

SHELTER AND WORKING CLASS COMMUNITIES:  
Community Initiated Housing Development  
In The North End

by

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# ABSTRACT

Shelter in Working Class Communities: Community-initiated Housing Development in the North End.

Edward McFarlan III

Submitted to the Department of Architecture on May 19, 1978 in partial fulfillment of the requirements for the degree of Master of Architecture.

The focus of this thesis has been to examine and understand a community undergoing a dynamic process of change, and to propose a framework through which community control of this process and its impact on shelter can be effected.

The North End community has been a key Italian blue-collar neighborhood in Boston's central city. Historically, this area has been the focus of Boston's Italian community and has provided a safe and affordable dwelling environment, as well as a high degree of social control and ethnic or cultural homogeneity. The transition of the area resulting from the impacts of a speculative housing market and major land use changes in the Boston Core Area has forced existing residents to compete for the tenement stock with incoming professional class residents. This has jeopardized the future of the area as a working class community.

The preservation of this Italian community must involve the development of an effective community organization and a neighborhood-based housing strategy through which control over these changes can be implemented. This thesis has attempted to briefly outline for the community both the critical factors affecting neighborhood changes and a framework for a community housing strategy which can assure the maintenance, upgrading, and availability of low-cost housing in the area.

Specifically, this has focused on a development/design proposal for community-initiated family housing on an open site in the North End.

Finally, an analysis of the larger political economy of urban housing and the effects of this economic context on class stratification and housing inadequacies has been examined. It is proposed that community development must begin to affect changes in this larger political arena concomitantly with local development programs before urban change can begin to represent the interests of working class neighborhoods.

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## INTRODUCTION

"If plural societies are to be maintained, there must be subsocieties which provide frameworks for communal existence, with their own networks of cliques, institutions, organizations, and informal activities."  
(Rapaport)

"People first. Families first. Neighborhoods first. In the last third of the twentieth century one can safely call upon such ventures without fear of regression, they are the only hope of further progress. .." (Novak)

The intentions as well as the work for this thesis have evolved during a year's involvement in and with the North End community. During this period, issues concerning community-based housing development and the potential role of the professional architect and planner in that process have been both a central issue and focus of this work

in the neighborhood. It has proved to be a perplexing experience with numerous unresolved dimensions.

The traditional professional tools and heuristic through which we act and rely have become increasingly ineffective and even counter-productive to both meeting the needs of communities -- most critically urban working class communities -- and to instituting a framework in which progressive social changes can be attained. This thesis, therefore, has been a necessarily diverse exploration into the range of social, political, and physical factors which frame the current dynamic of neighborhood changes and establish the context in which actions must take place.

Many lower income neighborhoods in inner-city districts are undergoing major social and physical changes which by design or otherwise have acted to alter the long-established ethnic or class character of these areas. These tendencies have been exacerbated by both the lack of community leadership and the unwillingness or lack of professional commitment and advocacy for working class community interests. If community development is to become a real and concrete component of urban change, then professional intervention must step beyond the isolated parameters of physical change and articulate a strategy which encompasses the improvement of the social and cultural fabric of these communities and effectively involves and empowers these local neighborhoods to participate and con-

trol their domestic arena.

The North End community, long the center of Boston's Italian immigrant community, has and will continue to undergo development changes which have increasingly jeopardized the accessibility of this key, central city neighborhood to many Italians and other lower income groups. The neighborhood has become a prototypical "gentrifying" inner-city community. Incoming professional and upper income residents, attracted by the location and the character of the area, are beginning a process which has precipitated the gradual class transformation of the North End. This housing reinvestment by middle and upper income households in key inner-city districts such as the North End, has not only begun to severely reduce the

supply of available low-cost housing, but has severely circumscribed the level of social and economic control of many working class groups over shelter and their dwelling or neighborhood environment.

This process of "re-urbanization" of the middle class is often predicated on a lack of social and economic parity in the urban "system" in which divergent income and class groups compete for space. The gradual upgrading of the generally poor physical conditions in the North End, which has long been a concern of the residents, has not taken place in a framework which would allow many of the existing residents to benefit from these changes, and in fact, has begun to force many lower income families out of the area as rents have radically in-

creased. The historic solidarity of the Italian ethnic community and the security which the neighborhood "turf" provided has been severely eroded by these changes.

This increasingly important factor of "upward filtering" in American cities -- seen acutely in the North End -- illustrates the isolation of lower income groups from essential political and social control over their lives and neighborhood, and the limited access to urban resources which the city presently affords (or deems affordable). Although community groups and individuals in the North End have voiced opposition to his process of gentrification, there has yet to emerge either a unified neighborhood body through which actions can be undertaken or a consensus as to what the future

of the Italian community should be. In this way, the neighborhood is undergoing a "crisis" that has been precipitated both from within its boundaries and from the outside. The Italian residents have been unprepared to effectively organize themselves in a way which would both confront these changes and represent the majority of the residents in the area.

In addition, no affirmative city housing policy has emerged in the North End. No low-interest rehab monies and no subsidized family units have been allocated to the area despite the fact that the North End has experienced some of the highest housing cost increases in the Boston Area. In fact, both city and private initiatives have promoted major development changes in

the surrounding central city region which have facilitated luxury residential development and the transformation of the area into office and institutional land uses.

Thesis Contents. The focus of this thesis, as well as the collaborative report, Housing in the North End, which preceded it, has been to outline the potential for community intervention and control in these physical and social changes. Specifically, this has presented a framework for the North End community through which a neighborhood-controlled housing strategy can be initiated which can begin to stabilize the pejorative neighborhood changes and advocate the interests of the existing Italian residents.

## SECTION 1. NORTH END - CASE STUDY OF NEIGHBORHOOD CHANGE

This section presents an overview of the critical factors which have had a direct impact on the current development of the North End. Political and economic components have been examined for both internal and external factors affecting the area's transformation. The last 20 years of city renewal policy has had major impacts on the land use of Boston's central city and the concomitant changes in the North End. The documentation of these development trends has been necessary to establish the urban political and economic context within which an effective community strategy must take place.

## SECTION 2. COMMUNITY HOUSING STRATEGY/DESIGN PROPOSAL

This section outlines the feasibility of community-initiated housing strategies. Specifically, this examines the potential role of a Community Development Corporation to both regulate private sector housing activity and to directly initiate new family housing development.

This is further developed in a specific design exploration for one of the major open sites in the North End. The responsiveness of a new dwelling environment will be contingent on both the potential for community control of the physical or use characteristics and the compatibility of this new housing environment to the existing North End fabric. An analysis of the use

and morphology relationships of the neighborhood, as well as guidelines for new development, have been briefly outlined as a tool for the community through which regulation of a new development can be formalized.

### SECTION 3. SHELTER AND WORKING CLASS COMMUNITIES

Finally, a brief analysis of the structure of housing and neighborhood class stratification has been undertaken. The potential effectiveness of a program for community development has been circumvented by the larger dilemma of the political economic structure of urban shelter provision. The isolation of housing and environmental "services" to working class groups and communities has become a structural compo-

nent of the American city. A framework of housing and community programs which acts to both provide sufficient low-cost housing and to stabilize lower income areas must also advocate and act to implement changes in the larger political arena.

This paper has been an all-too-brief exploration of community development as a vehicle through which resources both external and internal to the community can be utilized and controlled by urban working class communities. This process must redefine the role of communities as an organizational base for development and change, and conversely, redetermine the role of professional involvement and participation with these urban communities.

"Urban poverty is for the most part rural poverty fashioned within the urban system." (Harvey)<sup>1</sup>

"The West End was not a charming neighborhood of noble peasants living in an exotic fashion, resisting the mass-produced homogeneity of American culture, and overflowing with a cohesive sense of community. It was a run-down area of people struggling with the problems of low-income, poor education and related difficulties. Even so, it was by and large a good place to live." (Gans)<sup>2</sup>

#### HISTORICAL CONTEXT OF THE NORTH END COMMUNITY

As early as 1820 the area of the North End had become a locus for the massive in-migration of European peasant and working class groups into the Boston Area. The location of the community in the historic port, trading, and manufacturing center ensured that Boston's early industrial economic development would have both a cheap and readily available labor supply.

Successive waves of the lowest income and skilled ethnic immigrant groups to the area ensured that despite the slow "filtering" process of social mobility that was inherent in the 19th century development of the urban economy, that the North End would remain the locus of these lower income groups in the central city area. The ethnic "ghetto" was in this way a critical element in the development of the American city. It provided a concentration or "reservoir" of lower skilled labor, and functioned as a social "shock absorber" for new immigrants -- providing similar language, customs, and integration into a close family and peer social structure.

While numerous ethnic groups have occupied the area, including Irish, Italian, Portu-

guese, Jewish and Asian groups, two distinct phases of social occupation have occurred.<sup>3</sup> First, Irish predominance (1850-1880); second, Italian dominance (1880-present). In 1870 there were only 1,000 Italian residents in the neighborhood; by 1895, this number had increased to 7,700 Italians along with 800 Portuguese, 6,700 Jews, and 6,800 Irish. These groups settled into distinct social and physical enclaves in the North End community.

The majority of Italian immigrants into the North End were from rural or peasant backgrounds with a very high level of illiteracy and a similarly low skill level. As late as 1900, 80% of the Italian immigrants to the area were men expecting an impermanent stay in the Americas; the neighborhood eventually stabilized into

a permanent lower income ethnic community. Over half of the male population worked in freight handling, or construction jobs, as well as the numerous local manufacturing jobs in the central city. This, however, ensured that the Italians would have both lower incomes and a low rate of social mobility.

The emergence of the high density brick tenement structures that exist today began during the 1890s and was not completed until 1920,<sup>4</sup> although the major part of development occurred as early as 1880. The physical environment of the tenement neighborhood has historically been very poor with both extreme overcrowding and inadequate physical conditions and services in the units. The population density of the North End has been the high-

est in the city. In 1900 the area had a very high density of 924 persons/acre; the unit density of the 4 to 5 story walk-up tenements had reached 150-180 units/acre. The number of persons living in the North End reached as many as 28,700 persons in 1890 and 40,000 in 1920.<sup>5</sup>

The majority of dwelling units were necessarily small because of high rental levels and conditions overcrowded. In 1891, 154 families lived in 1 room per family. Few buildings contained adequate plumbing or heating facilities; in the 1920s, 74.5% of families shared toilet facilities and 13.6% shared water services.<sup>6</sup>

#### COMMUNITY AND ENCLAVE

"At the core of the Italian value system

are those sentiments which pertain to the family and the paesani. Both of these put a high premium upon the maintenance of residence in the North End....It is in the North End that festes, anniversaries are held, and such is their frequency that residence in the district is almost indispensable to regular participation. Equally important is the localistic character of the Italian family. So great is its solidarity that it is not uncommon to find a tenement occupied by a single extended family...." (Firey)<sup>7</sup>

The development of the North End as a tightly-knit ethnic community provided an important social buffer to the immigrant worker who suffered both cultural and economic obstacles to assimilation into the American "mainstream". The ongoing stability and homogeneous character of the neighborhood provided a pre-existent network of peer and kinship groups through which incomers could easily assimilate.<sup>8</sup> The Italian North End evolved, in this way, into a mosaic of smaller and tightly-

knit social subgroups. These groups, often organized by block or tenement, were settled by common family or regional ethnic bonds. They shared not only common cultural links, but also provided mutually shared services, child care, and patterns of life-style that were requisite for the survival of both the individual and the group under conditions of extreme poverty.<sup>9</sup>

This also involved a close interrelationship between the community and use of the physical environment of the neighborhood. The fine mix of commercial, cultural, and residential uses; as well as the social appropriation of public streets/courtyards/plazas has provided a critical setting for social interchange and activities of the North End residents.

## PRESERVATION AND CHANGE

"In a society which emphasized individual assimilation and social mobility, the ethnic neighborhood has remained the home of those who stayed behind, those who usually did not assimilate and rise in socioeconomic status. It has stood for stability, roots, cultural heritage, a sense of history and community ties; characteristics in opposition to the dominant ideology of individual assimilation of social mobility." (de Mambro)<sup>10</sup>

This stability and historical continuity of the community has remained in part because of the low level of social mobility and in part because of the unwillingness of the community to rapidly assimilate into the "mainstream" of American culture. Today, the North End offers an important support network for the largely blue-collar community. These services include:

1. Central location. The area's location has traditionally been contiguous to the manufacturing/shipping center of Boston, as well as the heavy construction sites in the central city. This and the centrally-located mass transit facilities have allowed an ongoing and readily accessibility of North Enders to an employment base. The current decline of these jobs is a critical factor in the neighborhood. However, the occupational shift to low skill clerical and office-based jobs has already begun in the neighborhood and will ensure that the North End remains a strategic position for working class employment.

2. Social service/cultural clubs. The development of institutional services has been both organized by North Enders (such as the local social and religious clubs and by state and private groups outside of the community. These include health care, educational services, recreation, and elderly services, and make the North End one of the better serviced areas of the city.

3. Housing. The generally poor condition of housing has been an

ongoing problem for many families; however, the lower cost of housing in the North End and the high level of social control which the Italian community has exerted in the area has established a coherent relationship and identity between the community and the physical environment.

By the early 1960s, immigration of Italians into the area had essentially ended. The increased pressures for cultural assimilation through both increased media and institutional exposure has radically changed the ethnic isolation that had formed the basis of the community's preservation. The increased presence of "newcomers" in the area has also lessened the importance of the ethnically homogeneous community.

The dynamics of neighborhood change, however, has been and will continue to be a

critical issue of neighborhood residents. The impact of development changes surrounding the neighborhood, as well as the increasing cost of housing within the North End, has begun to force many low- and moderate-income Italian families out of the area. This process of "upward filtering" of neighborhood housing and class of residents has effectively deferred control of neighborhood changes from the traditional Italian residents. The question of ethnic preservation or change has become an issue which no longer rests in the hands of the Italian community; but is a process being precipitated by political and economic changes outside of the North End boundaries.

1. NORTH END
2. WEST END RENEWAL AREA
3. GOVT. CENTER  
CITY HALL
4. WATERFRONT  
QUINCY MARKET
5. CENTRAL ARTERY
6. NORTH STATION
7. CENTRAL BUSINESS AREA



## NORTH END STUDY/CHANGE

"While all development is transformation, not all transformation is development."  
(Paolo Friere)<sup>11</sup>

## THE TRANSFORMATION OF BOSTON'S CENTRAL CITY

The impact of external development factors on the North End has been particularly exacerbated by the critical location of the North End community and its contiguous relationship to Boston's business and commercial center. This proximity has left the North End extremely vulnerable to the ongoing economic development and land use changes in the most intensely developed locus in the metropolitan area. The rapid decline, in Boston's center, of the manufacturing, shipping, and water-

front industries has radically altered the employment and job base of the area.

This has had a critical impact on the largely blue-collar community in the North End. In 1962, 68% of the area residents were occupied in both skilled and unskilled manual and manufacturing occupations. By 1975, this number had decreased to 35% of the North End residents. Rapid decline of this area to an office and service sector economic base has forced a major transition of employment skills in the North End, as well as attracted a new class of professorial and managerial groups into the city. Residents in the North End with white-collar occupations, including sales and clerical jobs, have increased from 20% to 40% between 1965 and 1975.<sup>12</sup> In addition, professional groups in the community have in-

creased significantly to 32% of the North End/Waterfront population.

However, this transition of employment has represented a significant decrease in jobs accessible to working class residents. This is particularly true in the North End, which has a very low education level that has made competition for high-skill jobs difficult for neighborhood residents. This has been a significant factor affecting the exodus of the traditional blue-collar families out of the neighborhood.

#### PLANNED CHANGE

"The renewal program has been in part the enthronement of middle-class values, in part a subsidation of commerical aims and goals; in either case sugar-coated with a veneer of city planning." (Friedmann)<sup>13</sup>

Major land use changes in the central city that have directly impacted the North End have been focused on city-planned renewal/development areas, which have been major targets of federal and city subsidy programs. The impact of 20 years of Boston's urban renewal program has been to substantially encourage this major land use transition. With the focus of redevelopment on office/governmental and other institutional uses, ground rent and land values were dramatically increased in the central city area. The manufacturing/industrial spaces which could no longer compete for these spaces rapidly declined.

1) West End/Government Center. In 1959, 2,700 householders were displaced from the West End urban renewal area in a massive residential clearance project. Of

the largely low-income Jewish and Italian residents, 60% were eligible for public housing relocation (although less than 10% were actually able to relocate in public housing).<sup>14</sup>

Redevelopment of the area included medical complex facilities and related professional services, as well as 1,200 units of luxury housing. The contiguous development of government center and city hall complexes has helped to reinforce the central city area as the financial, legal and professional office center in the region.<sup>15</sup>

## 2) North Station/Central Artery Area.

Currently, the large warehouse and commercial area that lies on the western edge of the North End contains a large percen-

tage of vacant or underutilized structures. The area has mainly commercial and entertainment uses of dubious long-term potential. Because of the increasing demand for office and commercial space in the area, its development seems highly probable.<sup>16</sup> The proximity of the area to the government center, as well as the hospital complex in the West End, has created a favorable context for private rehabilitation activity. City plans for the area include major investment in capital improvements. This activity has encouraged the decline of the remaining manufacturing and industrial uses in the area.

The ongoing redevelopment pressure is expected to continue in the future. Plans for the depression of the Central Artery could open from 1.5 to 3 miles of central

real estate directly adjacent to the North End. Because of the artery's limited life expectancy and its currently inadequate traffic capacity, the city has made plans to replace it. If the project is implemented, the intensity of development will have considerable economic and social impact on the North End Area.

### 3) Waterfront/Quincy Market Renewal.

Although geographically part of the North End, the waterfront area has been socially and economically segregated by the urban renewal boundary. The opening of the Quincy Markets in 1975 marked a major city and federal investment effort to convert existing warehouse space into boutique, shop, and restaurant uses. The development opened an important pedestrian corridor/mall from the major government and of-

fice locations to the waterfront. Its effect has been both to encourage private speculative construction along the wharf area, including several major office and luxury residential sites.

This shopping area has been an official city strategy to attract suburban shopping and entertainment uses back to the central city area. The class of commercial users, however, from the Quincy Market area are generally incompatible with the ethnic working class stores and markets which have flourished in the North End. These higher-cost shopping amenities have been a critical factor attracting upper-income residents to the area.

The conversion of vacated manufacturing and warehouse structures along the wharf

area into luxury residential units has been a response by the city to both accommodate and encourage the incoming population of professional class residents into the Central City Area. Since 1968, 29 million dollars of city and federal monies has been expended in the Waterfront Area. These investments have funded major capital improvements to the waterfront, including the Waterfront Park, the construction of the New England Aquarium, and restoration of residential structures, including the Gardner Building, Merchants' Row, Long Wharf, Mercantile Wharf, Commercial Block, and a Turnkey Elderly Project. By 1977, 1,700 upper-income households occupied the once commercial industrial area.<sup>17</sup>

Metropolitan Area Housing Shortage. The regional factors which directly affect the

dynamics of inner-city neighborhoods such as the North End are (1) the historical concentrations of lower-income groups in 'core areas' of the inner-city, and (2) the general decline of new housing starts and the dramatic rise in housing costs. At issue is the demographic shift of population groups in the Boston Region and the competition for and competitive structure of the housing market in the inner-city.

