INTRODUCTION
GENERAL OVERVIEW

OUTLINE

- Introduction
- Cost/Benefit Analysis
- Clusters
- Tools
- Conclusion
BACKGROUND

ABOUT

- Commercial perimeter, residential center
- On former site of Foreign Settlement
- Iconic carved stone gateways
- Rising real estate prices
ABOUT

- Approach to modern-day pressures
- Addresses multiple values
- Aligns with government initiatives
PROBLEMS & OPPORTUNITIES

PROBLEMS

• Pressure for development
• Relocation of residents
• Low income of residents
• Poor infrastructure

OPPORTUNITIES

• Recent investments in historic buildings
• “Green system”
• Historic Urban Landscape
CHINA’S 9 MAJOR TASKS FOR 2014

• Making breakthroughs in reform in important areas.

• Ushering in a new phase of China’s opening to the outside world and ensuring its high standard performance.

• Making domestic demand the main engine driving growth.

• Advancing agricultural modernization and rural reform and development.

• Carrying out a new type of people-centered urbanization.

• Using innovation to support and lead economic structural improvement and upgrading.

• Accelerating the development of education, health, culture and other social programs.

• Making coordinated efforts to ensure and improve people’s wellbeing.

• Building China into a beautiful homeland with a sound ecological environment.
• 8 lilongs alongside Hongkou Creek
• Divided into 3 clusters
• 67,919 total square meters
• Actors impacted by development
• 20-25 year timeline
PRINCIPLES

GUIDING PRINCIPLES FOR DEVELOPMENT

- Manage heritage resources
- Maintain layers of values
- Reinforce local identity
- Enhance quality of life
- Foster social cohesion
ASSUMPTIONS

ABOUT

- Language barriers
- Appropriateness of cost-benefit analysis criteria
- Only 10 days in Shanghai
COST/BENEFIT ANALYSIS
TRADITIONAL FINANCIAL SCALE
COST/BENEFIT ANALYSIS

COSTS
- Rehabilitation
- Infrastructure
- Relocation
- Land Lease Loss

BENEFITS
- Revenue Stream
PILOT FINANCIAL SCALE

COST/BENEFIT ANALYSIS

COSTS
- Rehabilitation
- Infrastructure
- Relocation
- Land Lease Loss

BENEFITS
- Cultural Policy Initiatives
- Social Value Transfer Tools
- Environmental Externalities
- Revenue Stream
CULTURAL SCALE

VALUES OF CULTURAL HERITAGE

• Authenticity Value:
  Spatial Characteristics
  Stone Gate Alleys (Shikumen)
  Alleyway configuration
  Alleyway Use
  Use of main lane (public access)
  Use of side lanes- community use
  Secure setting- environment
  Continuity of Form and Materials (Temporal)
  Public/Multi-use Space

• Historic Value:
  Evolution over Time
  Subdivision of Housing Interiors
  Change in Courtyard Function
  Facilities- added
  General upkeep/condition
  New construction
  House Exterior
  House Interior

• Architectural Elements
  Stone Gates
  Traditional Building Technique
  Original Material
  Original Design
  Door
  Roof
  Courtyard
  Commercial space on block exterior

• Importance of Element:
  Structural Quality
  Exterior
  Interior

CULTURAL COST/BENEFIT SCALE
  Considers Importance of Value and Change in Existence of Value
SOCIAL SCALE

COMMUNITY VALUES AND SOCIAL TRADITIONS

Social Capital
- Displacement (negative value)
- Trust
- Sense of Community
- Social mobility
- Diversity
- Stigma (negative value)

Traditional
- Cultural Relics
- Cultural Resources

Personal Welfare
- Safety/ Security
- Health
- Cooking/Leisure time
- Privacy/spatial distribution
- Climate Control
- Happiness
- Retail Choice

SOCIAL COST/BENEFIT SCALE:
Considers Importance of Value and Change in Existence of Value
FINANCIAL SCALE

MUNICIPAL DIRECT AND INDIRECT COSTS

• BENEFIT: Income
  Rents
  Wage and Earning
  Sales Tax
  Real Estate Tax
  Business Taxes
  Sell of Land Use Rights

