housing in the Hunterstown area and gave indications about the character of the housing and the neighborhood that would have the most potential. To attract and retain quality residents, Hunterstown would need to create the image and environment of a safe, stable single-family residential neighborhood.

The physical plan for redevelopment retained the existing urban grid of streets and alleys and indicated a neighborhood character not radically different from Hunterstown in its past prime. The emphasis would be single-family residences on modest lots. Sidewalks would be upgraded and reinforced with new landscaping, reflective of the interest shown in a walkable neighborhood. A small park area was indicated central to the neighborhood.

In areas where the existing housing was in fairly good condition, the plan indicated a program of restoration of existing properties and in-fill of vacant lots with new houses. The area with the most vacant and deteriorated houses, and the worst reputation for drugs and prostitution, was targeted as a pilot area that would for the most part be demolished and replaced with new housing. An existing commercial area that had decayed would be upgraded to serve as a neighborhood shopping area, and as the “gateway” to Hunterstown.

REDEVELOPMENT STRATEGY
Regardless of the merits of the physical plan for redevelopment, past experience in Hunterstown showed that without a strong implementation strategy and action plan little would happen. The redevelopment strategy developed for Hunterstown had three key components:

• Establish a nonpolitical entity to spearhead the implementation strategy
• Acquire and assemble buildable lots to attract developers
• Work with the city of Alton, Saint Anthony’s Health System, the state of Illinois, and other agencies to implement the Hunterstown strategy

ESTABLISHING A NONPOLITICAL ENTITY
A neighborhood redevelopment corporation, charged with overseeing the day-to-day operations of the revitalization of Hunterstown, will ensure that the redevelopment effort stays focused. The redevelopment corporation clerical and professional staff will be directed by a board made up of the city, Saint Anthony’s, community business leaders, and other neighborhood stakeholders. Primary activities and responsibilities of the redevelopment corporation include imaging and planning, advocacy and marketing, and real estate development.

Imaging and Planning Imaging and planning goals include:
• Involve community stakeholders and members in creating a shared image for the neighborhood and refining the real estate strategy and implementation plan
• Work with the city to approve and endorse the real estate strategy
• Establish a timetable and an annual evaluation to gauge progress

Advocacy and Marketing Advocacy and marketing activities are designed to:
• Create and maintain a clear identity and image for the Hunterstown neighborhood. Activities include working with community stake-
holders, general marketing and public relations with potential developers.

- Participate in discussions, presentations, and public meetings to advocate the interests of the neighborhood and to promote development opportunities.

**Real Estate Development Goals of real estate development are to:**

- Implement the land strategy
- Work with the city to stabilize and attract new investment in the Hunterstown neighborhood
- Attract developers and buyers of buildable lots, and negotiate sale of assembled land for new single family housing or rehabbed housing
- Assist developers in obtaining city approvals, public funding of supporting infrastructure, or attracting debt and equity investors

**Attracting Developers**

The Hunterstown area is too large to redevelop all at once. A phased approach must be undertaken. An important component of the redevelopment strategy is a pilot project that can be accomplished relatively quickly and that will be substantial enough to demonstrate to developers and current homeowners that investment in the area is warranted.

The pilot project in Hunterstown incorporates the area with the worst reputation for drugs and prostitution and with the most derelict and deteriorated housing. These properties offer the greatest opportunity to produce a meaningful impact and to turn a deteriorated area into an attractive residential development. The majority of properties in the pilot area will be demolished and replaced with new housing. The pilot area must include enough properties to instill confidence among developers and potential residents.

Four strategies were developed for acquiring the targeted properties:

- The targeted area includes properties already owned by Saint Anthony's or the city of Alton. Saint Anthony's agreed to purchase additional properties. By December 1999, the hospital and the city owned 23 parcels in the target area.
- The redevelopment corporation will initiate a fundraising campaign to fund a land trust to buy and hold key parcels of land critical to the development of the pilot project or other future areas of development in Hunterstown.
- The city will exercise powers of eminent domain when necessary to acquire holdout properties.
- Reduce risk for developers in the pilot area by assembling the land, creating buildable lots, making infrastructure improvements, and formulating development standards.

**Implementing the Strategy**

The redevelopment corporation will seek support from a variety of sources to build and maintain momentum. In the initial stage, Saint Anthony’s purchased properties to expedite the land assembly strategy. The city demolished vacant properties to clear space for the pilot project. As the project moves ahead, the city will provide:

- Public improvements. The concept plan calls for a number of street modifications, infrastructure improvements, and landscaping development to be carried out at the city’s direction.
- Code enforcement. The city has begun targeting properties that do not conform to zoning or other city codes. To ensure that the Hunters- town area becomes a stable single-family neighborhood, the city should establish an occupancy permit system that assures that a building complies with existing codes before it can be sold and reoccupied by a new owner or rental tenant.
- Police service. Hunterstown has real and perceived security issues. Police service in the area needs to support the transition to a safe and comfortable neighborhood.
- Eminent domain. The objective is to acquire property within the Hunterstown area at market prices through private negotiations. While eminent domain should only be used as a last resort, this power should be exercised when necessary to acquire holdout properties needed for the redevelopment to succeed.