1) Historic Concentrations. The historically dominant regional trends which have concentrated new physical and economic development in the metropolitan area periphery have concomitantly stratified and concentrated the lower-income and lower-skilled working class groups in the inner-city. Of the 1974 estimated 261,000 metropolitan area households with critical hous-

ing needs (including both payment assistance and physical conditions), 68% of these households were located in the 'core area' communities in the central city with 32% of the total population. Eighty percent of this measurable housing need was with lower-income elderly and families. The impact of higher land and property tax costs, as well as high concentrations of low-income persons, has left an estimated 96,000 low-income core area families with severe housing needs (33,000 elderly and 63,000 non-elderly families).<sup>18</sup> Because of the lower effective housing demand in these areas (North End/Roxbury/South Boston/Dorchester), rent levels have generally risen slower than the cost of living index. These communities have provided the most important supply of low-cost dwellings in the regional housing market.

2) Demographic Shifts. Shifts in these trends have occurred during the 1970s. Between 1971-1974, average new housing starts in the Boston area reached the lowest level since 1960. New construction costs increased 159% between 1965-1975, while real income regionally increased by only 30%.<sup>19</sup> However, 16,000 new annual household formations in the Boston Region have continued to pressure the demand for new housing units.

The demographic shift in this housing demand has focused on the existing lower-priced housing stock which experienced a less than a 75% cost increase over the same period. Specifically, this has shifted the middle-class housing market to the 'core areas' of the city where traditionally depressed housing costs have existed.

3) North End/Waterfront Communities.

This contentious structure of housing needs has been an ongoing source of conflict between the North End and the Waterfront communities. The development of 1,000 luxury-market residential units and another 480 planned or underway in the waterfront has not only segregated most Italian North Enders from this area, but has created a potential for radical change within the North End itself. The divergent cultural and class characteristics of these contiguous communities is most critically assessed by its impact on new and existing dwelling units. A 1973 BRA survey has shown the incoming population to consist primarily of professional and white-collar occupations. Of the 775 households in the renewal area in 1975, 38% had incomes of over \$25,000,

while only 6% earned less than \$15,000.<sup>20</sup>

In contrast, income in the North End is significantly below the Boston mean, 31% earned less than \$6,900 and 68% earned less than \$10,000.

Socially, the contrast between the two communities is also marked. The larger Italian family and elderly population in the North End is based on tightly-knit but extended family networks. The Waterfront, on the other hand, has mostly small households. The majority of these households are either childless or do not have children living at home. Forty percent have one person and 48% contain only two persons.

The divergent housing needs of these two communities has been a major factor im-

pacting change in the North End. The "spin-off" effects of this rapid creation of mostly luxury rental and condominium units in the waterfront has begun to create a demand for these units in the North End itself. This speculative investment, however, has been slowed somewhat by the poor conditions of the North End housing stock. However, the completion of most of the rehabilitated commercial buildings has begun to shift the future market emphasis to the North End -- particularly for units adjacent to the Waterfront Renewal Area itself. Building permit records show a significant building and rehabilitation effort in both commercial and residential structures along Hanover, North Washington, and Charter Streets. The creation of these mostly 1 and 2 bedroom luxury market units are both physi-

cally unaccommodating and too expensive for the majority of residents currently in the North End neighborhood.

These external development factors have had an extremely crucial impact on changes within the North End. The transition in job and employment base, housing market conditions, and social characteristics of incoming area residents has dramatically changed the historical factors which created and have acted to maintain the Italian community in the area.

#### INTERNAL FACTORS

Income/Occupational Status. In general, the mean income of the North End residents has remained very low compared to the Boston Area. As indicated earlier, this has

resulted from the lower-skilled job base and low educational level of the residents. In 1970, only 25% of the North Enders had graduated from high school.

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SHIFT IN INCOME LEVELS OF ALL  
FAMILIES IN THE NORTH END SINCE 1970

<u>Income Level</u>	<u>1970</u>	<u>1975</u>	<u>Change</u>
Under \$6,000	30%	36.5	+ 6.5
6,000 - 10,000	37%	28.	- 9
10,000 - 15,000	26	19.8	- 6.2
15,000 - 25,000	.09	12.6	+12.5
25,000 - over	.01	2.4	+ 2.4

(Census 1970 and BRA Survey)

The dominant blue-collar employment base has radically changed because of the loss of manufacturing and industrial jobs in the area. The predominance of industrial/operative occupations in 1950 with 40% of the work force had declined to 27% in 1970

and 13% in 1975.<sup>22</sup> The shift in the Central City job base to an office and service sector economy has been difficult for the Italian community because of the requisite skill and educational level. However, a rise in clerical, sales, service jobs has taken place throughout the 1970s among North End residents. Between 1962 and 1976, "white-collar" workers increased from 20% to 40% of the North End labor force.<sup>23</sup>

This transition has forced the exit of many skilled and manual workers from the area. It has also created a high percentage of North End unemployment -- 12% indicated in the 1970 Census and as high as 17% estimated by the Polk Directory in 1977. Twelve percent of the neighborhood families fell below the "poverty level"

(excluding elderly).

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CHANGES IN AGE CHARACTERISTICS FROM 1960 TO 1975

Age	% of total pop. 1960	% of total pop. 1970	% of total pop. 1975
1 - 14	23	18.3	13.3
15 - 19	7	7.6	7.8
20 - 24	7.7	8.8	10.5
25 - 34	12.5	11.7	15.8
35 - 44	14.7	11.1	8.2
45 - 54	12.2	14.8	15.0
55 - 64	8.9	12.9	15.5
65 +	14.2	14.6	13.9

Equally critical to the stability of the area has been the decline of families, representing 78% of the population in 1960 and 67% in 1970. From 1960-1975, both the 34-44 and the 1-14 age groups showed a decline of 6% and 10%, respectively. This has indicated a strong cor-

relation between the exit of skilled blue-collar occupations and the decline in families and what has been the stable working class residents of the area. The rise in higher-income groups, above \$15,000, reflects the increasing professional/semi-professional groups moving into the North End.

Tenure and Ownership Status. The North End has had a fairly high level of local Italian dwelling ownership which has historically been a critical factor stabilizing the community. The number of owner-occupied buildings in the North End is estimated as high as 40% to 50% of the total housing stock.<sup>25</sup> This, however, represents a very small percentage of the total housing units because of the large size of the tenement structures which

range from 4 to 12 units. Only 14.5% of the housing units were owner-occupied in 1970, which has maintained the community primarily with a renter-based housing stock.

Housing Conditions and Costs. The importance of the housing stock in the North End as a relatively low-cost and accessible supply of housing, favorably located in Boston's Central City has already been stressed. Ongoing access to this supply of housing will be a pre-condition for the continuation of the Italian community. In addition, the physical quality of the dwelling units and the standards of space needs and uses has remained a critical issue for the low- and moderate-income residents.

The decline of 63% of the North End population between 1950 and 1970 (from 16,050 to 10,134 persons) has effected a radical appreciation of space standards among the Italian residents. The historically overcrowded conditions have long been a major issue in this neighborhood. However, the tenement stock still affords very small units of space sizes, especially critical for larger families. Currently (1970), 84% of the dwelling units contain only 3 to 5 very small units that range from 350 to 600 square feet per unit.<sup>26</sup> The extremely high unit density (150-170 units/acre) and the large percentage of building coverage (between 70%-80%) has made adequate light and ventilation to dwelling units a problem.

Rent levels, however, for these units com-

pared to resident incomes has traditionally been high. This has exacerbated the crowded conditions for low- and moderate-income families. The mean contract rent level increased 91% from 1960 to 1970, from \$34 to \$65 dollars, and was a significantly higher increase than the 63% figure city-wide.<sup>27</sup> The mean level of income rose proportionally less at 57% over the same time period. According to the 1970 Census data, some 63% of the total rental units were occupied by tenants who were paying 25% or more of their income towards rent; moreover, some 27% were paying 35% or more of income toward rent. Census data in 1970 showed 85.2% of the tenant population paying less than \$100/month for rent and 97% were paying less than \$150/month. By 1975, the rent level had risen appreciably. A BRA sur-

vey showed only 40% paying less than \$100/month and 80% of the residents were paying up to \$150/month.

PRESENT ESTIMATED RENT LEVELS IN THE NORTH END

Type of Unit	Low Rent	Fair Condition	Good Condition	Luxury
1 bedroom	50 - 90	120 - 150	150 - 250	
2 bedrooms	70 - 90	140 - 160	150 - 300	400 and more
3 and 4 bedrooms	70 - 100	200 - 250	250 - 300	

Similarly, building acquisition value, which increased by only 23% from 1960-1970, has increased an estimated 362% between 1970-1977. Where a mean four-unit structure averaged \$13,000 in cost in 1970, this figure had jumped to \$50,000 by 1977. These radical shifts in the North End housing market have significantly limited the potential for large numbers

of residents to participate in home ownership in the area. More critically, however, is the sharply rising rental values which present a long-term trend which is eliminating the low-cost housing stock in Boston's Central City and is currently a major factor determining the future of the working class Italian community.

Dwelling conditions and quality of space standards in the North End housing stock show wide discrepancies between units.

The very dense tenement stock was 90% constructed before 1920. The generally poor quality of space standards and level of housing services has been one of the worst in the Boston Area.

Repairs, modifications, and upgrading of unit services has taken place incremen-

tally over time, and has been an ongoing process in the North End. The majority of plumbing and heating facilities have been introduced in this way. However, many units are still in very poor physical condition. A BRA survey in 1973 found that 1,200 of the 4,100 dwelling units in the North End were in need of an excess of \$1,000 of code-related repairs. Similarly, 32% of the units surveyed were found to lack complete plumbing facilities; many of these units were occupied by long-time elderly residents. The 1970 Census data has indicated that 75% of the housing units were not heated by any code method; this has typically meant that a kitchen stove-type heater servicing an entire apartment.

The very high building coverage and small

unit types has left many apartments with undersized rooms or rooms that are unusable because of poor light and ventilation. Storage is a frequent problem in unrehabilitated units, and many units have no general closet or storage space which has forced interior rooms to be used for this purpose.

Major Rehab. The impact of major unit rehabilitations of some units in the area has dramatically increased both the cost of rehab and the unit conditions of these buildings in the North End. Surveys have indicated that as many as 10% of the building permits issued between 1970 and 1978 had a monetary investment of over \$15,000.<sup>29</sup> A reduced occupancy level by introducing larger units was indicated for half of these rehabed units.

The introduction of some "gut" rehabilitation units in the area has increased the quality of unit spaces and improved both unmet services such as heating and plumbing systems, as well as interior unit finish quality. However, these units have become luxury market rentals that have not been accessible to the low- and moderate-income residents.

Assessment of Housing Needs. Both the poor space conditions and the cost and income accessibility of housing in the North End remains a critical issue. The ongoing shortage of dwelling space has slowly improved as both rising real income and increasing norms of space acceptability have decreased the amount of crowding in the area. However, very high rents were found for larger family units with adequate levels

of services. This has forced those families with larger space needs to pay a proportionately higher value for housing, or these families have had to accept substandard dwelling conditions.

The high proportion of very low/fixed income elderly have similarly been forced to accept very low standards of dwelling quality.

#### HOUSING MARKET ASSESSMENT

The transition of the housing market from a "stable" market to a "speculative" market condition has been the major factor affecting change in the community. The partial conversion of North End tenement stock to luxury housing has allowed a new class of residents to emerge in the neigh-

borhood and has conversely severely penalized those large-family households with the largest and most costly space needs and the lowest income groups, such as the elderly. Critical factors affecting this "filtering-up" of North End housing are:

- 1) The locational advantages of the neighborhood's adjacency to office or institutional centers.

- 2) City and federal targeting of subsidy and capital improvements to concentrated luxury and market housing along the Waterfront Area.

- 3) Declining blue-collar employment base in the Central City area and the concomitantly low skill/educational base of the North End residents to compete for the new job base.

- 4) Acceleration of housing costs in a working class neighborhood which has experienced low and marginally

incremental real income increases.

The high social value which the Italian community placed on ownership and the historically depressed building values allowed a relatively high percentage of owner-occupied buildings. This has been a critical factor in maintaining a non-speculative housing stock.

The transition of the area housing market to luxury rental has been exacerbated by the decreasing importance of Boston's rent control laws to mitigate speculative pressures. As much as 50% of the North End housing stock is classified as rent-controlled, which has provided a historical deterrent to speculative housing investment. However, the current provision allowing de-regulation with \$10,000 of

unit rehab investment or tenant turnover has encouraged owners to undertake major "gut" rehab expenses and convert their units to luxury rentals. This has also been exacerbated in the North End by the impact of several subsidized elderly projects which vacated and de-regulated 260 of the lowest-cost housing units, many of which have subsequently been rehabed and open to "outsiders" with much higher market rents.

An empirical assessment of market "filtering" and class changes in the area is difficult to measure. The major component of speculative investment to date has occurred within the Waterfront Renewal Area. However, "spin-offs" of this investment have occurred along the North End's contiguous borders, west of Hanover Street.

Several buildings within the North End have been converted to condominiums which have sold for \$30,000 to \$50,000 per 1 and 2 bedroom units and are not accessible to the low- and moderate-income households. The impact of these increasing market changes in the area has been gradual but will continue to present an ongoing pressure for radical class changes in the community.

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## COMMUNITY-INITIATED HOUSING DEVELOPMENT

"The ethnic factor in America is a quiet revolution of consciousness aimed at creating a new pluralism. It is spawned by an untenable economic situation and by indignation at having been alternatively ignored and castigated by the establishment. It is a revolution of self-assertion that will utilize new techniques of community participation, community organizing, community development, and legislative action to make power felt at the polls." (Baroni)<sup>30</sup>

The dynamics of neighborhood changes in the North End have severely circumscribed the potential for ongoing survival of the Italian community. The necessity of direct intervention in future community development through both public sector and private sector activities will be essential for both neighborhood control and self-determination of changes in the North End. The current lack of an affirmative

city strategy to curb existing development pressures or to sponsor any broad housing subsidy program has underscored the importance of community-initiated development activity.

This section will explore both community and development strategies through which the North End community can directly control and initiate housing development. Specifically, this will outline the feasibility of development of a community-initiated housing venture sponsored through a Community Development Corporation (CDC).

Organizational Base. The mobilization of the community as a political advocacy and interest group that broadly represents the social and economic priorities of the existing residents is paramount to the utilization

tion of existing economic and political resources. Currently, active community organizations such as the North End Task Force have begun to focus on specific housing issues in the neighborhood, and potentially represent a broadly-based constituent group. Community groups such as these can be used to generate an effective vehicle for community leadership and act as a community base for a local CDC.

Housing Strategy. The necessity both to determine community priorities and to represent an ongoing advocate and development entity for these interests is critical to the structure of a CDC. The advantages to the community of housing development initiated through a CDC are its capabilities to:

- 1) Advocate consumer and community interests.
- 2) Act as a vehicle for local participation.
- 3) Provide a focus for local identity of political activism.
- 4) Mobilize existing community resources.
- 5) Assess and involve related community needs.
- 6) Sponsor experimental programs.
- 7) Provide an open and more easily regulated development operation.

Priorities of a North End housing and development strategy must focus on:

1) Income Accessibility of Dwelling Units. Clearly, low-cost housing has become the most critical factor of low/moderate-income families wishing to remain in the area. The increasing speculative market conditions and the ongoing displacement pressures will require community and public sector market regulation as well as direct allocations of low-income subsidized units. Community development of these units should be a potential focus for community development activities.

In addition, the conversion of absentee-owned structures to low/moderate-income owner-occupied units through a broad ownership program should help to mitigate the speculative market pressures in the area.

2) Community Control of Physical Changes. The importance of the neighborhood physical fabric to provide social and economic support facilities is essential to the Italian residents in the North End community. The existing fine-grain mix of commercial, cultural, and residential activities should be maintained through appropriate zoning changes or special districting such as historic districting.

Upgrading space standards and dwelling conditions should be targeted at existing residents and their norms of space use. Current standards of luxury market rental units have far exceeded potential rent levels of many North End residents.

3) Community Control of Neighborhood Changes. Ultimately, a community development entity should act as a vehicle for existing neighborhood residents to control future changes in the neighborhood. This inherently involves the broad participation of community residents in both assessing program priorities and implementation of a development strategy.

#### HOUSING DEVELOPMENT AREAS

Direct intervention by the community or a CDC in the development process can range from: (1) regulation of programs targeted at the private development sector, and (2) direct sponsorship of housing development. Both strategies will be critical for any

long-term stabilization of the housing stock, as well as maximizing community control of development priorities through which the interests of low- and moderate-income residents can be focused.

Building Rehabilitation Programs. Of the 962 buildings in the North End, 308 are estimated to be in substandard condition. Acquisition costs for these dwellings is substantially below the mean building costs in the area -- estimated at 3 to 6 dollars per gross square foot. Although this allows a low initial acquisition cost, total expenses for rehabed units is predictably high. These units generally have required "gut" rehabilitation -- new plumbing, furnace systems, interior finish and cabinet work. This has typically cost between 1,200-1,800 dollars/unit or

15-25 dollars/square foot.<sup>31</sup>

Total costs, including acquisition, reach 25-30 dollars per square foot or 22,000-28,000 dollars/unit. These, however, are smaller 1 and 2 bedroom units. Larger family units would require a much higher cost unit conversion and could potentially reduce the building density and exacerbate an existing shortage of North End units.

Rental subsidies for major rehabed units would be necessary for lower-income residents, even with a subsidized rehab mortgage. Increased rental levels for 1 and 2 bedroom units is estimated at as much as \$132/month rental increase for a private mortgage and \$75/month increase for a subsidized mortgage (assuming \$15,000 unit rehab costs).

Unpredictable and radically varying costs make rehab ventures a higher risk development venture for a CDC. In addition, the diversity of physical conditions and scattered site conditions have severely limited the economies of scale which a CDC might achieve over the private development sector. In addition, the difficulty and cost of achieving larger family units is a critical problem in the existing housing stock.

Regulation of the private rehab sector is, however, a crucial strategy area for the community, potentially affecting a large number of housing changes in the area.

Involvement of a CDC could include:

- 1) Attract low-interest rehab loans (312) into the North End. Current dependence of the community on high

market rate loans both dramatically increases costs and limits access of loans to low-risk/high-income persons or developers.

- 2) Allocate low-interest loans to existing owner-occupiers, especially lower-income owners. Many long-term homeowners have low or no existing mortgage costs so that increased rents reflect rehab costs only.

Rehab programs such as Section 312 allow partial refinancing of existing market rate mortgages which further reduces ownership and rental costs.

- 3) Low- and moderate-income tenants should be protected from rent increases by direct targeting of Section 8 or State 707 subsidies to ensure acceptable income mixing in the community. This can be facilitated through direct subsidy targeting programs such as HUD-Neighborhood Strategy Area or State-Neighborhood Improvement Program.

A CDC should utilize covenant agree-

ments attached to rehab loans to regulate potential rental increases and ensure mixed-income occupancy. Capital rehab improvements can be used to rent 25% of a building's units as luxury or market rentals; and thus, generate an internal subsidy for low- and moderate-income tenants, as is sometimes done by private developers in the area.