• COST: Expenditures
  Fire
  Maintenance
  Police
  Electric and Gas
  Water and Sewer
  Traffic and Transportation
  Community Services at the Xiaoque Leve
  Access to parks
  Gardening
  Permeability

FINANCIAL COST/BENEFIT SCALE
  1 - No Cost/No Benefit
  2 - Minimal Cost/Minimal Benefit
  3 - Moderate Cost/Moderate Benefit
  4 - Great Cost/Great Benefit
ENVIRONMENTAL SCALE

COST/ BENEFIT ANALYSIS

- **Air**
  - Natural Circulation
  - Access to clean air
  - Systems for regulating temperature

- **Water**
  - Adequate Drainage
  - Access to drinking water
  - Systems for sewage

- **Greenery**
  - Access to parks
  - Gardening
  - Permeability

- **Energy**
  - Natural lighting
  - Building Envelope
  - Low-energy appliance

ENVIRONMENTAL COST/BENEFIT SCALE:

- 0 = none
- 1 = very low
- 2 = low
- 3 = medium
CLUSTERS
Cluster A: LILONG 1, 2 & 3

Cluster A:

LILONG 1, 2 & 3

THE BUSINESS DISTRICT
Lilong 1

Rui-kang-li

瑞康里
ABOUT

- Located in the Northern End of the Hongku District
- Proximity to Small Business Centers
- One Street Front along Siping Road, a major thoroughfare
- Access to Metro Stop (line 10)
- Typical Lilong Layout with a Ring of Buildings Surrounding the Interior Structures
- Existing Small Businesses

USE

- SMALL BUSINESS DISTRICT
- Career Services
- Job Training Center
- Local Businesses
- National & International Businesses
- Start-ups
SMALL BUSINESS DISTRICT

FROM EXISTING CONDITIONS

Fosters co-working and encourages community amongst businesses

Contributes to the economic activity in the area

Allows for the expansion of business opportunities for the surrounding creative community

Provides affordable rental space for start-up companies

Cluster A: LILONG 1

KEY:

- Commercial
- Other Bldg

TO WORK SPACE
Lilong 2

Rui-qing-li

瑞庆里
CREATIVE CLUSTER

ABOUT

• On the Northern End of Hongku District
• Proximity to Nearby Creative Centers and Other Commercial Activity
• Located within a Pocket of Hongku Creek
• Easily Accessible from Metro Stop (line 10)
• U-Shaped Exterior Ring Surrounding Interior Structures

USE

• LIVE SPACE
• WORK SPACE
• EXHIBITION/EVENT SPACE
• AFFORDABLE UNITS

• Artists
• Architects
• Visual Artists

• Fashion Designers
• Musicians
• Performers
CREATIVE CLUSTER

FROM EXISTING CONDITIONS

Capitalizes on the existing creative community

Attracts people to the area

Fosters a sense of community amongst residents

Provides affordable live, work, and exhibition space

Cluster A: LILON 2

KEY:
- Commercial
- Other Bldg
- Industrial
- Creek

TO LIVE & WORK SPACE
Lilong 3

Lan-wei-li

兰葳里
About

- Across Hongku Creek from Lilong 1 & 2
- Smallest Lilong in Cluster A
- Located within a Pocket of the Creek
- Closest Proximity to Nearby Creative Centers
- Exterior Ring Along Streets
- Interior Structures Abut Structures within the Block

Use

- PUBLIC SPACE
- COMMUNITY CENTER
- YOUTH CENTER

Classes:
- Traditional Cooking Methods
- Arts & Crafts
- Language
- Senior Activities
COMMUNITY CENTER

FROM EXISTING CONDITIONS

Serves as gathering space for group activities, social support, public information and other purposes.

Emphasizes human aspect of the neighborhood.

Retains cultural values of local residents.

Provides a function that is lacking in the area.

