Problem statement. Preservation of cultural heritage monuments and their adaptation as a national tradition element to future use are especially important in the context of the development of small historical cities’ communities. Most often, the environment with its historical and cultural content is not regarded as a strategic long-term planning resource. Therefore, a more responsible approach is needed to study it as a resource for the development of territorial communities of small historical cities with a proper regulatory provision.

Recent research and publication analysis shows that the outlined problem has been addressed at different levels, although without finding adequate solutions. Various aspects of it are researched by a number of domestic and foreign scholars. Yet, this country has not created optimal conditions for an effective preservation of historical and architectural monuments, in the first place, those of the national significance, which are the most important elements in the cultural heritage structure that influence territorial communities’ development.

The paper objective is finding legal ways to consolidate communities’ motivation for preservation of the traditional character of the historical settlements’ environment, primarily the country’s urbanized territories.

The paper main body. Information of state development policy, an important aspect is support for small historical cities’ communities, which have to search for funding to provide preservation of monuments. Preservation and
adaptation of cultural heritage objects should become the main resource for the
development of small historical cities’ territories, based on a coordinated planning
system, which in its turn relies on the process coordination at the central, regional,
and local levels. The present local government in Ukraine does not ensure a proper
support for a favorable living environment, necessary to develop communities,
which includes inadequate preservation of historical environment with its cultural
content.

However, analysis of the nature of a territorial community as a primary
entity speaks for its historical antecedence and substantiates the free community
theory, which in its turn emphasizes the naturalness of community rights. The
theory advocates believe that alongside with the three constitutionally recognized
branches of power (legislative, executive, and judicial), there should be the fourth
– a civil one. A community has the right to self-sustained and independent of the
central power existence according to its own nature – in particular, the state does
not create, but rather recognizes it. This means a true alternative to the state
autocracy in the power systems, based on the principles of decentralization and
self-government.

One of the ways to provide sustainable development for small historical
cities, preservation of the traditional character of their environment, and
development of communities’ self-sufficiency can be application of a cluster
model of historical territories’ development and governance. Upon condition of
state support, implementation of the set goals will allow not only preserving
monuments of the national significance and promoting the sustainable
development of communities, but also ensuring historical territories’ development
in the line of tourism and recreation.

**Conclusions of the research.** Implementation of the set objectives will
promote territorial communities’ development, preservation of the original
historical and architectural environment, which is only possible on condition that
financing of monument preservation measures from different budgets is regulated
legally, providing an opportunity to coordinate the actions of the two main agents –
public authorities and self-governed communities. This enhances their motivation towards fulfillment of joint actions, encouraging communities of small historical cities to take the ownership and control over the said objects.