4) Direct grants or construction rebates (through CDBG) should be made available for code-related and other critical unit improvements for lower-income owners or tenants to mitigate potential rent increases from capital improvements.

Fifty percent property tax rebates are currently available for elderly homeowners through CDBG, and should be extended to low-income owners or buildings with a high percentage of low-income tenants.

5) A broad ownership program should be encouraged within the neighborhood. Low-cost development of condominiums or co-operatively-owned units is not feasible in the pri-

vate speculative market and must be undertaken by a CDC or non-profit development entity. Extensive mortgage capital can be made available to low/moderate-income households through a "high-risk" loan pool such as the NHS program. Downpayments may be subsidized directly by CDBG funds.

Section 8 rental subsidies can be targeted for low-income housing cooperatives. In addition, 100% mortgage finance can be made available to lower-income co-operatives which are not dependent on downpayment costs.

New Construction. Four major new construction sites currently exist in the North End: (1) Saint Mary's Church site/.66 acres; (2) Saint Mary's School site/.32 acres; (3) Harris Street Site/.39 acres; (4) North Street site/.28 acres. These sites total 1.6 acres and represent between 120 and 210 potential new dwelling units or less than 5% of the existing housing stock.

Because of the private parcel ownership of each site and the speculative structure of the market, land acquisition costs are high and are an important development factor for the community. Estimates of current land costs are difficult to assess and vary by allowable density under zoning regulations. Current North End property has ranged from 10.5-12 dollars/square foot.

The strategic importance of these sites can be assessed by the currently high profitability and feasibility of new construction, luxury housing development at the Waterfront. The shift in luxury condominiums and rental units from rehab to new construction units has begun to occur with the recently completed Long Wharf units. The condominium costs ranged from

\$60,000 to \$90,000 for 1 and 2 bedroom units. Two proposals have been submitted to the BRA for luxury housing at the Sargents Wharf site. In addition, the subsidized 80-unit elderly project planned for St. Mary's Church site in the North End could jeopardize the status of the low-cost units now occupied by these North End elderly residents. The shift of luxury new construction units into the North End will radically accelerate the speculative pressures on the existing housing stock.

Community control and development of these sites will require a non-profit or limited dividend development entity, through which major subsidy and finance sources can be utilized which are not available to the private development sector. Development control of these sites should be used as

a critical community strategy to create accessible larger family units, currently not available or difficult to achieve in the existing housing stock. These larger sites can potentially be used by the neighborhood to increase parking and open space available to both residents and the neighborhood. Adjunct development programs can include neighborhood community spaces, recreation spaces, or profitable commercial use.

#### DEVELOPMENT STRATEGIES

This section will briefly examine both development structures and subsidy sources that are available to community-sponsored family housing development. A more detailed outline of other services and roles of a CDC in the North End is outlined in

#### Housing in the North End.

The potential role of a community in the housing development process can range between levels of ownership and control which a community group can exercise. These critical differences emerge depending on the level of economic or political resources and public support that the community can exercise. This development spectrum is briefly outlined below.<sup>32</sup>

1) Sole-owner Community Developers. The community developer develops a project with its own non-profit corporation, using its own resources, retains consulting and professional services as necessary, and has sole control of the project. This structure maximizes community control in all project phases and minimizes the necessity

of outside development regulation. Simplifications of the 100% mortgage financing reduces the complexity inherent in other limited dividend ventures. Under current tax law, non-profit corporations cannot utilize any "tax subsidies."

2) Managing/Participating Community Developer. A community group joins with a for-profit partner in a limited dividend joint venture; the community can hold either managing or participating control of the development and operation of the project. In either case, control of decision-making as well as a percentage of capital proceeds is shared with a private developer. Both the development skills and capital backing of the private developer can be utilized by the CDC. This development structure is eligible for tax

syndication proceeds as well as 6% cash flow which may be shared between partners depending on legal contractual arrangements.

3) Affiliated Community Developer. Either necessary political leverage or the necessity of community participation in a project may motivate a private developer to elicit the contractual services or support of a community group in a development project. This may allow the community some influence over the direction or management of the project, but affords final disposition of capital proceeds to be decided and controlled by the private developer.

Community-initiated housing development through a non-profit development venture has been attractive to many community groups because of the inherent lack of de-

velopment capital or mortgage financing and the availability of 100% financing for non-profit groups. However, current tax law affords a disproportionately low subsidy to non-profit as opposed to for-profit/limited dividend development. This is also reflected in the much higher rate of project defaults for non-profit groups.

Non-profit mortgagors receive HUD insurance and subsidy of a mortgage equal to 100% of the cost of the project recognized by HUD. Limited-dividend mortgagors receive the same insurance and subsidy benefits but in lesser amounts because their mortgages are equal to only 90% of project costs. However, both HUD and MHFA recognize certain developer and syndication costs that are rebated back to the developer and are as much as 6%-8% of

Total Project Cost (TPC). Also, the value to the developer and syndicated partners of the tax shelter generated by the project provide total project subsidies far in excess of the financing available to non-profit groups. This subsidy differential is as much as 37% of TPC for new construction and 66% for rehab projects; the general partner typically receives 15%-25% of the TPC. In addition, the 6% cash flow permitted limited dividend developers affords a potential cost "cushion" for unanticipated or increased project costs.

Potential benefits that can accrue to a CDC which forms a joint venture with a limited dividend developer are listed below:

1) Historically, community groups have lacked both development capital and development skills. The former is a problem which limits a group's potential to get qualified consultants, to secure architectural/planning services, or to secure an option on land and sites. The latter severely limits the credibility of a CDC and can constrain both financial and political support for a development venture.

A joint venture project with an experienced private developer can mitigate both of these discrepancies. However, compatible interests and community aims must be established.

2) Any cost overruns incurred in the project construction can more easily be absorbed by the capital proceeds from the "tax subsidy."

3) Both the cash flow and tax shelter allow development flexibility through cash and capital reserves which can effectively accommodate increased maintenance costs that are incurred and which cannot be

absorbed by rising incomes of the tenants.

4) Future or ongoing development can be partially funded by venture capital available through the sale of tax syndication proceeds.

#### DEVELOPMENT FUNDING SOURCES/PROGRAMS<sup>33</sup>

1) Initial Seed Monies. Initial or pre-development costs such as consulting or design fees are both critical to the feasibility of the project and difficult to fund by a community before a project is underway. Some allowable percentage of these costs are included in the mortgage financing; however, initial funding must come from either private grants or CDBG allocations.

Both land option and acquisition costs are also covered by the mortgage financing. Pre-development control/ownership of a site by a community group can be a critical vehicle to secure political and economic support for a project. In addition, a direct grant for land purchase to a CDC can effectively serve as a land cost write-down subsidy for the project which can have considerable economic benefits to the project. Direct grants of this size for family housing must rely on CDBG sources.

2) Mortgage Financing. Non-elderly housing finance must come from either state financing (MHFA) or through a special HUD target program such as UDAG, Title VII or NHS. The latter, however, are unpredictable funding sources and take time to plan and

implement. In addition, a local Housing Authority, through Section 11-B enabling legislation, has the potential to issue bonds to raise necessary development capital which can be made available to a CDC. HUD 100% or 90% mortgage insurance is also available through 221-D3 and -D4 programs.

3) Operating/Rental Subsidy. Critical allocations of unit rental subsidy Section 8 are available either through state and city allocations or directly through HUD and NSA special appropriations. Although these allocations are far less than the broad need for rental subsidies in the Boston Area, they are accessible to well-organized communities or private developers with favorable track records. In addition, Section 23 scattered-site leased housing through the LHA may be used in a project

in lieu of Section 8. However, tenant leasing is controlled by the LHA and not the community.

An agreement with the city on property tax stabilization rates is necessary both to reduce the levels of property tax expenditure and to protect the project from unanticipated tax increases. This requires a 121-A agreement with the city.

4) Continuing Development Capital. Project re-finance is not possible for non-profit development. Future development capital can either be financed from tax "subsidy" revenue in the case of a limited dividend project or must rely on continued 100% financing for a non-profit venture.

#### DEVELOPMENT STRATEGY

High new construction costs determine that Section 8 rental subsidies are requisite for low-income resident access to a project. Although MHFA requires an income mix of at least 25% low-income units, the community may require this to be substantially increased to achieve more favorable numbers of eligible lower-income families and elderly residents. A CDC should require a substantial Section 8 allocation commitment through either the city or through HUD-NSA target programs.

The impact of high land costs in the North End will require higher-income tenants for all non-subsidized units. This can be favorably mitigated by securing a land acquisition grant to a CDC from city CDBG al-

locations.

Economic Leverage/Joint Venture. A community group or CDC can utilize these development subsidies to secure 100% financing or more critically to leverage a joint sponsorship with a limited dividend developer. In this way, managing control can be contractually determined by the CDC as either the sole or joint partner. Tenant selection and project operational/management decisions can be undertaken by the CDC in the development. In addition, some percentage of proceeds from any tax syndication sales can be retained by the community for reinvestment or additional subsidy to the project.

The partnership of an experienced private developer can be critical to both assemb-

ling a development "package" and in securing financing commitment from MHFA. Through this partnership, the community can acquire management and development skills, as well as a development track record for any future projects in the community.

FOOTNOTES

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COMMUNITY-INITIATED NEW DWELLING UNITS/  
PARAMETERS FOR CONTINUITY AND CHANGE

This section will explore the potential for community-initiated new family housing development in the North End. As outlined earlier, community control of subsidized development of major open sites in the area will be a strategic component in a community housing strategy. The development of accessible family dwelling units on these sites will play a critical role in relieving the extreme shortage and high cost of larger family housing units in the North End. This will be a major factor in stabilizing the decline of these low- and moderate-income households from the area; and in preventing further new luxury housing development in the North End/Waterfront area.

Both economic parameters for community-developed housing, as well as the physical and environmental design parameters for new dwelling types, will be outlined. This will include a design proposal for the St. Mary's Church site, which will be a major new construction site in the area.

The issue of neighborhood control in the still largely blue-collar community will, therefore, increasingly be an interdependent issue of both economic and political, as well as physical, dimensions. The potential for an ongoing and viable Italian community will depend on its effective regulation and participation in determining changes in the physical environment.

Regulating Physical Change. As a working class tenement community, the North End is

characterized by a highly complex set of spatial conflicts and dependencies. The determination of physical space decisions has been made by a private development sector (or land speculators) that were foreign to the community itself. These private decisions of land use were typically based on a maximization of unit density and building coverage of each ownership parcel which optimized the profit potential of the area. The resultant crowded tenement dwelling environments, as discussed earlier, have been an ongoing source of unmet space needs within the community.

The physical setting of the North End, however, also provided a context that maintained and reinforced the important social, family, and peer-group networks of the Italian community. The ongoing interaction

of cultural, commercial and private activities within the street spaces, and the tightly-knit resident groups within the tenement block, has developed a high dependency or "fit" between the community and the physical place.

This degree of social control of the neighborhood has been increasingly jeopardized by the housing speculation and the concomitant class changes which are forcing many Italian residents out of the area. Most working class residents have been unable to participate in the gradual physical upgrading of the residential units in the area. Many larger family units have been either converted to smaller units which can more easily accommodate the "incoming" one- and two-person households or have had prohibitive rental cost increases.

The development of an effective neighborhood housing strategy must focus on both the maintenance or preservation of the North End physical fabric, as well as determine changes in the level of dwelling accommodations to existing residents. This is especially critical for any large-scale new dwelling environments in the area. The compatibility of this new housing to the existing North End fabric will play a vital role in maintaining the social "usability" of the area for existing residents.

The continuity of uses and morphology of the public spaces or street networks -- including the mix of land uses, the focus of neighborhood social activities, and the visual control and social regulation of these areas by block residents -- will be

an important factor in accommodating a new housing development to the existing normative uses of space by the North End residents.

The shortage of both shared and private open space in the extremely high-density tenement housing stock, however, has been a liability for family households in the North End. The responsiveness of new housing development will depend on its ability to introduce physical dwelling options that are currently not available in the neighborhood. This includes adequate space and outdoor requirements for family and elderly residents, as well as increased levels of parking and community service accommodations.

Community regulation of this new dwelling environment is incumbent on a strategy for both effectively describing and analyzing the characteristics of the neighborhood and in outlining the parameters for a compatible new dwelling context.

The physical structure of the North End has been documented both as a tool for evaluating the current utilization and allocation of space and as a method for codifying the existing physical elements of the environment. The former as a way of assessing the performance of the North End environment, including dwelling units, public and private open spaces, service spaces such as parking and storage. The latter as a necessary tool for articulating patterns of use as well as critical physical norms and relationships. In this

way, essential characteristics of the existing environment can be externalized and broadly re-evaluated by the community and form a basis for generating new dwelling environments in the North End.

#### ANALYSIS

The dwelling environment has been characterized not only by the allocations of space to the individual residential units or buildings, but also by the relationship of the dwelling to the larger neighborhood context. These physical patterns or relationships as well as social agreements of uses and activities within these spaces define the physical structure or fabric of the neighborhood.

Patterns of form and use have circumscribed

both the continuity or consistency of relationships and the potential or range of individual variations. The ongoing dialectic of these two tendencies has formed the physical character of the North End and has maintained a vital neighborhood context.

Elements of the neighborhood fabric can be characterized as:

thematic: these are typical physical or functional relationships within the neighborhood. They determine the basic pattern of the fabric.

non-thematic: these are unique elements or functions in the neighborhood. Frequently, they are spe-

cialized uses.

Analysis. These elements of the dwelling environment or fabric can be analyzed in terms of both the physical norms and the social use characteristics that have developed over time. These have been outlined as:

1. Public Streets/Spaces. These are major vehicular/pedestrian circulation, common outdoor areas, parks, plazas, and major institutional spaces.

2. Block Morphology. These are private and shared outdoor and circulation spaces; they define the open and built spaces within the individual block.

3. Dwelling Unit. These are family or individual space and unit allocations within the individual tenement structures.

The interrelation between these physical spaces of the environment and the social functions or activities of the Italian community has been characterized by a hierarchy of social domains or control. These are outlined as:

1. Public Activities. Elements which are used in common by the community as a whole. They form the focus of social/commercial/institutional activities. They are areas where the individual user has least control.

2. Semi-public/Shared Uses. Spaces or activities which are either used by or affect a more local resident group.

3. Private Uses. Areas in the environment that are controlled by the individual or family members.

The relationship of the physical elements

of the neighborhood to these domains of social uses is not fixed, but rather has been determined by either explicit or implicit agreements of residents over time.

The analysis and documentation of the physical elements has identified the critical spatial norms and the capacity of these spaces to meet the housing needs of the existing community. This will provide a basis for re-evaluating the existing dwelling context and outlining the physical options and limitations of new dwelling environments within the North End.

#### NEW DWELLINGS -- CONTROLS AND GUIDELINES

Physical guidelines for a new dwelling environment have been established -- although it is realized that these controls must be

determined through a public or participatory process with the community. These design parameters and the physical designs serve as a test or hypothetical case through which their effectiveness can be evaluated.

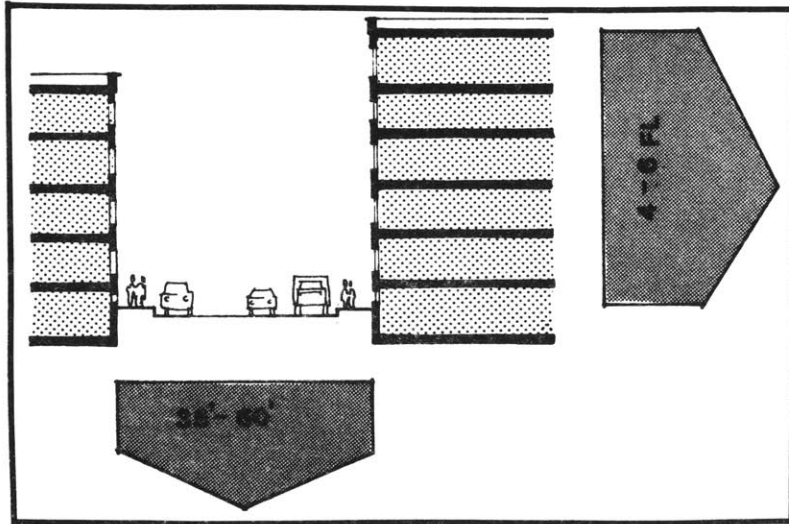
Regulations have been assumed which will establish the continuity of street or public spaces, including potential uses and morphology.

# PUBLIC SPACES

## TYPE 1/COMMERCIAL STREETS

### USES

### MORPHOLOGY



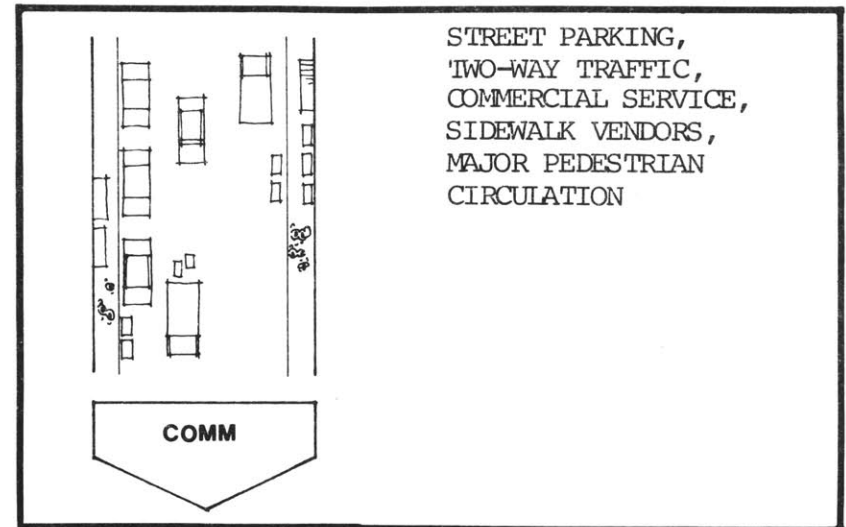
1) Major commercial and institutional uses are located on these streets-including area wide retail, entertainment and religious functions. Service and parking are located along street with residential uses above.

2) Forms major traffic artery and boundary streets in the North End.

3) These streets establish the focus for neighborhood social gathering along sidewalks and in cafes.

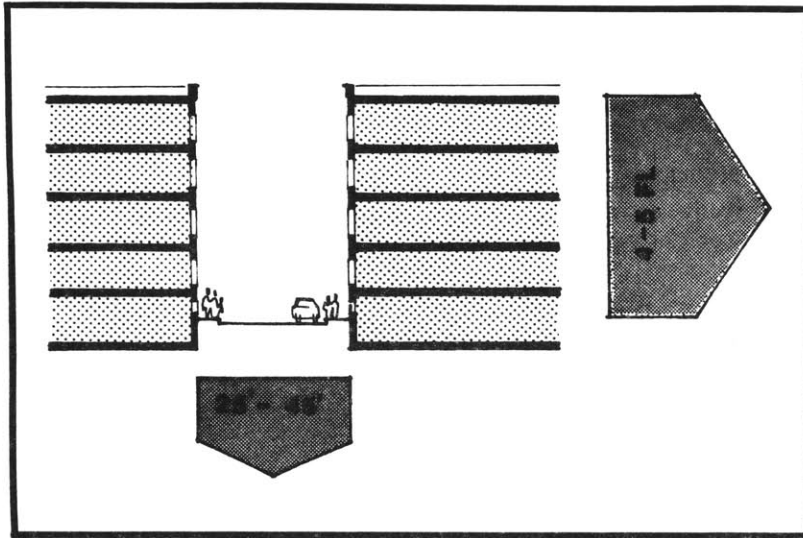
1) Street widths dimensionally range from 35'-60'. This allows commercial servicing from the street as well as parking.