KEY:

- Institutional
- Creek
- Other Bldg
### BUSINESS DISTRICT

#### COST / BENEFIT ANALYSIS

#### DIRECT COSTS
- Rehabilitation Cost: 160,397,808 RMB
- Infrastructure Upgrading Cost: 30,941,936 RMB
- Relocation Cost: 1,374,838,350 RMB

#### INDIRECT COSTS
- Land Lease Loss Cost: 2,315,280,007 RMB

#### DIRECT BENEFITS
- Transfer of Development Rights
- Redefining Green Space

#### VALUE RECAPTURE
- Rent Income Stream to Government
- Growing Value Asset

#### EXTERNALITIES
- 15% View Premium to Surrounding High-Rises

#### POLICY GOALS
- Historic Preservation & Revitalization
- Creative Industry
- Green Space Creation
- Residential Construction
Cluster A: LILONG 1

MEASURING SCALES

CULTURAL
• Adaptive reuse will preserve the built fabric

SOCIAL
• Displacement will occur and community fabric is lost

FINANCIAL
• Scenario costs municipality in regard to income from development.

ENVIRONMENTAL
• Continued use of lilong minimizes impact

COMPOSITE
> 1 = More Benefit Than Cost
Cluster A: LILONG 2

MEASURING SCALES

CULTURAL
- Adaptive reuse will preserve the built fabric.

SOCIAL
- Displacement will occur and community fabric is lost.

FINANCIAL
- Scenario costs municipality in regard to income from development.

ENVIRONMENTAL
- Continued use of lilong minimizes impact.

COMPOSITE
> 1 = More Benefit Than Cost
COMMUNITY CENTER

MEASURING SCALES

- 1 +

CULTURAL
- Adaptive reuse will preserve the built fabric.

SOCIAL
- Displacement will occur and social fabric is lost.

FINANCIAL
- Scenario costs municipality in regard to income from development.

ENVIRONMENTAL
- Continued use of lilong minimizes impact.

COMPOSITE
$> 1 = More Benefit Than Cost$
CLUSTER B
IMPROVED RESIDENTIAL COMMUNITY

Cluster B: LIKONG 4, 5, & 6
Lilong 4

Chun-yang-li
春阳里
RESIDENTIAL COMMUNITY

ABOUT

• Improve living conditions through de-densification, home ownership, and innovative design.
• Respect existing built fabric.
• Maintain character, scale, and community by heritage neighborhood designation.
• Supply city needs for low-income housing.
• Stimulate economic activity by readapting commercial spaces.
• Enhance visibility of shikumen buildings.

USE

• Revert lilong housing units to single-family occupancy.
• Refit commercial spaces with proper ventilation, sanitation, and thermal comfort through design.
• Experiment with a mixed residential and hotel space to promote heritage tourism.
FROM EXISTING CONDITIONS

- Run-down interiors.
- 5-8 people per unit.
- Little money for repairs.
- Strong community.

KEY:
- Orange: Mixed Use
- Gray: Other Bldg
- Yellow: Residential

DE-DENSIFICATION
- Revert to single-family units.
- Secure ownership for long term residents.
- Protect adjacent street activity and scale.

TO SPACIOUS LIVING CONDITIONS
Lilong 5

Heng-xiang-li

恒祥里
RESIDENTIAL COMMUNITY

FROM EXISTING CONDITIONS

- Businesses serve surrounding area.
- Poor quality spaces, especially for restaurants.

KEY:

- Mixed Use
- Other Bldg
- Residential

TO IMPROVED BUSINESS ESTABLISHMENTS

Cluster B: LILONG 5

BUSINESS AND DESIGN SOLUTIONS:

- Draw on young designers for improvements.
- Test effect of improvements on social mobility and housing.
Lilong 6

Xing-ye-li

兴业里
RESIDENTIAL COMMUNITY

FROM EXISTING CONDITIONS

Cluster B: LILONG 6

HOTEL AND RESIDENCE:
- Capitalize on superb design and integrity.
- Accommodate a small hotel.
- Use as model for highest preservation standards.

- Outstanding example of shikumen architecture.
- Aging and moving residents.