**Where We Are Now**

Turning around a decayed neighborhood takes time. In Hunterstown, the encouraging news is that a process is in place, change is already visible, and the trend is toward improvement rather than further decay. In the pilot area lots have been cleared, a program of property acquisition is in place, and the goal is to have requests for proposals...
"Synergy" is a buzzword we hear often these days.

The Web site an even more useful tool for busy people. Imagine logging on to the CHA site and receiving not merely a personalized greeting but links to suggested resources which are based on your job responsibilities, your site history, and your stated interests and are particularly appropriate for your needs.

One of the many buzzwords that get bandied about in the Internet world is "synergy," usually meaning the commingling of certain commercial interests to achieve mutually desired goals. You've probably seen Web sites that purport to offer a complete guide to something, say restaurants in your metropolitan area. It would be a rare site, indeed, that would actually present all the possible dining establishments objectively. The synergy in this example involves the Web site creator and the companies who pay to be part of the proffered list. The site pretends to be an objective guide but actually serves as a way to present covert advertising. That's synergy working against you, not with you.

Just as it has been doing with healthcare throughout its history, CHA seeks to model what this power of the Internet should be used for. That approach to the resources of this world is not really anything new for Catholic healthcare; nor is it any change in course for CHA to serve as a gathering point for the ministry.

CHA's Web site can be found at www.chausa.org. David Warren welcomes your feedback at 314-253-3464; e-mail: dwarr@chausa.org.

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Most encouraging is the cooperation, enthusiasm, and willingness to invest resources of both the city of Alton and Saint Anthony's in their partnership.

It's clear from Saint Anthony's experience that a successful partnership of city and hospital depends on a number of important factors:

- Key stakeholders must be willing to make a real commitment. The goals of the partnership must be high priorities of all parties, and all must be willing to commit not only money, but also people's time and energy.
- The process needs a champion, someone who will continuously keep the vision in focus and maintain momentum, and who will be engaged in the process long enough to be a real driving force.
- You must have a plan that clearly maps out both the physical objective and the strategy to achieve it.
- Responsibility must be clearly defined.
- The process must progress independently of political changes. Institutionalize the plan and commitment so that the process is outside the political arena. Establishing the redevelopment corporation helped provide this separation in Hunters-town's case.
- Take advantage of your assets. In the case of Hunterstown, the potential for views of the Mississippi River and access to the waterfront add to the expectation that the neighborhood can become desirable. Development will capitalize on the advantages of this location.
- Stick to it. Effecting real change in a neighborhood is a long-term process, and success requires patience and the flexibility to adjust to the marketplace.

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Undoubtedly, physicians act responsibly by initiating treatments with the hope of stabilizing or improving the condition of the patient, especially in an emergency situation. The diagnosis of the persistent vegetative state only occurs over time. In other words, as the condition of the patient becomes clearer, the initial presumption that obliged the physician to treat the patient may wane; the presumption to treat the patient must eventually cede to the truth of the patient's diagnosis and prognosis.

When a patient is diagnosed to be in a persistent vegetative state one weighs the maintenance of life against a condition in which the patient will never know who he or she is; will never know familiar surroundings; will never recognize loved ones. In such a situation, one can legitimately judge medically assisted nutrition and hydration as a disproportionate means of preserving life; the burdens imposed outweigh the benefits gained. The decision to remove nutrition and hydration from such a patient does not signal callous abandonment; it is not done "with the intention of causing death." Rather, removing nutrition and hydration reflects the recognition that "the duty to preserve life is not absolute"; it is done with the intention of removing an excessive burden that no longer needs to be endured.

In the end, the bishops did not resolve the morality of withdrawing medically assisted nutrition and nutrition from a person who is in a persistent vegetative state. Instead, they retracted the traditional categories that help guide prudential healthcare decisions. Like all medical procedures, nutrition and hydration must be evaluated in terms of the benefits and burdens to the patient. Weighing the benefits and burdens will depend on an accurate diagnosis of the patient's condition which, as in the case of the persistent vegetative state, occurs only over time. Once a person is diagnosed to be in a persistent vegetative state, however, the ERD do not preclude the removal of nutrition and hydration from the patient.