2) Maximum North End building heights are located along these commercial streets. Typical building heights vary from five to six floors.



# TYPE 2/RESIDENTIAL STREETS

## USES MORPHOLOGY



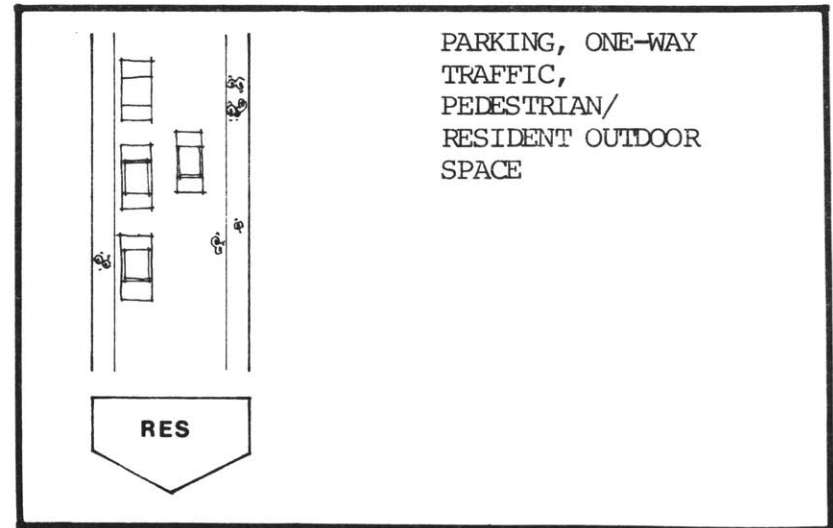
1) Ground floor uses are shared by both residential and local commercial uses.

2) These streets form the thematic pedestrian circulation network throughout the North End. Parking and one-way vehicular traffic is located along street.

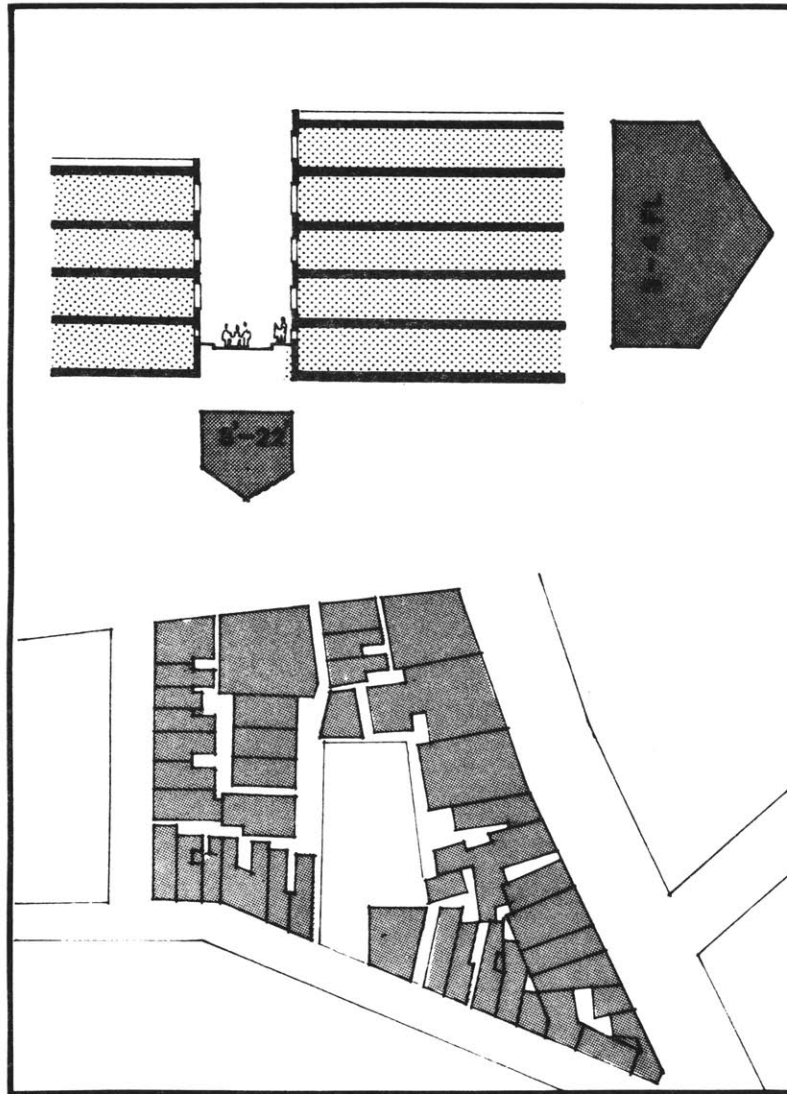
3) Local resident control and use of these streets as shared open space-including such activities as childrens play areas and social gathering spaces.

1) Street widths vary dimensionally from 25' minimum to 40' maximum. This allows typically one lane of traffic and resident parking with 3' to 5' of sidewalks and pedestrian lanes.

2) Building heights vary typically from 3 to 5 floors.



# TYPE 3/PEDESTRIAN ALLEY

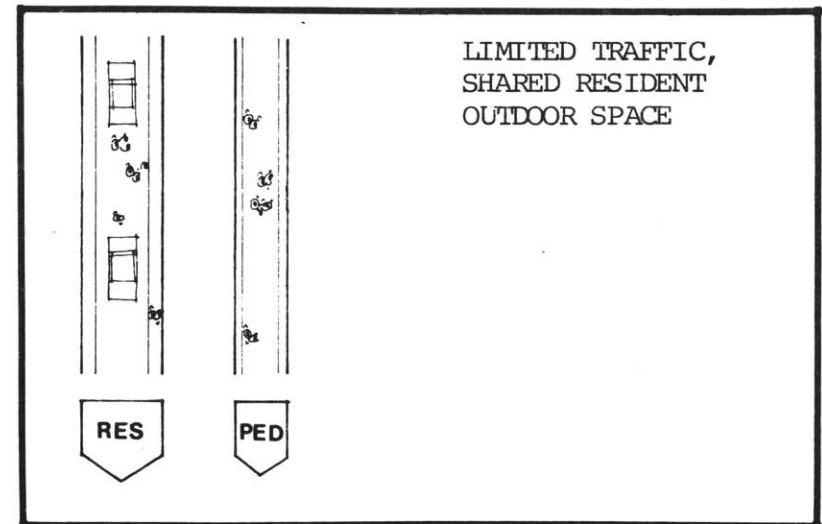


## USES

- 1) Ground floor uses are exclusively residential. Accessibility is limited to pedestrian access, some paths allow limited through traffic.
- 2) These pedestrian networks allow resident access to units located in the interior of the block.
- 3) This pedestrian network provides a highly controlled semi-private resident outdoor space. Paths often connect interior open spaces that form intensively used recreation spaces.

## MORPHOLOGY

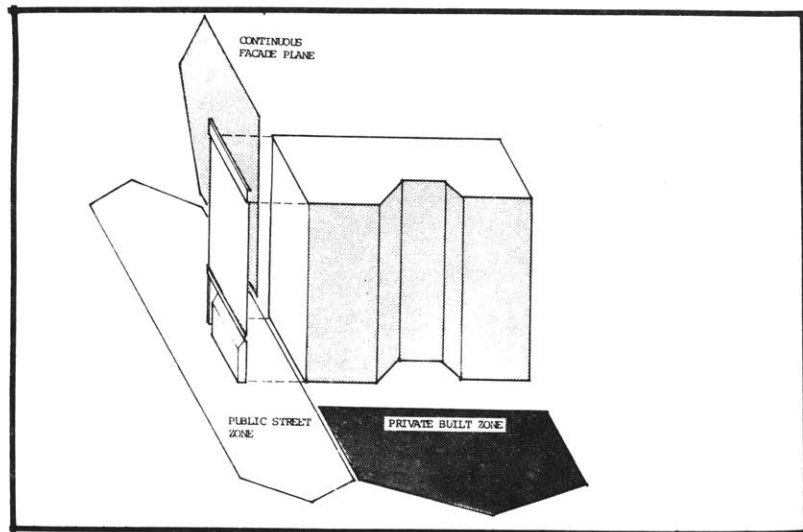
- 1) Width dimensions vary from 27' to 8'. This reduces light and ventilation to interior units.
- 2) Building height is generally lower, ranging from two to four floors.



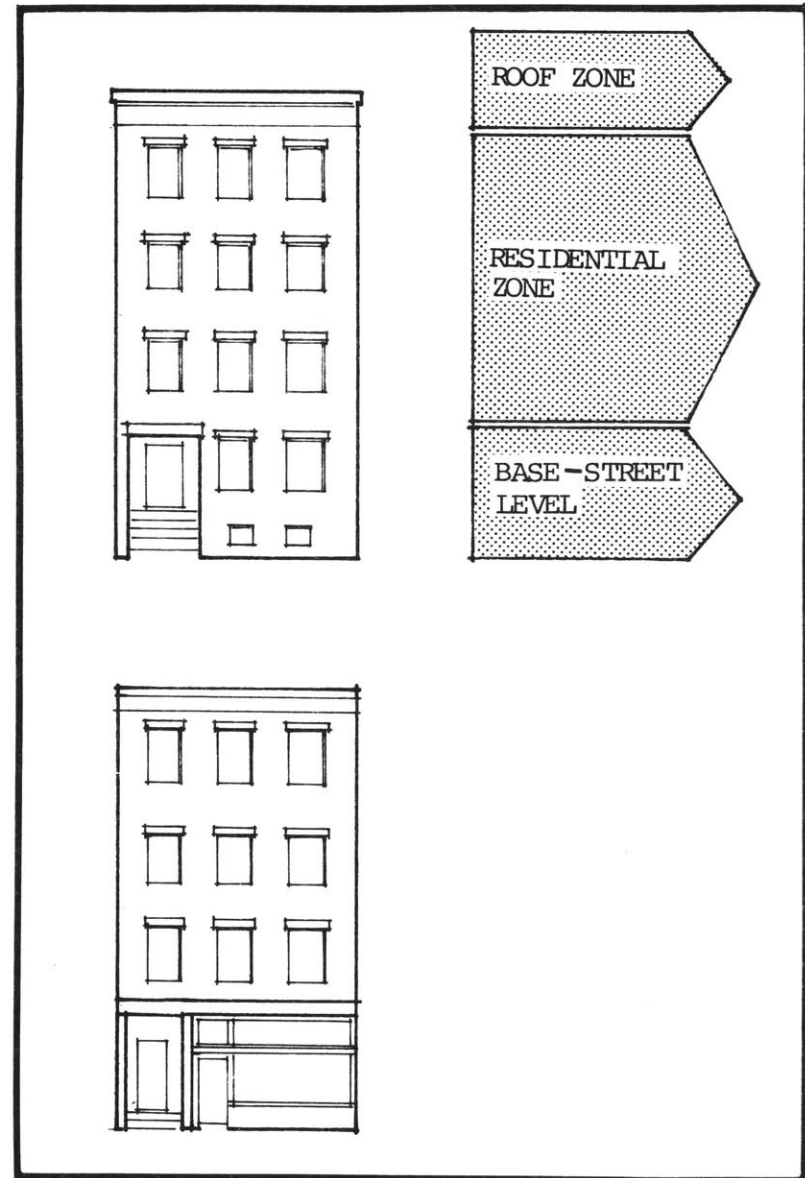
# STREET FACADES

1) Street Continuity The location of the dwelling facade has maintained a continuous plane across private parcel and ownership conditions. The space of the street has been formed as positive and enclosed space. This has allowed a continuity of public spaces throughout the North End.

2) Building Diversity This has been introduced by varying the height of each building. This has established a highly diverse cornice line along the street edge. The height of the facade plane is discontinuous across parcels or ownership divisions; this allows generally not more than a twenty to fifty foot run of continuous cornice line. In addition, the treatment of materials varies by units. Although generally the exterior surface is brick (some wood and aluminum siding), brick types, colors, patterns, trim details all vary with each building.



# FACADE ZONES



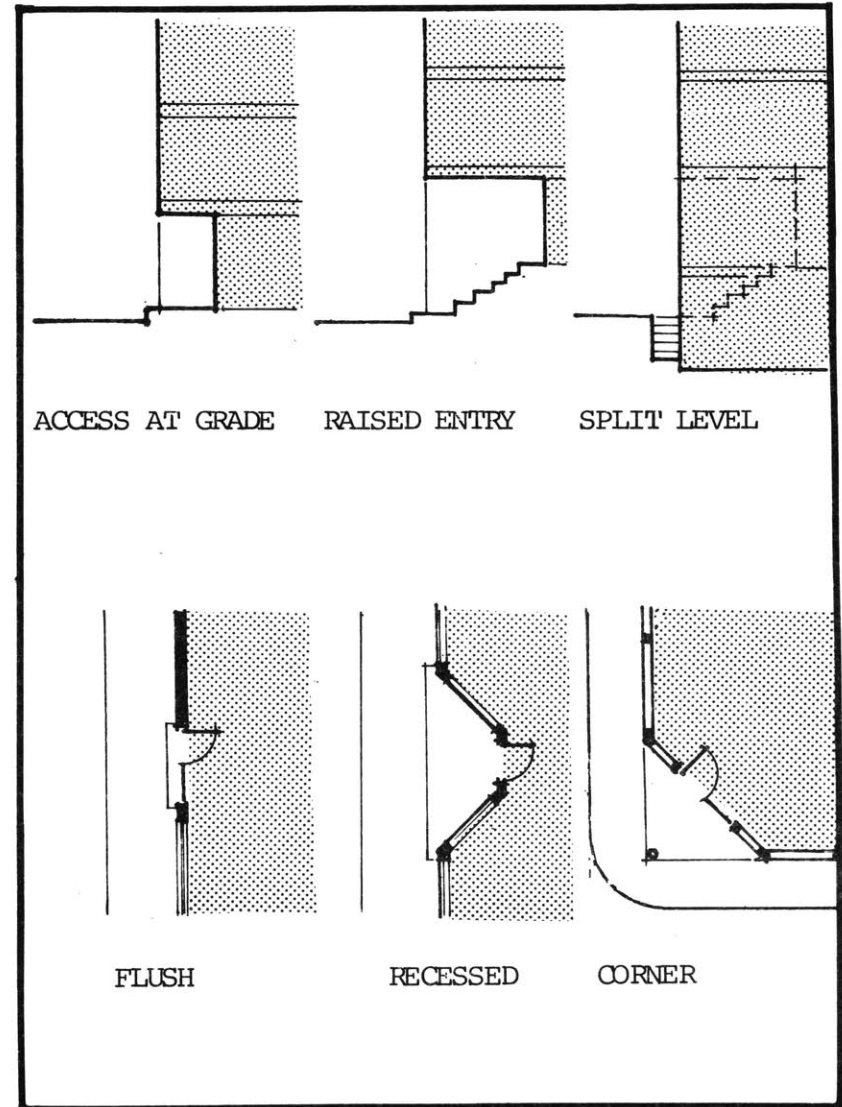
## FACADE ZONES

The elements of the tenement facade have established generally consistent zones or relationships in the North End. This has allowed an endless variety of building elements, variations such as cornice lines, window trim, entry details, to be structured as a consistent facade type.

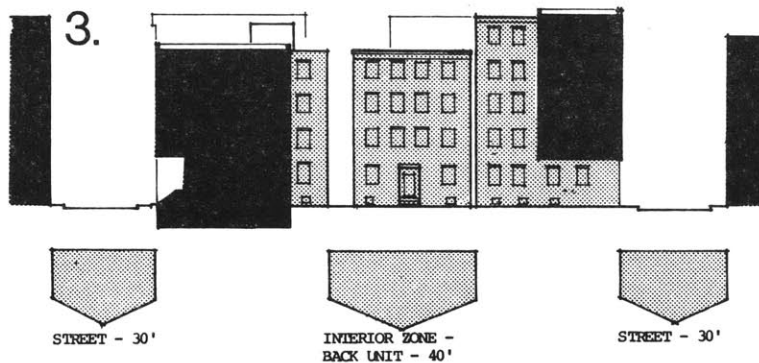
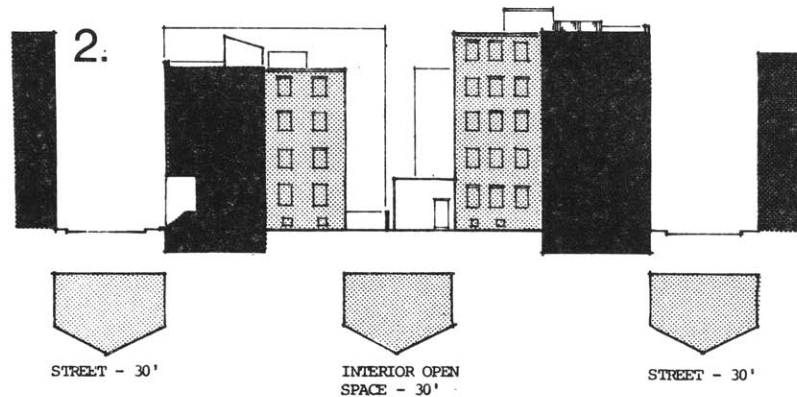
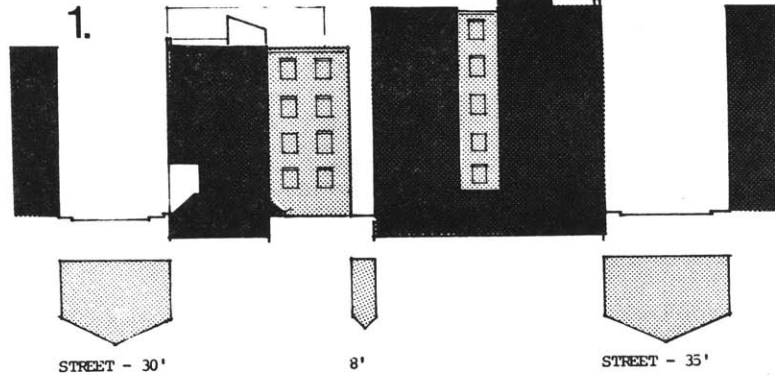
- 1) Base and ground floor either commercial or residential use; common unit access or entry; determines relationship of public to private
- 2) Residential zone single residential use; symmetrical window location and cornice; allows observation of street by private units
- 3) Roof zone not visible from street; used as surrogate private or shared outdoor space including utility space, gardens, enclosed deck spaces



## STREET ACCESS TYPES



# BLOCK TYPES



Section 1 Typical minimum allocation of open space. Open zone between units varies from 0 to 8 feet allowing marginal light and ventilation for units. Usability of these spaces is limited to residents of adjacent units for private utilization of space needs such as laundry, storage, etc.

Average unit density is 160 to 175 units per acre. Land coverage is 70 to 78 per cent.