KEY:
- Commercial
- Residential

TO OUTSTANDING EXAMPLE
## RESIDENTIAL COMMUNITY

### Cluster B: LILONG 4, 5 & 6

### COST / BENEFIT ANALYSIS

#### DIRECT COSTS
- Rehabilitation Cost: 58,192,540 RMB
- Infrastructure Upgrading Cost: 26,891,995 RMB
- Relocation Cost: 498,793,200 RMB

#### INDIRECT COSTS
- Land Lease Loss Cost: 2,719,928,140 RMB

#### DIRECT BENEFITS
- Transfer of Development Rights
- Redefining Green Space

#### VALUE RECAPTURE
- Rent Income Stream to Government
- Growing Value Asset

#### EXTERNALITIES
- 15% View Premium to Surrounding High-Rises

#### POLICY GOALS
- Historic Preservation & Revitalization
- Green Space Creation
- Creative Industry
- Residential Construction
RESIDENTIAL COMMUNITY

Cluster B: LILONG 4

CULTURAL
- Cultural value traded for increased benefits to social.

SOCIAL
- Efforts to avoid displacement.

FINANCIAL
- Scenario costs municipality in regard to income from development.

ENVIRONMENTAL
- Continued use of "lilong" minimizes impact.

COMPOSITE
> 1 = More Benefit Than Cost
Cluster B: LILONG 5

**MEASURING SCALES**

- **CULTURAL**
  - Emphasis on updating *lilong* results in a cost to built fabric.

- **SOCIAL**
  - Focus on strengthening current uses reinforces social fabric.

- **FINANCIAL**
  - Scenario costs municipality in regard to income from development.

- **ENVIRONMENTAL**
  - Modernizing spaces promotes use of already existing materials.

**COMPOSITE**

> 1 = More Benefit Than Cost
Hotel allows for interior and exterior restoration of *lilong*.

Displacement of current residents affects community network.

Scenario costs municipality in regard to income from development.

Adaptive reuse of structures a benefit, affected by impact of construction.

> 1 = More Benefit Than Cost
CLUSTER C
TRADITIONAL ARTIST CORRIDOR
ARTIST CORRIDOR

LOCATION

Cluster C: LILONG 7 & 8

LILONG BLOCK 7
LILONG BLOCK 8

Hongkou Creek

Huangpu River
Lilong 7 & 8

Ping-an-li
平安里
Dui-zhan-long-tang
堆栈弄堂
ABOUT

- Inherent Live/ Work Environment
- Underutilized Adjacent Warehouses
- Intact Architectural Features
- Central Courtyards
- Second Floor Balconies

USE

- LIVE / WORK SPACE
- MAKER SPACES
- ART MARKET
  - FOLK ART
    - Paper Cutting
    - Puppetry
    - Handcraft
  - VISUAL ARTS
    - Pottery
    - Calligraphy
    - Chinese Painting
  - LITERATURE
    - Dictionary
    - Poetry
    - Histography
  - DRAMA
    - Traditional
    - Opera
ARTIST CORRIDOR

FROM EXISTING CONDITIONS

• LIVE / WORK SPACES
Artists live above shops
Sell goods on first floor
32 Units

• LIVE / WORK SPACES
Affordable Community
Artist Haven

KEY:
- Mixed Use
- Other Bldg
- Industrial

Cluster C: LILONG 7
ARTIST CORRIDOR

FROM EXISTING CONDITIONS

• MAKER SPACES
  Ceramics
  Textiles
  Glass Blowing

Cluster C: LILONG 7

• MAKER SPACES
  Raw Industrial Space
  Machinery
  Fabrication
  1 Maker Space

KEY:
- Mixed Use
- Other Bldg
- Industrial
ARTIST CORRIDOR

FROM EXISTING CONDITIONS

• LIVE / WORK SPACES
  Affordable Community
  Artist Haven

Cluster C: LILONG 8

• LIVE / WORK SPACES
  Artists live above shops
  Sell goods on first floor
  84 Units