Section 2 Wider blocks have allowed an open zone within the block (dimensional variation typically from 12 to 22 feet). These areas are used either privately by building or unit residents or are shared by contiguous buildings.

These spaces provide an important but often limited area of usable semi-private open space and allows an expansion of outdoor activities contiguous with the unit.

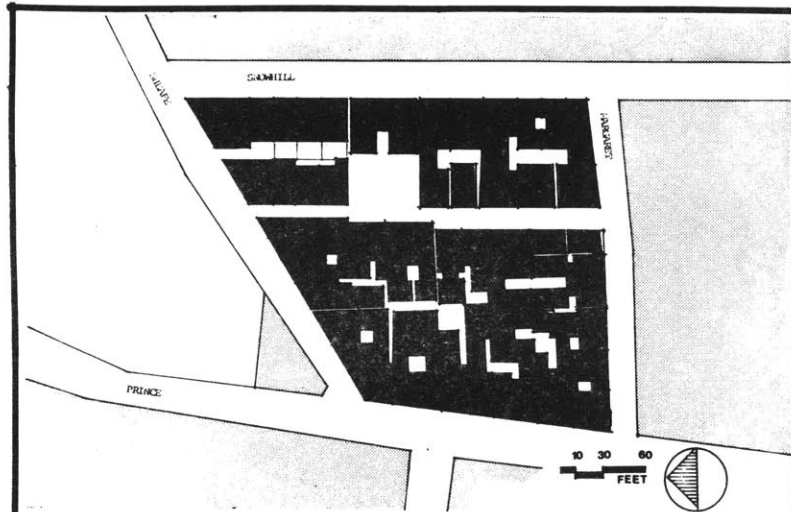
Average unit density is 140 to 160 units per acre. Land coverage is 65 to 70 per cent.

Section 3 Interior dwelling units within the block have been introduced either by shared pedestrian paths or private alleys into the block. This interior unit access allows increased unit density in deep section blocks. Because of four to five story building height and narrow alley section, poor shading conditions are created. Often, unit conditions are poorest there.

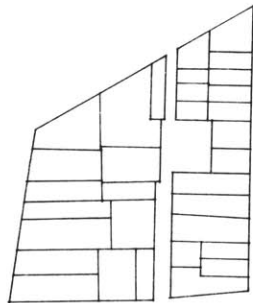
Interior open spaces are closely associated with the adjacent units and are not generally considered public access (unless they connect larger shared spaces within the block).

Average unit density is 170 to 180 units per acre. Land coverage is 75 to 80 per cent.

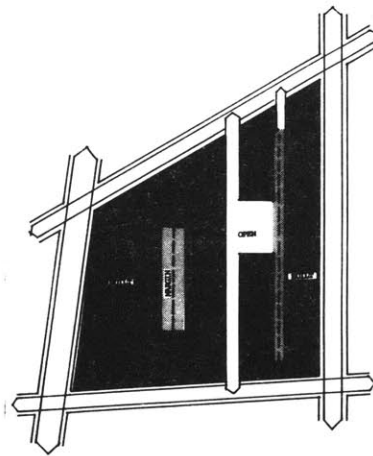
# BLOCK 1/HIGH BUILDING COVERAGE



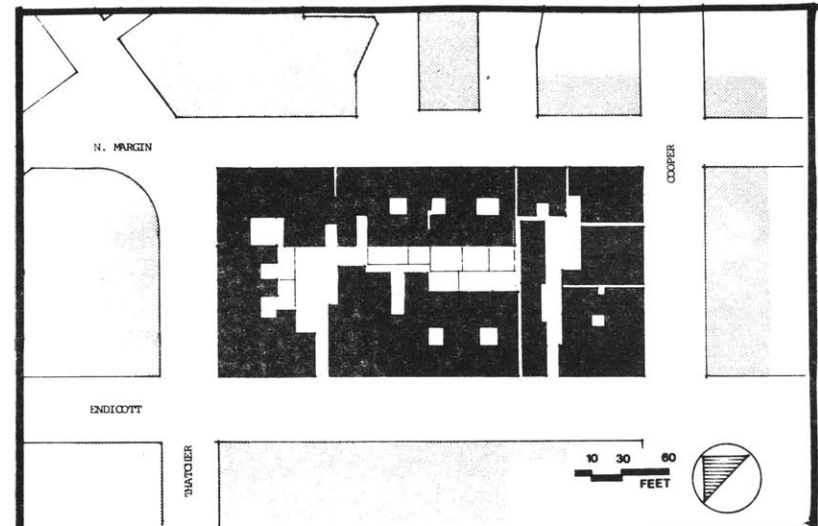
LAND PARCELS



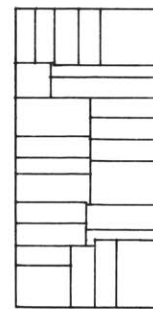
ZONING



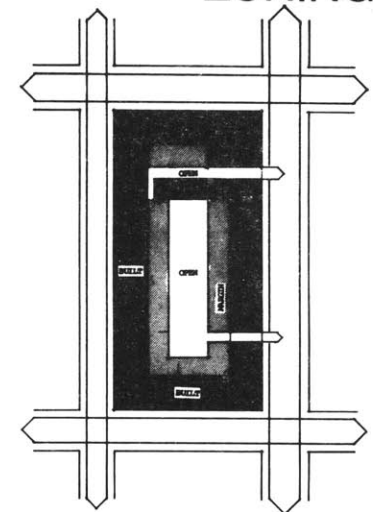
# BLOCK 2/INTERIOR OPEN SPACE



LAND PARCELS



ZONING



# DWELLING UNIT

## BLOCK 1

Unit density of the block is 160 units per acre (net) with building heights ranging from three to five floors. The 170 foot width of the block has allowed typically 40 feet to 50 feet deep building sections and maintained an interior open zone. Ground floor building coverage is 68 per cent built space.

Typical of North End block morphologies is the exterior orientation of the tenement dwellings to the public street. Major access to units is from the street, which also contains all parking spaces for the block. Pedestrian paths interior to the block have allowed semi-public access to interior units and to shared open space.

Utilization of interior open space has been allocated to separate tenement buildings. These spaces are heavily used for both private storage space and outdoor activity spaces. This open zone ensures adequate light access to the dwelling units.

## BLOCK 2

Unit density is 178 units per acre (net), with 79 per cent land coverage. Unit access is from both residential streets surrounding the block and the pedestrian alley through the block. Common open space within the block has been established along the interior path and provides a major focus for semi-public outdoor activity. The width dimension of the alley allows occasional vehicular circulation through the block.

The impact of the very high land coverage on the block morphology has eliminated any definable open zone within each block. Very limited usable open space exists within these blocks. Light penetration to dwelling units has been severely circumscribed. Outdoor activities are focused on the public street surrounding the blocks. Interior block spaces are limited to marginal storage needs and utility uses such as laundry for private dwelling units.

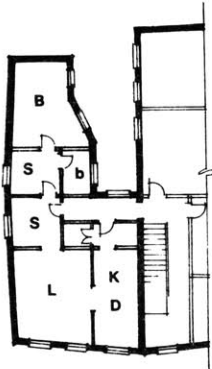
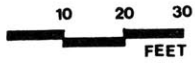
The development of the tenement dwelling type was based on a maximization of spaces or services within the unit. The North End tenement typically consisted of a three to five story walk-up with a single common access and hall. An average five to ten units share each common stair. The unit space norms for the existing residents are extremely small.

In addition, the housing stock has undergone continual change and modification. Most plumbing services and utilities have been added over time. Unit room partitions have also been changed to suit housing or market preferences over time. This has resulted recently in the elimination of many family units in the neighborhood.

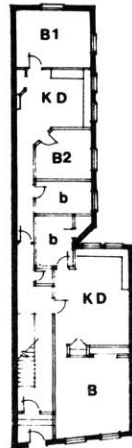
Typically, unit types may be classified as either:

- 1) Floor through units with views to both front and back of the building, service spaces are located in the middle.
- 2) Single sided units with one exterior view. These are smaller units with service spaces at the back of the unit.

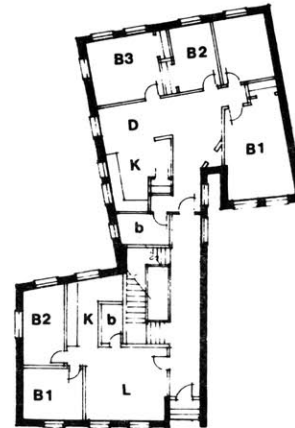
The typically deep building section has required that a large percentage of interior room space is dependant on light shafts or narrow building set-backs for light and ventilation. This has provided inadequate or non-existent natural light sources for many units or spaces within the unit.



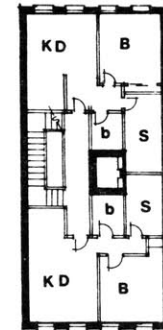
A. ONE UNIT  
(817 SQ. FT.)



B. TWO UNITS  
(448,560 SQ. FT.)



C. TWO UNITS  
(616,990 SQ. FT.)

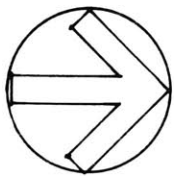
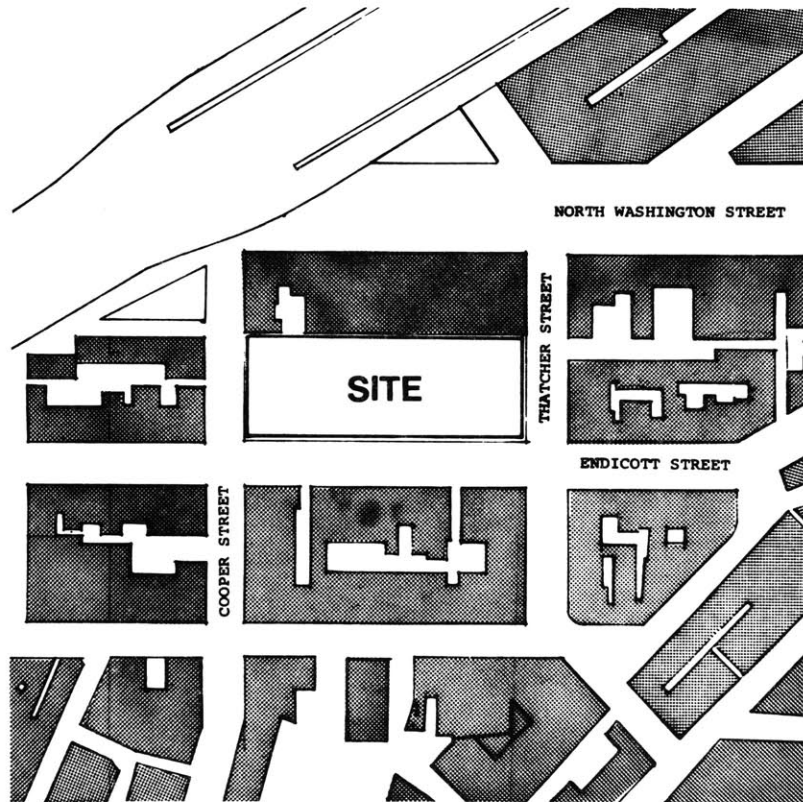


D. TWO UNITS  
(506,570 SQ. FT.)



# NEW DWELLING ENVIRONMENTS

## SITE CONDITIONS

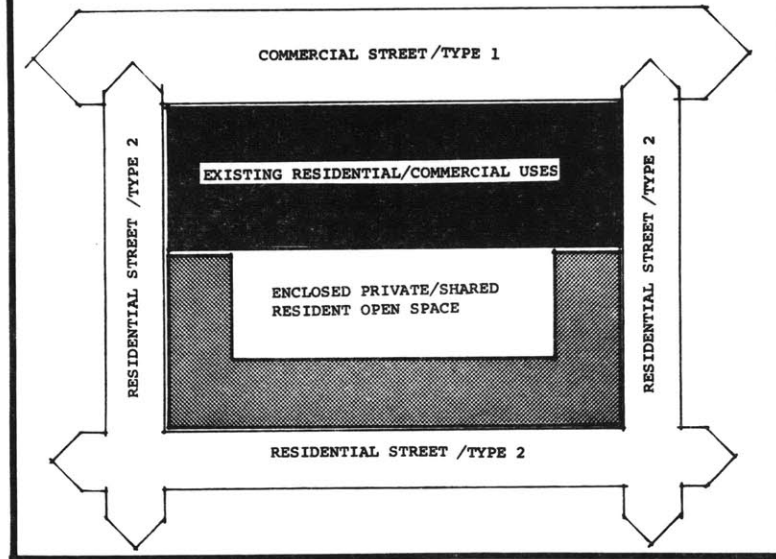


The Saint Mary's Church site lies along the eastern edge of the North End. The existing block contains two-thirds of an acre open site as well as four to five floor residential buildings and an eight floor commercial building which bounds Washington Street. These provide a buffer to the major traffic street as well as to the central artery which lies along this edge of the North End. The surrounding residential units typically contain mixed ground floor uses including residential and commercial activities. These units consist of generally less expensive North End housing stock.

The new infill housing should be a critical physical component of the area by reinforcing both the physical continuity of the street edge as well as the focus of street activity. In addition, the new dwelling environment should provide accessible open space and increased parking for the block family residents.



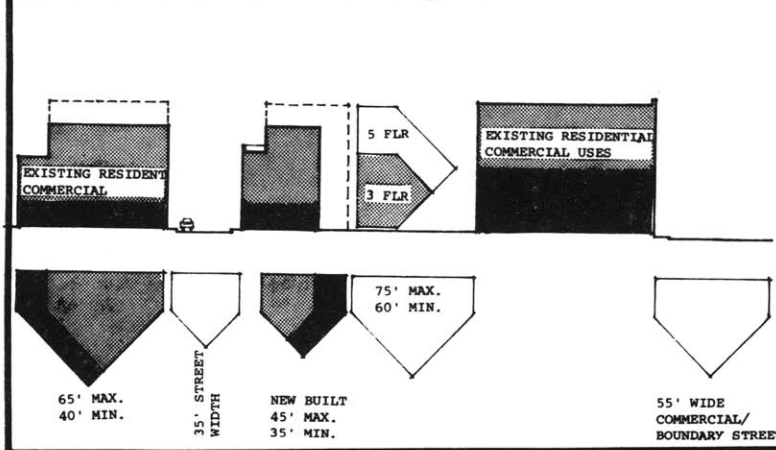
# CONTINUITY OF PUBLIC SPACES



New infill housing should maintain the continuity of street types bounding the site. This compatibility of the new block morphology with the surrounding North End context should be reinforced by:

- 1) Maximum enclosure of the block which should establish a clear separation between public spaces and private or shared spaces interior to the block. This should also maximize accessible open space to block residents.
- 2) Maintain the mix of uses along the existing street edges bounding the site-including commercial and residential uses, vehicular service and parking.
- 3) Maintain the continuous morphology of the street edge-including the continuity of facade plane, similar building height and set back conditions, maximum residential access to the street.

# BLOCK SECTION



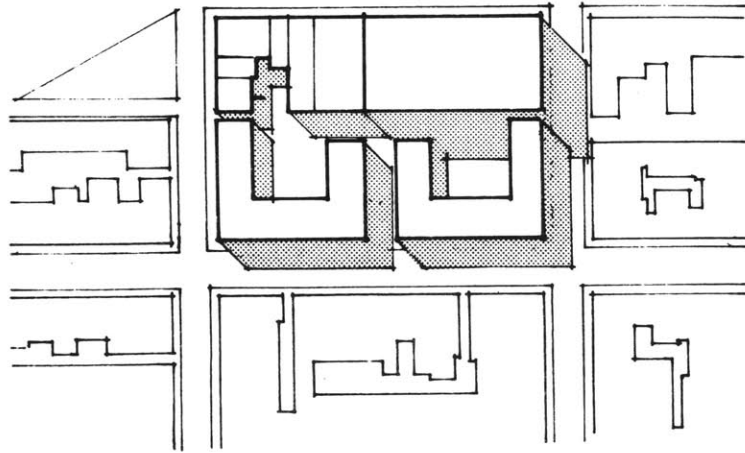
## USES

- 1) Ground floor uses may potentially mix small local commercial/community spaces-with residential uses above.
- 2) Maximum residential access should be along the street edge.
- 3) Vehicular access/resident parking should be maintained along the street.

## MORPHOLOGY

- 1) Maximum building continuity should be maintained along the existing street edge.
- 2) Existing 35' street width should be maintained-new residential set back may be increased to 45' to include semi-public buffer zone at unit access-or increased parking at the street.
- 3) Building height can vary between 3 and 5 floors-non-continuous building height should be maintained.
- 4) Building depth should be reduced to 35' to 45' to maintain through units and visual access of all units to the street and interior space.

# BLOCK OPTIONS



Cluster open space Two residential clusters allow maximum frontage of units along existing streets-also increased block density by providing interior units. Interior access is provided through public pedestrian circulation.

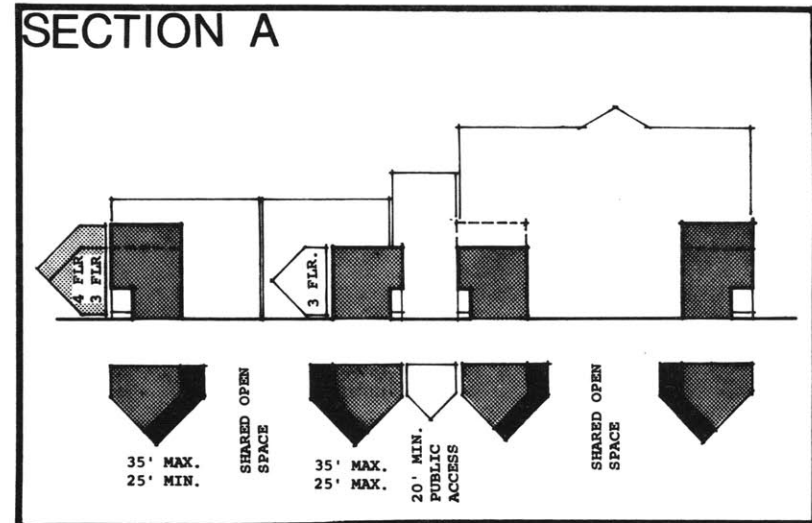
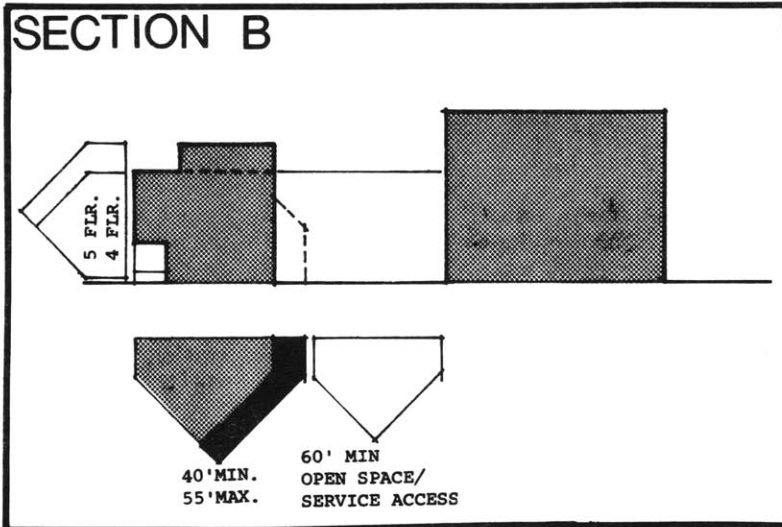
Maximum unit access to usable private or shared open space is maintained. All units can visually control both the public street space as well as the enclosed open space and uses.

## Section A

- 1) Building section depth limited to 30' maximum to ensure adequate interior open space. Also to ensure non-obtrusive winter shading conditions.
- 2) Interior unit access provided with public pedestrian path, clear separation is maintained of public circulation and interior private/shared space.

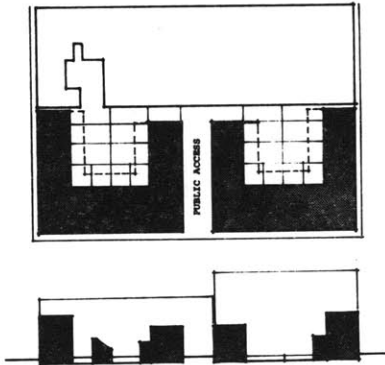
## Section B

- 1) 40' to 50' building depth allows potential increased unit density and maintains adequate interior open space, all units access from existing street.
- 2) Building height varies from 4 to 5 floors, maximum differentiation of roof area should be maintained.
- 3) Potential unit expansion is possible both at roof area and by increasing existing building depth.



# OPEN SPACE OPTIONS

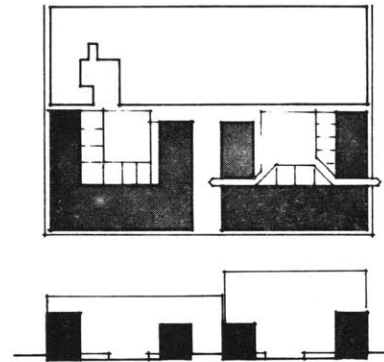
## PRIVATE USE



1) Maximum private use of block-allows individual use of an open space, including private expansion of units into open space.

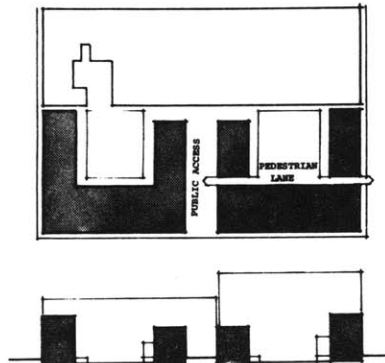
2) Reduces public access to block, as well as undefined or "non-controlled" open space.

## PRIVATE / SHARED USE



1) Reduces amount of private open space-allows shared uses such as enclosed play areas for children/gardens/enclosed parking.

## SHARED USE



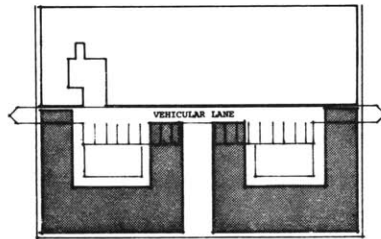
1) Maximum shared use of block open space-allows space for shared activities including play areas/gardens/service spaces such as parking.

2) Open-allows controlled public or resident access through block, connects semi-public interior space to public street spaces.

3) Enclosed-maximizes exclusive resident use of open space.

# PARKING OPTIONS

1.



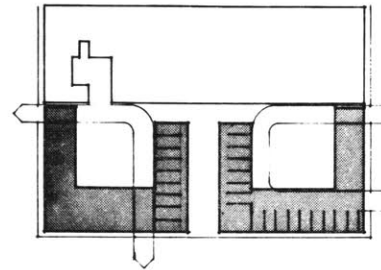
1) Maximum 41 parking spaces including on street parking (.77 ratio).

A) Allows separation of parking/vehicular uses and private/shared open space.

B) Limits extent of structured or covered parking.



4.



4) Maximum 53 parking spaces (1.0 parking ratio).

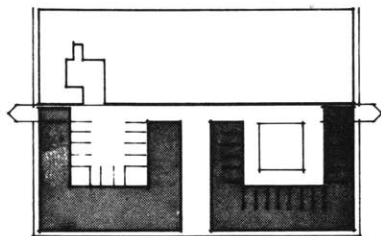
5) Maximum 57 parking spaces (1.07 parking ratio).

A) Allows separation of vehicular uses and shared outdoor space/necessitates cost of structured parking and reduces ground floor unit access.



2.

3.

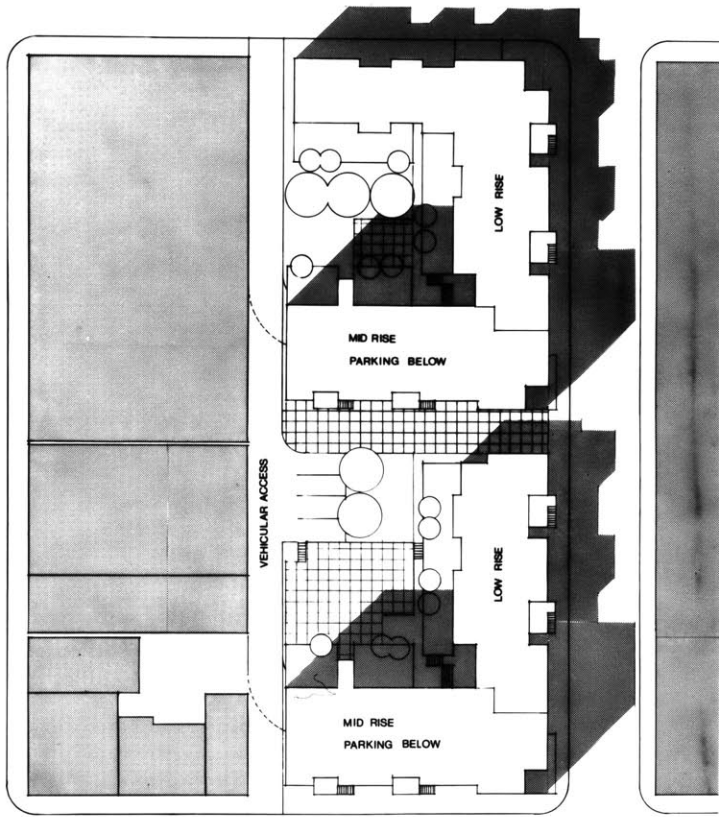
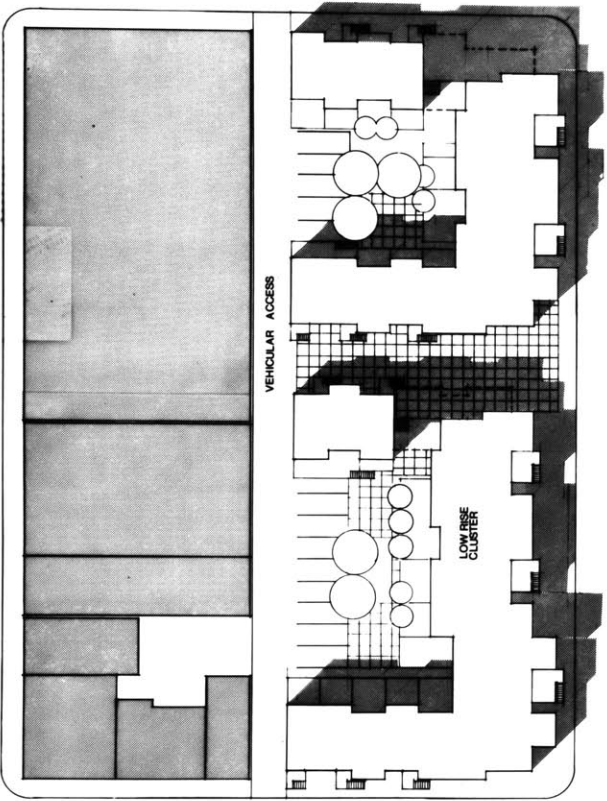


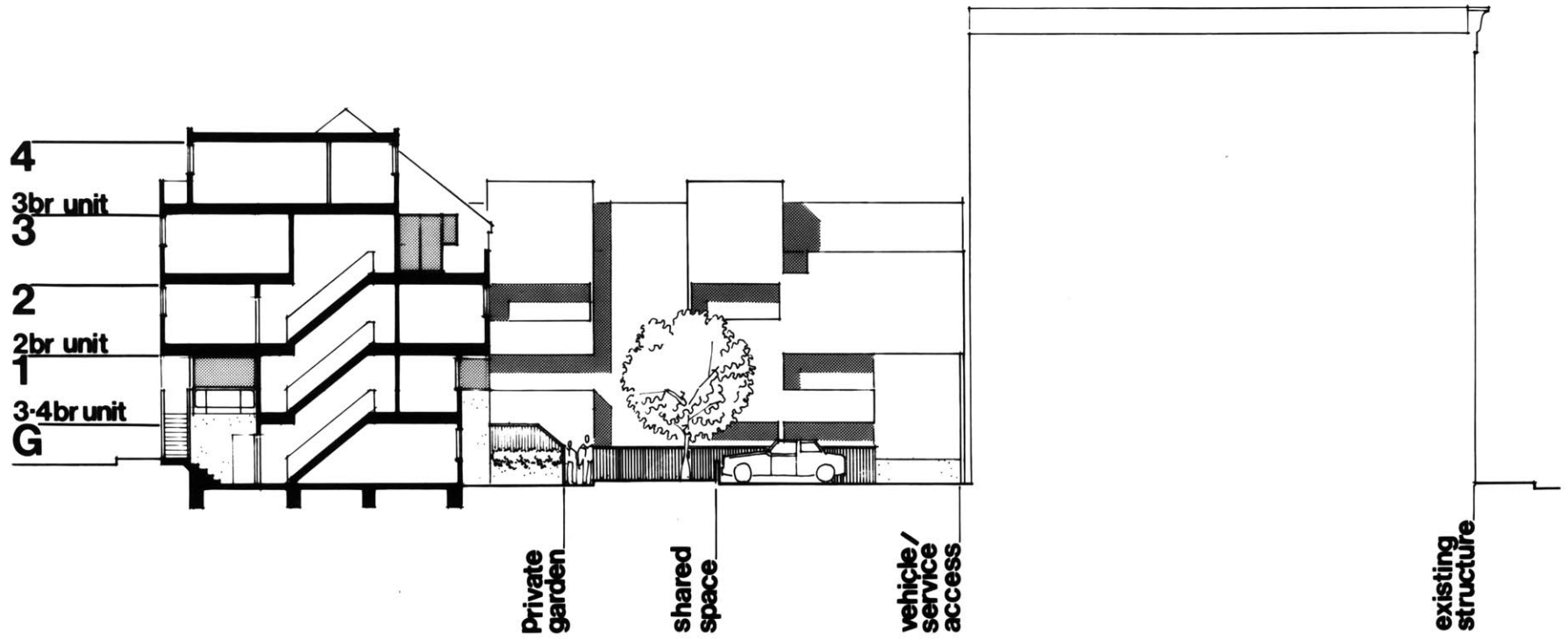
2) Maximum 51 parking spaces (.96 parking ratio).

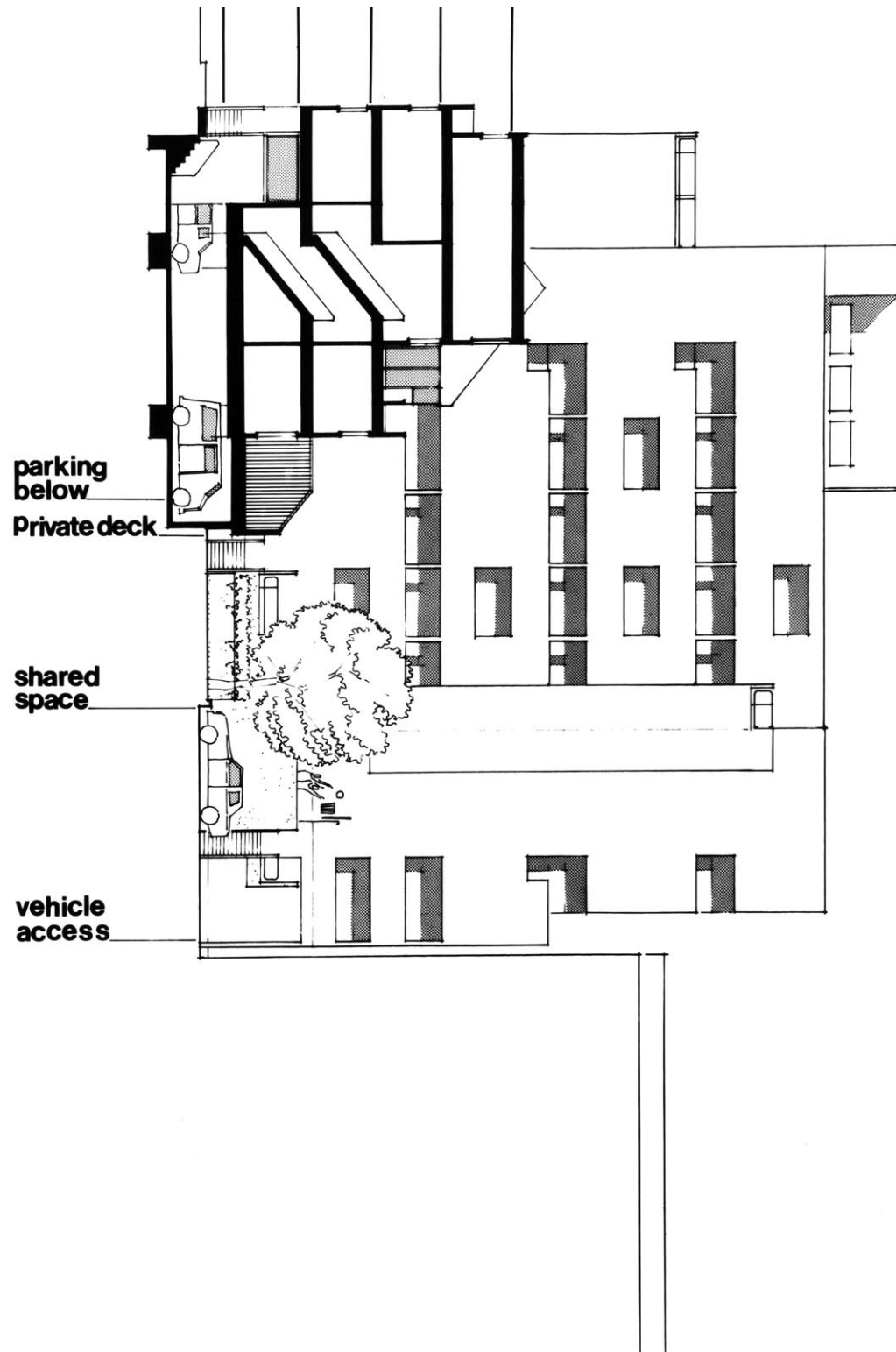
3) Maximum 61 parking spaces (1.15 parking ratio) required structured parking.

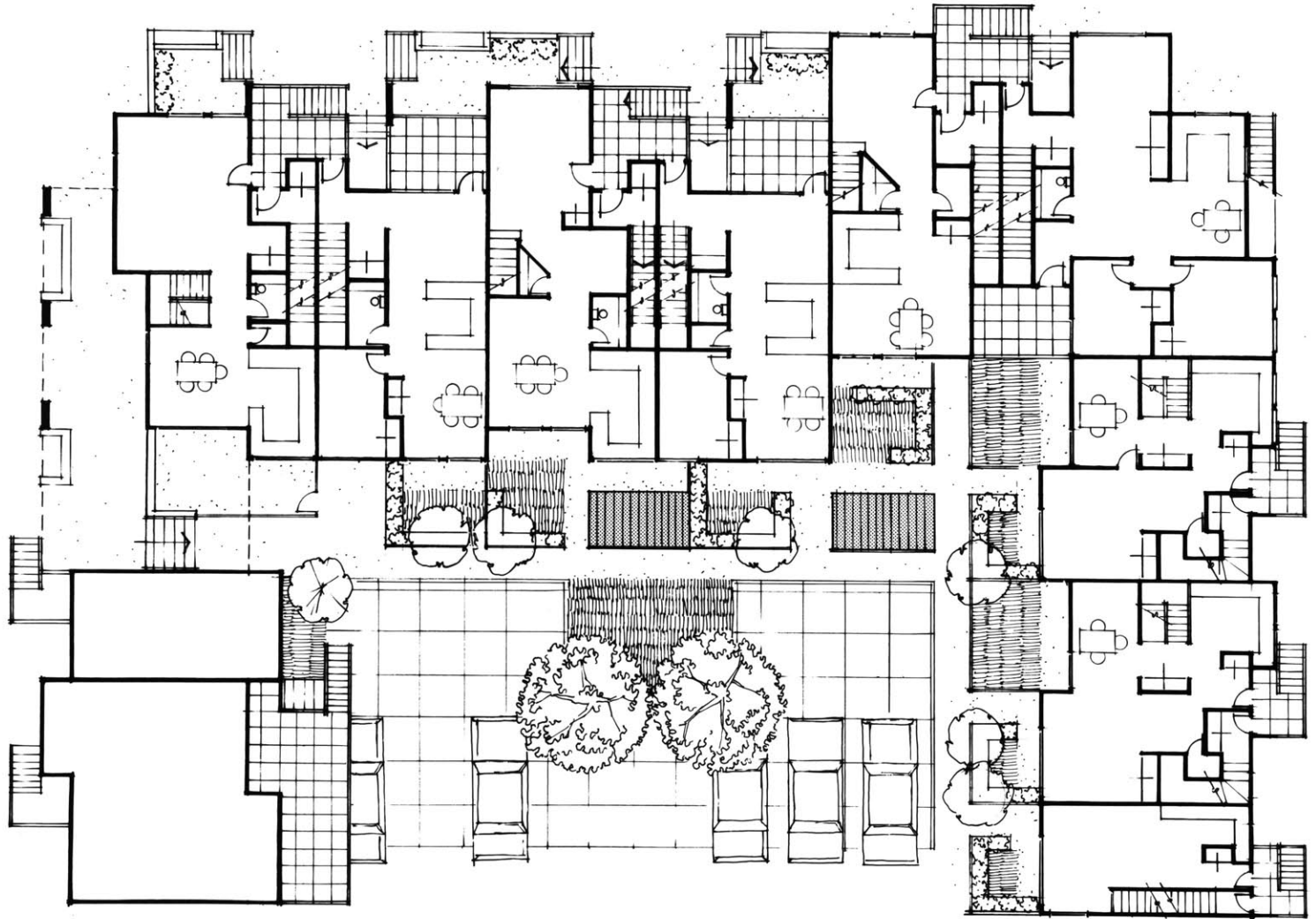
A) Necessitates overlapping vehicular and shared outdoor uses.