KEY:
- Mixed Use
- Other Bldg
- Industrial
ARTIST CORRIDOR

FROM EXISTING CONDITIONS

• MAKER SPACES
  Ceramics
  Textiles
  Glass Blowing

Cluster C: LI LONG 8

- MAKER SPACES
  Raw Industrial Space
  Machinery
  Fabrication
  2 Maker Spaces

KEY:
- Mixed Use
- Other Bldg
- Industrial

TO MAKER SPACE
ARTIST CORRIDOR

COST/BENEFIT ANALYSIS

• DIRECT COSTS
  Rehabilitation Cost: 123,168,500 RMB
  Infrastructure Upgrading Cost: 10,085,000 RMB
  Relocation Cost: 1,055,730,000 RMB

• INDIRECT COSTS
  Land Lease Loss Cost: 136,874,500 RMB

• DIRECT BENEFITS
  Rent Income Stream to Government
  Growing Value Asset

• VALUE RECAPTURE
  Transfer of Development Rights
  Redefining Green Space

• EXTERNALITIES
  15% View Premium to Surrounding High-Rises

• POLICY GOALS
  Historic Preservation & Revitalization
  Green Space Creation
  Creative Industry
  Residential Construction
ARTIST CORRIDOR

MEASURING SCALES:

- 1 +

CULTURAL
- Re-use of traditional central courtyard communal space.

SOCIAL
- Mobile community generates greater social capital.

FINANCIAL
- Costs for preservation of materials.

ENVIRONMENTAL
- Lower density allows for higher quality of life.

COMPOSITE
> 1 = More Benefit Than Cost
ARTIST CORRIDOR

Cluster C: LILONG 8

MEASURING SCALES:

CULTURAL
- Adaptive re-use of industrial architectural heritage.

SOCIAL
- Shared skills and knowledge among artist community.

FINANCIAL
- Costly redevelopment of outdated industrial spaces.

ENVIRONMENTAL
- Better lighting and increased ventilation.

COMPOSITE
> 1 = More Benefit Than Cost
COST/BENEFIT ANALYSIS
COMPARING SCALES

- Business District
- Creative Cluster
- Community Center
- Residential Community
- Business and Residential
- Small Hotel
- Artist Corridor
- Artist Corridor
COST/BENEFIT ANALYSIS

COMPARING COMPOSITE SCALE

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COST/BENEFIT ANALYSIS

PRINCIPLES
OTHER POSSIBLE USES

IDEAS

- Do Nothing
- Community Garden
- University Related
- Student Housing
- Senior Housing
- Educational Library
- Workforce Development
- Green Space
- Farmers Market
TOOLS

IN THE TOOLKIT:

- Regulatory Systems
- Community Engagement Tools
- Technical Tools
- Financial Tools

SUPPORTING IDEOLOGY:

- Historic resources are for the public
- Historic values should be identified by the public
- Changes to historic resources should be managed
- Changes must be documented and analysed
REGULATORY SYSTEMS

POTENTIAL TYPES

- Infill design regulations
- Allow lilong residents to sell units
- Inclusionary zoning of 20%
- Alter definition of greenspace

KEY:
- high income
- mid-range income
- low income

EXAMPLE: INCLUSIONARY ZONING
COMMUNITY ENGAGEMENT TOOLS

POTENTIAL TYPES

- Stakeholder mapping
- Cultural mapping
- Public meetings
- Revised development process

EXAMPLE: REVISED DEVELOPMENT PROCESS

Developer Makes Revisions

Developer Presents at Public Meeting & Negotiates Compensation

Cultural Mapping

Development Takes Place

Repeat with Next Project
TECHNICAL TOOLS

POTENTIAL TYPES

- Impact assessments
- Multi-variable cost-benefit analyses

EXAMPLE: CULTURAL RESOURCE
FINANCIAL TOOLS

POTENTIAL TYPES

- Tax Increment Financing (TIF)
- Business Improvement District (BID)
- Revolving Loan Fund (RLF)
- Transfer of Development Rights (TDR)

EXAMPLE: TRANSFER OF DEVELOPMENT RIGHTS

- Shanghai Government
- Unused development rights
- Sending zone (existing building)
- Receiving zone (not yet built)
- Additional development rights purchased through TDR
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