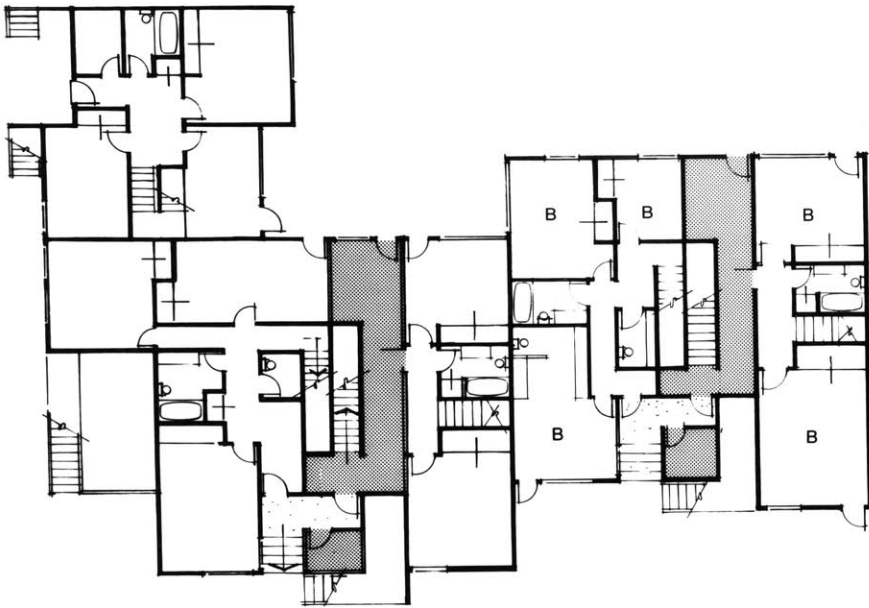




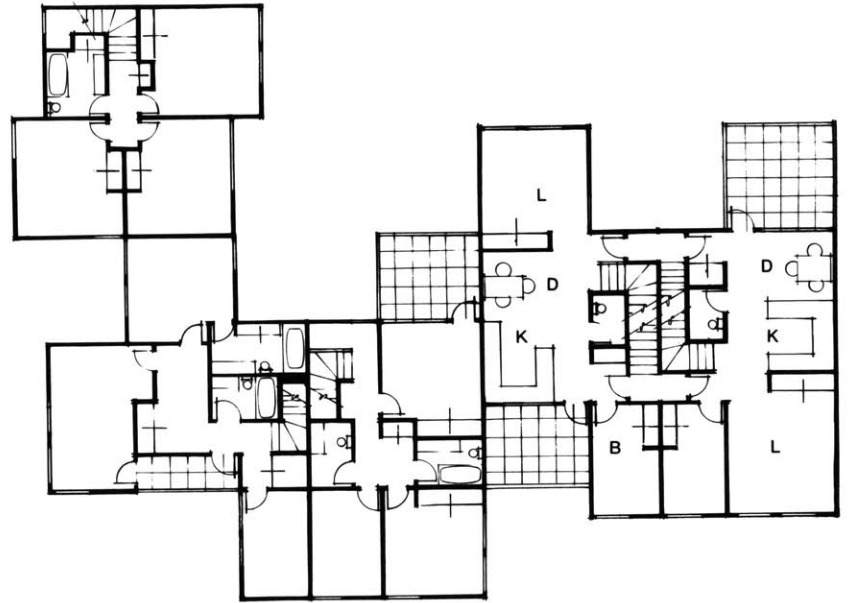




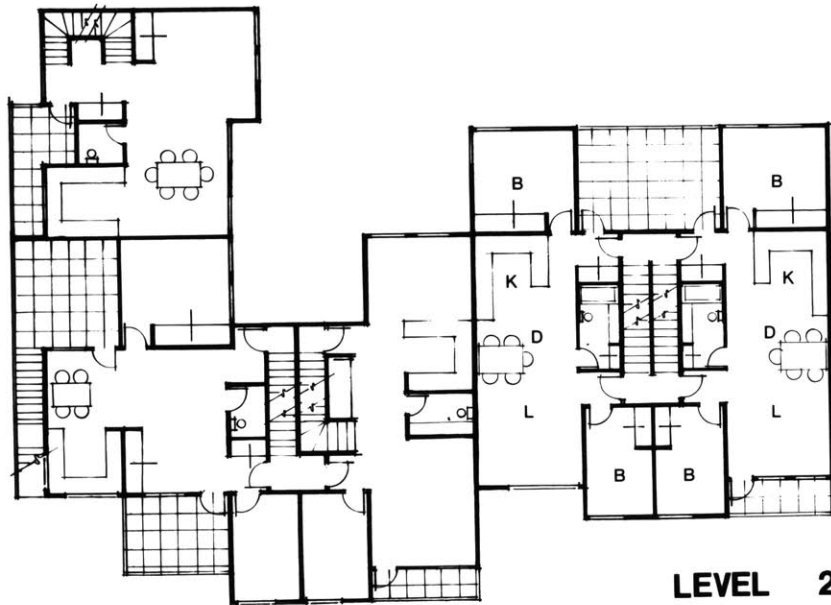




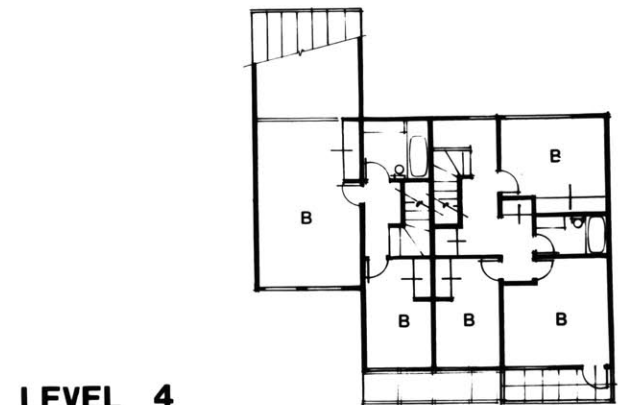
**GROUND LEVEL**



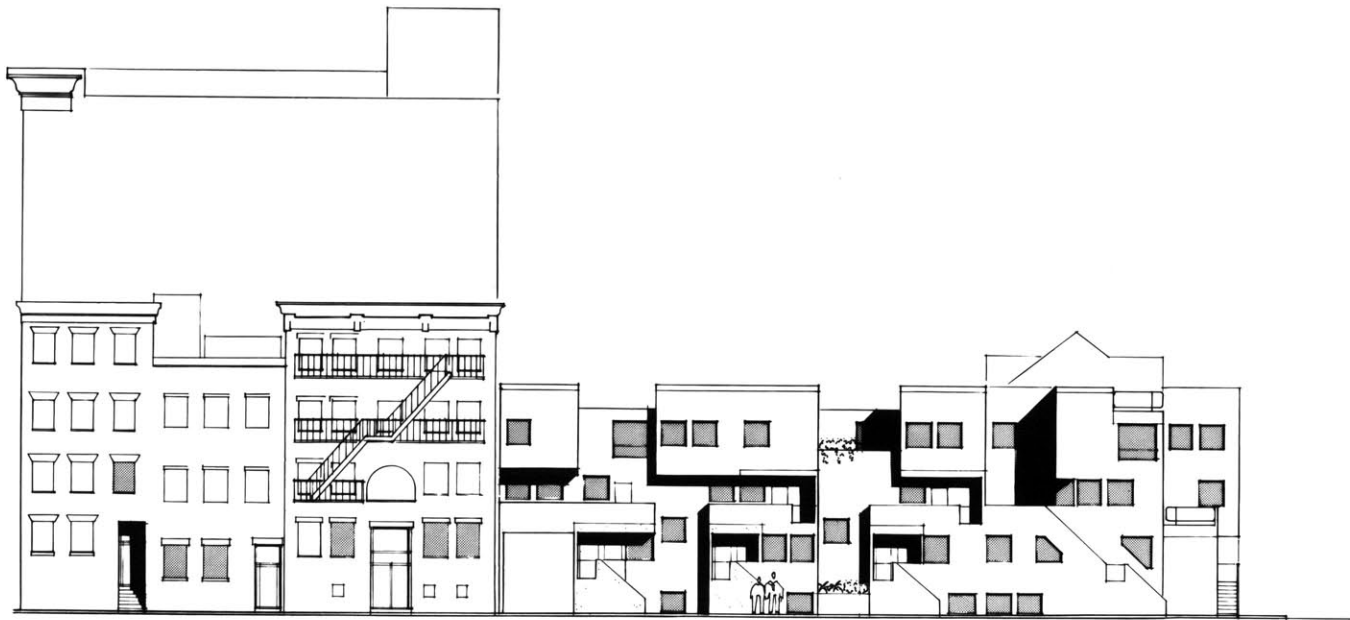
**LEVEL 3**

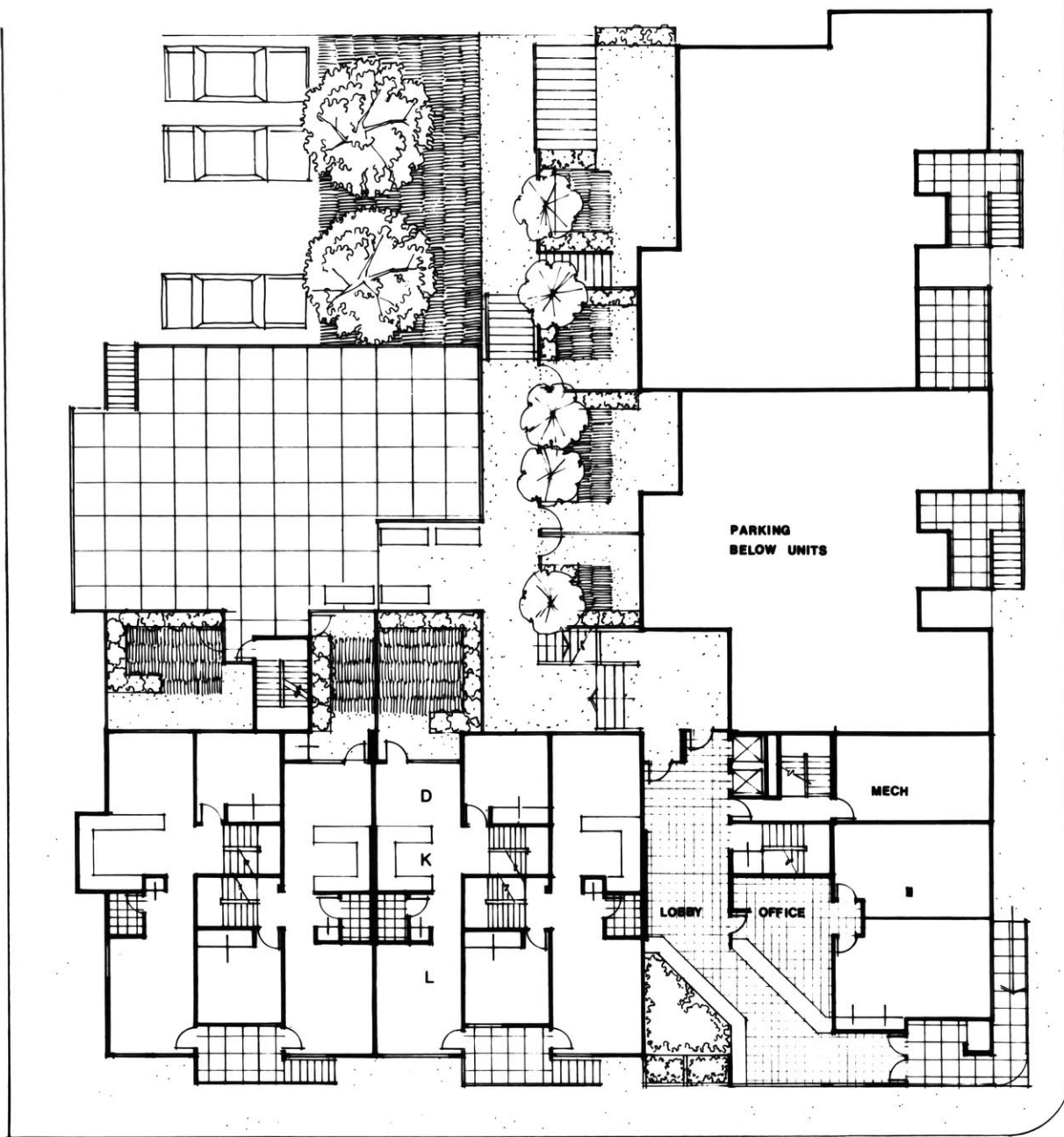


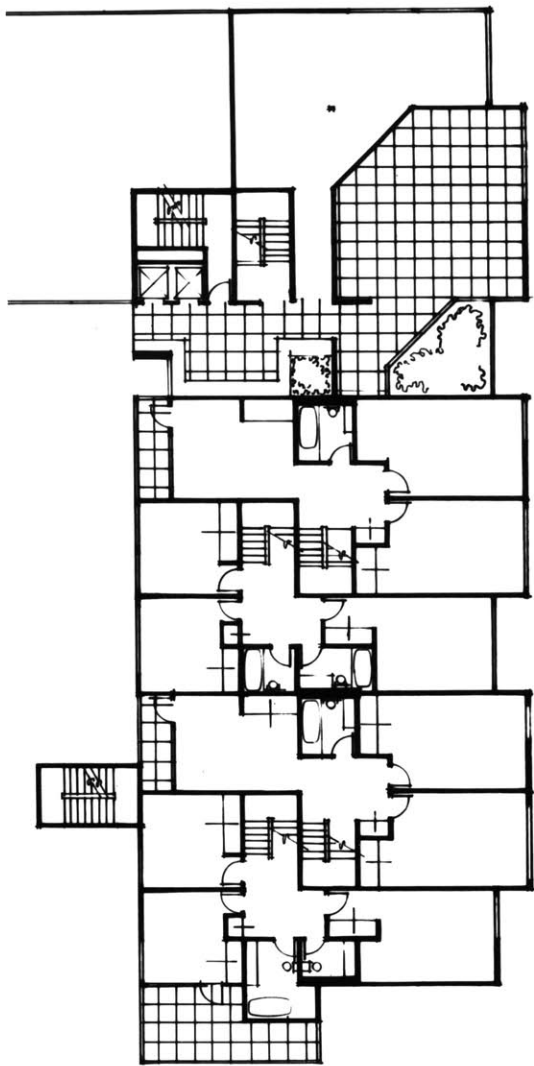
**LEVEL 2**



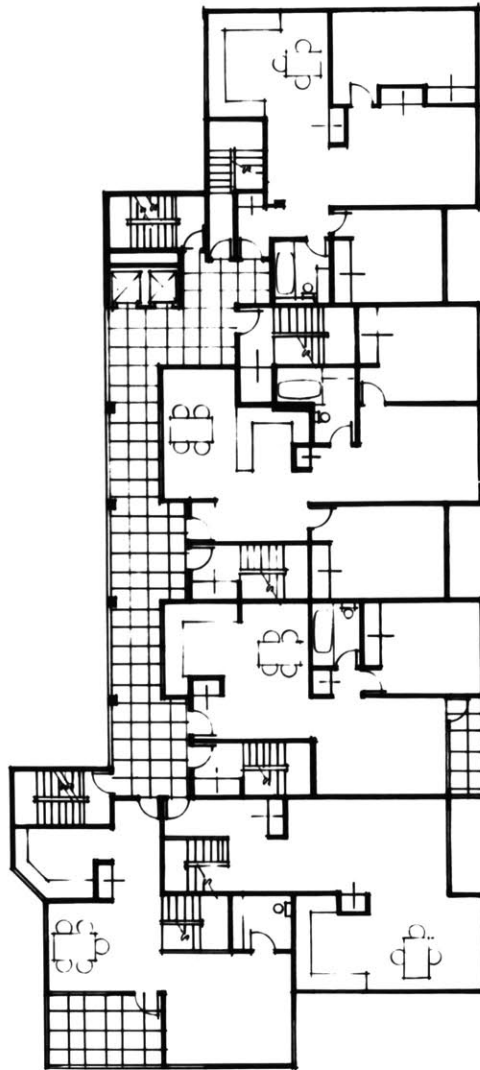
**LEVEL 4**



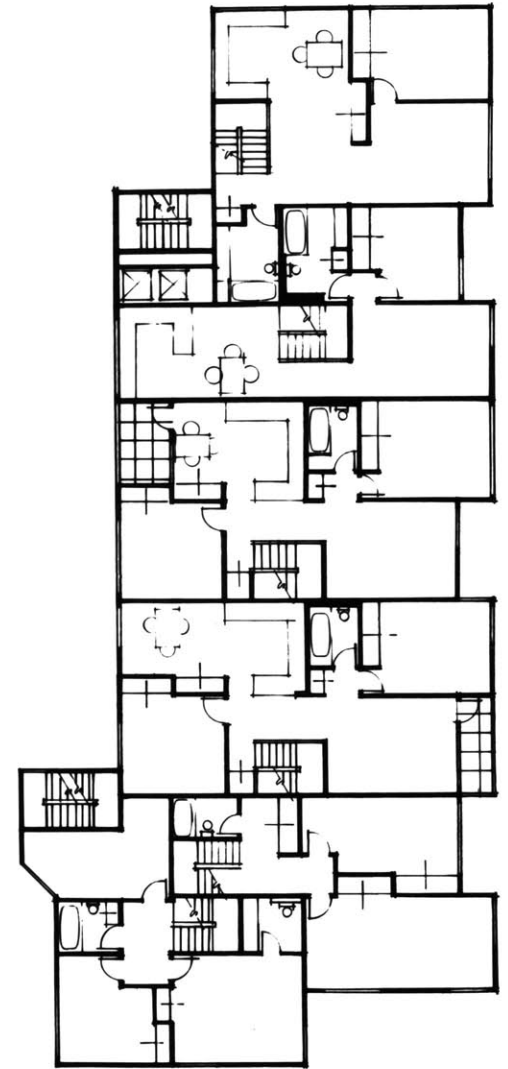




**LEVEL 2**



**GALLERY LEVEL**



**UPPER LEVEL**



## PROJECT PROGRAMMING AND FINANCING

Density Options. Two development density options have been explored for the site: 1) low density at 49 units or 78 units per acre, and 2) high density at 88 units or 132 units per acre. The land costs per unit have been substantially reduced for the higher density option. Land costs in the North End are estimated at \$10.5 per square foot, which averages \$3,300 per unit for the higher density project and \$5,956 per unit for the smaller project.

The general unavailability of 100% Section 8 rental subsidies requires that these development costs remain as low as possible to ensure that unsubsidized rents remain as low. However, parking requirements of .8 car spaces per unit necessitates struc-

tured parking for the higher density option. These additional site costs and more expensive mid-rise construction costs nearly equalize per unit costs for both density options -- 1) \$39,595 total per unit costs for low density units, and 2) \$40,512 total per unit costs for higher density units.

Community selection of development density critically depends on the economic position of a CDC in the development venture. A non-profit community developer could more easily handle a smaller project and would receive no economic benefits from a larger project. However, community partnership in a limited dividend development venture could receive a 6% project cash flow as well as syndication proceeds of 15% total project costs. These syndication

funds are considerably higher for the larger project and are estimated at 1) \$291,000 for the low density, and 2) \$546,900 for the high density project. These funds can be used by the community for critical future development ventures or can create an internal subsidy fund for the project.

#### FINANCING

##### 1) High Density Project

Total project cost estimate, including land:

\$3,386,800 or \$40,512 per unit

##### Project unit mix:

3-4 BR - 33 units (1050-1400 square feet)

1-2 BR - 55 units (650-950 square feet)

##### 2) Low Density Project

Total project cost estimate, including land:

\$1,940,000 or \$39,595 per unit

##### Project unit mix:

3-4 BR - 30 units (1100-1400 square feet)

1-2 BR - 19 units (750-950 square feet)

Mortgage financing for subsidized new construction housing development has typically come from state MHFA bonding. Other federal sources for family housing are typically more difficult to secure and often apply to larger development projects. These include HUD, UDAG grants or Title VII funding.

MHFA financing requires at least 25% of project units be subsidized. However, the

extremely high cost of new construction units requires high rents for all non-subsidized units even with lower mortgage interest rates. An estimated \$422 per month rental costs would be necessary for a typical 2-BR unit which would require a resident household income of \$20,000 per year with rents at 25% of income. A substantial level of Section 8 unit subsidies is, therefore, necessary for broad accessibility of these units to neighborhood residents. These additional allocations can be secured either through the state or special HUD targeting programs such as the Neighborhood Strategy Area programs. A more acceptable unit subsidy mix would allow 25% low income, 50% moderate income, and 25% market rate units.

Additionally, property tax stabilization

for any subsidized project must utilize a 121-A designation from the state. This substitutes lower payments-in-lieu-of-taxes for the higher city property tax; and varies from 18% to 25% of project rental income.

Community groups can also utilize CDBG appropriations for grants to cover important land cost write-downs or initial project seed monies. These grants can capitalize a community developer which can be used to leverage a joint partnership with a limited dividend developer through which syndication proceeds can be retained by the community.

## THE POLITICAL ECONOMY AND HOUSING

"The housing question has thus shown to be at the center of the conflictual dialectic for the social appropriation of the product of labor." (Castells)<sup>1</sup>

"Land use planning, zoning and development practices are shorthand for the unstated rules governing what are widely regarded as correct social categories and relationships; that is, not only how land uses should be arranged, but how land users, as social categories, are to be related to one another." (Perin)<sup>2</sup>

The issue of social parity within the field of housing-related issues can only be determined as a component of a progressive strategy that considers the interconnection of housing to the political and economic fabric of the city. This distribution and control of housing and other environmental-related services by lower in-

come and working class groups must be affected by changes in the mechanisms of distribution and control of these urban resources. "Housing is political because inevitably it distributes costs and benefits unevenly, and is an important determinant of access to the social opportunity structure." (Mendelson)<sup>3</sup>

In this way, the housing "crisis" in working class communities stems from the dependency of housing on the urban market structure and the inability of these lower income groups to "compete" in this market context. As sketched earlier in the case study of Boston and the North End, this has resulted throughout the 1970s in a radical shift of the speculative housing market into older inner-city neighborhoods.

This has effected: (1) a critical decline in low-cost housing units, particularly in central city areas; (2) the disruption and displacement of older, established working class and ethnic neighborhoods out of the central city area and into less "desirable" or favorable locations; and (3) has exacerbated the ability of existing housing programs to mitigate or stabilize this change.

This section will briefly outline a critical theoretical position which encompasses these changes. This will construct an overview of the political and economic factors which are determinants in the distribution of housing services to neighborhoods; and particularly will focus on the position which working class areas have in this process. Concomitantly, it is viewed that this can lay the groundwork or outline the

parameters for a neighborhood housing strategy.

#### SHELTER AND USE

The conditions of usability or social value of shelter are highly interdependent with the context conditions and the location of the housing unit within the urban geographical setting. The process of urbanization thus creates a "man-made resource system" which directly affects the viability or use of the dwelling environment.<sup>4</sup> The factors which define the social usability of shelter are briefly described as:

- 1) its quantity and condition of space; that is, its affordability which affects the degree of overcrowding; and its level and adequacy of service to the occupants.

2) its neighborhood context which allows proximity to persons of similar culture or life-style, as well as compatible physical characteristics or qualities of the place.

3) its location or proximity to employment uses, social services, cultural and educational uses, urban amenities such as parks, and transportation networks.

4) its proximity to social and urban liabilities such as polluting land uses, vehicular congestion, or high crime areas.<sup>5</sup>

The American city, however, is characterized by a large constituency of working class groups in communities which show considerable discrepancies of these shelter-related resources. Lower income and working class individuals and groups typically have the least political or economic strength to control their position in the urban framework;

and so, they are characteristically the last to "enter" the urban housing market. The poor "effective" market demand of these groups has precipitated the crisis of urban services and the inaccessibility of these shelter uses.

Conditions and Costs. Both the poor quality of dwelling space and the overcrowded conditions have historically been a component of "low-cost" housing. The Joint Center Report on Americans' Housing Needs<sup>6</sup> documented nationally that 22% of all households (or 13.6 million families) were subject to shelter deprivations. In 1973, this represented an estimated 25% of all Boston persons. The radically increased housing costs between 1970-1976 indicated a 102% rise in new units and 73% rise for existing housing. This represented a sig-

nificant rise of both land and finance capital costs. Real income has increased only 47%, so that during this same period only 27% of all families could afford new units and 36% existing housing. This considerable shift in costs has all but eliminated lower income groups from the housing acquisition market (while between 1960-1970 they formed 17% of this market).

While most low-income persons are forced into rental rather than ownership positions, these costs also have remained predictably high. In 1970, 50% of all tenant households under \$10,000 incomes were paying in excess of 30% of income for rent. Table 1 shows the maximum percentage of income that a 4-person family has available for housing uses in the

Boston Metropolitan Region in 1975.

INCOME \$ PER YEAR	MAXIMUM AMOUNT AVAILABLE FOR HOUSING		
	\$ PER YEAR	\$ PER MONTH	% OF INCOME
\$ 7,000 or less	0	0	0
\$ 8,000	389	32	4.9%
\$ 9,000	\$ 1,103	92	12.3%
\$10,000	\$ 1,802	\$ 150	18.0%
\$11,000	\$ 2,499	\$ 208	22.7%
\$12,000	\$ 3,202	\$ 267	26.7%

SOURCE: HOSTAGE: HOUSING AND THE FISCAL CRISIS

For the Boston area, 25% of income is indicated as an excessive cost for households with annual incomes below \$12,000; and any housing costs are a burden with incomes below \$7,000. As housing costs have continued to rise, this is particularly severe for fixed-income or unstably employed households. Rents in Boston rose 66% between 1966-1970, while income increased by only

33%.<sup>8</sup>

These conditions, as indicated in the North End, have required many working class persons to adjust their housing needs by accepting lower quality units or overcrowded conditions. Estimates of the Boston area have indicated 99,180 substandard units and 166,820 households paying in excess of 25% of income toward rent.<sup>9</sup>

Environmental and Location Conditions. The dependency of working class persons on a limited supply of low-cost housing stock has severely restricted the locational choices of these groups. The concentration of many of these units in restricted inner-city locations has historically isolated low-income persons from employment

uses and social and cultural/educational services. The shift of manufacturing uses, as well as many commercial and social activities to the metropolitan periphery has restricted access of these uses by less mobile resident groups. The 1968 Kerner Commission Report similarly indicated that this limited access of services has forced many poor communities to pay disproportionately higher costs for food, clothing, and medical care. Working class groups generally show a high degree of social and economic dependence on the level of neighborhood-related services and social resources because of their inability to compete effectively for a wide range of housing markets and locations.<sup>10</sup>

## ASSESSMENT OF THE HOUSING MARKET

"Effective housing strategies can only be based upon an understanding of the relationship of the housing problem to the distribution of income, the structure of capital markets, the role of the state, and the significance of private ownership of land and housing production." (M. Stone)<sup>11</sup>

The contemporary city is both the locus for economic production and an outlet for the consumption of goods and services produced. This requires simultaneously a system of the lowest feasible wages for production, and the highest possible prices and expenditure on consumption such as housing (Harvey, Castells, Stone). The resulting "crisis" of housing in lower income areas thus indicates both a necessary and structural discrepancy within the urban economy in general.

It is this context which frames the actions of the various groups of investors, speculators, landowners, as well as the divergent "consumer" groups. The dependence of shelter as a marketable commodity good in the urban economy has fashioned both its organization in space and the hierarchical social/economic relationship of urban communities.

Low Profitability. Housing shows distinctive characteristics as an economic good. These include its durability and slow rate of unit turnover, as well as its fixed position in space.<sup>11</sup> These factors combine to limit its potential market flexibility and elasticity. In addition, housing shows a lower rate of profitability than other economic sectors, both because

of the long rotation period of capital invested and the high dependence of labor involved in construction.<sup>12</sup> More critical, however, is the low effective market demand resulting from the high unit costs and the low incomes of urban working class groups. Housing is the highest personal consumption cost, nationally consuming 15% of income (Castells, Stone).<sup>13</sup> The resulting scarcity of housing capital is produced as mortgage markets fail to compete for other more profitable industrial or government investment sectors.<sup>14</sup> Particularly during periods of tight credit/rising interest rates, mortgage markets tend to be undercapitalized. This has created a long-term tendency towards a shortage of housing.<sup>15</sup>

Increasing Demand. Concomitantly, demand

for this housing stock has been continuously rising. This has resulted from the tendency towards urbanization and population concentration, as well as a natural growth rate. The Boston Metropolitan Area still shows an increasing household population of 15,000 annually.<sup>16</sup> In addition, demographic trends in the family cycle nationwide have shown a radical increase in household formation age groups. The wave of home-seekers about to settle down in the next 20 years is unbelievably greater than in the last 20 years.<sup>17</sup>

This high net demand and conversely low market productivity and production has critically acted to maintain an urban system of housing scarcity, and has inflated the costs of urban housing. This condition also

forms the speculative basis of the housing market and the stratified nature of housing services. Access to the high cost of shelter is restricted to upper and middle income groups who can command "effective" market demand. Notes Hartman: "It is indisputable that the realities of land and construction costs have made and will continue to make it impossible for the private sector, unaided, to meet the housing needs of [a large] segment of the population."<sup>19</sup>

Maintenance of housing scarcity, which insures high "monopoly rents" is regulated by a private development sector which forms "a class of owners of 'resource units', the land and relatively permanent improvements of it, who are willing to release these units under their command only if they receive a positive profit return."<sup>18</sup>

## HOUSING SUBMARKETS AND STRATIFICATION

Because of the high dependence of shelter on locational and context characteristics, stratified housing demand has created an unequal fabric of urban neighborhoods. The neighborhood unit thus represents a class of housing consumers with similar shelter purchasing power. These market forces nearly always serve to keep the high and low-income families spatially separated-- "people's position in the occupation structure to a large degree determines their position within the urban system."<sup>20</sup> Harvey notes that this structure and distribution of residential segregation forms the network of housing or community "submarkets" which acts to rationalize the market and to structure different class/income

groups' consumption "preferences."<sup>21</sup>

Harvey and Lamarch both argue that this process of spatial stratification, rather than being external consequences of the market, is an internal necessity to its continued profitability. Because of the low profitability, speculative profits can only be realized by high land or rental values which are determined by speculators capitalizing on locational differences (as well as the overall scarcity of housing units). For residential uses, the developer must maximize rents by utilizing situational advantages provided by the urban environment. Profits for luxury housing are thus in a large part a function of its proximity to commercial/office or employment centers; social, cultural or recrea-

tional amenities.

The planned organization of urban space is, in this way, necessary for the realization of profits. "Differential rents" that are realized by speculative profits in luxury residential areas depend upon the differential organization and coordination of urban space uses, resources, and amenities. Conversely, the disinvestment or "redlining" practices in older nonspeculative neighborhoods is an integral component of this market process, where social/class or locational characteristics limit profitability and thus precludes any investment. This, in turn, excludes working class groups from these services or amenities.

Notes Downes, somewhat evasively, of this

market process: "Most of the nation's 'urban housing problems' result directly from a combination of poverty per se and the way this process compels the poorest households to bear the social costs of creating desirable environments for the highest two-thirds of the income distribution."<sup>22</sup>

#### WORKING CLASS NEIGHBORHOODS/MARKETS

Clearly, the impact of the housing market on urban communities has been to articulate a place-specific differentiation of housing classes. These are characterized by their unequal access to both political and economic control of urban and environmental resources distributed by the market. This, however, hardly seems to have produced homogeneous community conditions among ur-

ban working class groups. Characteristically, two types of communities can be found: (1) ghetto areas -- with high costs and very low quality of building conditions, higher crime and unemployment conditions; and (2) stable ethnic/working class areas -- with higher home ownership, more economic and social control of environment and a higher degree of services.

In part, this can be accounted for by the internal differences inherent in the urban working class itself. Notes Giddens:

"The market capacity of the skilled workers is typically superior to workers at other skill levels... which (because of greater job security, making it easier to secure house mortgages and allow for a pattern of 'deferred gratification') tends to support divergencies in distributive groupings within the working class." (1973)<sup>23</sup>

External factors of the housing market itself have also critically impacted these differences. Two divergent types of housing markets can be characterized in older working class urban areas: (1) disinvestment/displacement markets; and (2) reinvestment/displacement markets.<sup>24</sup>

Disinvestment Areas. These areas are characterized by: (1) uncertain and declining property values, as well as physically deteriorating conditions; (2) investment "redlining"; (3) decline of middle-income groups and a rising concentration of lower skill or unemployed persons; and (4) increased absentee ownership and property abandonment.

Declining effective market demand in an

area because of both falling real household income or unstable employment conditions, and a low profit potential have typically combined to affect radical removal of investments from a neighborhood. These are typically older housing areas that are socially and physically less desirable for the middle class housing market, and have resulted in the "classic" inner-city ghetto area. Disinvestment has both created and exacerbated these conditions and has reinforced the heavy concentration of lower income groups in these areas.

Notes Stegman, this "filtering process is a process by which the quantity of housing service yielded by a particular dwelling unit is adjusted to conform to the pattern of lower consumer demand. The profit in-

centive leads producers to market these adjustments."<sup>25</sup> These market adjustments typically include deferred maintenance costs and the reconversion of many of these dwellings to smaller space units, which increases space crowding and radically decreases environmental conditions. In addition, units may be taken out of production so that demand is increased for existing units. "The jarring incongruity of a very tight housing market occurring simultaneously with the virtual abandonment of literally thousands of residential buildings is one of the paradoxes of our inner-cities."<sup>26</sup>

This market-induced scarcity has forced costs to remain high;

"because of the limited amount of housing available at relatively low prices, and because of their income inflexibility, 'bid' for that low-cost housing, the price, tends to be pushed upwards to the highest feasible level."<sup>27</sup>

Profits on rents in disinvestment areas frequently remain high or higher than other market investments (Stegman/Olsen). This high rental cost often goes into paying off a landlord's refinancing or second mortgage cost and not into paying off the original construction investment. This is particularly true of absentee-owned buildings or in areas that have undergone high rates of ownership turnover. In addition, conversion to other more profitable land uses can be made if these areas are proximate to other central-city commercial/institutional or renewal areas.

The disinvestment "submarket" has severely restricted the range of shelter choices available to the lowest income working class groups. The concentration of the lowest cost housing stock in the inner-city core area has severely limited the locational access or housing mobility of these groups and isolated many groups from employment opportunities, as well as social and educational services. In addition, this submarket process has served to stratify many working class communities internally by forcing the better-paid or more socially-mobile members out of the neighborhood to escape the radically declining environmental conditions.

"Urban deterioration can be traced to institutional policies, attitudes, and practices, which lead to discrimination and inequality.

The former is directed at race and the latter towards the physical properties of the neighborhoods. One affects individuals, the other whole communities. When either operates we can expect racial and ethnic tensions to accelerate the inner-city to deteriorate."<sup>28</sup>

Reinvestment Markets. Throughout the 1970s, many older working class neighborhoods have experienced rapidly accelerating housing reinvestment or "gentrification." These areas are characterized by (1) a sudden availability of mortgage funds, (2) substantial price increases in a small area over a short period of time, and a high speculative turnover of housing properties, and (3) an influx of much higher income and class groups into the area.<sup>29</sup>

As has been established previously, sharply-rising demographic pressures on housing

as well as the inherent scarcity of housing units has historically maintained high dwelling costs. The shift, however, of the luxury speculative market, or the "re-colonization" of older working class areas has occurred because of changing "consumer preferences;" also, rising new housing costs and levelling real income has forced many middle-income households to seek out areas with traditionally depressed market values.

The result has been that strategically located neighborhoods or several blocks of an area are targeted by the speculative market for reinvestment. These areas have general characteristic similarities which include:

- (1) residential areas located near or adjacent to downtown office or educational centers.
- (2) contain architecturally attractive older residential structures, or reusable wharfs, warehouses, or factory structures, historically districted areas.
- (3) existing well-established ethnic enclaves or artist counter-culture groups.<sup>30</sup>

These situational advantages provide professional and white-collar occupation groups who can afford major physical improvements and upgraded building costs, both employment and social/cultural advan-

tages. Weiller notes that this relocation process is often highly concentrated and place-specific, so that professional class "enclaves" are established within the existing neighborhood. This is particularly necessary if racial differences are involved. This process allows locational security for any new speculative property investment. Tim Pattison has described the sequence of reinvestment groups from "pioneers" and "early settlers," who are the first to enter the working class neighborhood.<sup>31</sup> These groups provide the "highest-risk" capital and, more crucially, they establish the market context for the "mainstream" investors, who follow and complete the class transformation of the neighborhood.

The structure of this reinvestment, as seen in the North End context, has to a large degree been determined by the major transition of inner-city land uses. Both the decline of the historically concentrated manufacturing and the predominance of office and professional employment uses has severely strained many blue-collar communities and increased the central city locational benefits to upper income professional groups. This elimination of a balanced or mixed urban economy has been accomplished in many cities such as Boston through massive public investment and subsidy of urban renewal. Gentrification is the end-product of countless programs and the expenditure of billions of dollars of local, state and federal governments over the last 30 years, all designed to stop

urban blight and "save the cities," in many instances by attracting back the middle class.<sup>32</sup>

These planned redevelopment efforts established numerous cultural amenities, social services, and commercial centers, as well as "high-risk" loans for rehab and homeownership that was more often than not targeted at the middle class persons and not at existing resident groups. The massive "slum" clearance, downtown revitalizations, and luxury housing projects were all a necessary restructuring of the economic base to ensure profitable reinvestment. In this way, the central city redevelopment re-establishes the speculative and profitable structure of the luxury housing market by publicly underwriting many of

these nonprofitable or unfeasible development costs.

This reinvestment process has critically impacted these older working class neighborhoods by radically inflating dwelling and rental costs to the existing residents. As noted in the North End, building values rose 324% between 1970-1975, while real income of the neighborhood increased by less than 35%. The typically high percentage of renters in these areas has been a highly vulnerable group to the luxury unit conversions or to condominium conversions in areas with rent control. Lower income owners may also be forced out of the area if property tax rates are reassessed beyond their income capacity.

The reinvestment-displacement process acts to disrupt the political and social networks that have developed in most older working class areas. Long established ties to local industries, trade unions, political connections can be severed as the existing neighborhood becomes stratified by income or ownership class or is displaced altogether. This has been especially true for many older ethnic working class areas. Notes Weiller:

"previously those who failed at or resisted middle class assimilation at least had a safe home territory to fall back on and use as a social, political, or economic base. Reinvestment and diversity now increasingly challenge that base."<sup>33</sup>

This large influx of professional class groups into a working class area has pro-

duced an internal structure of social conflict in the neighborhood. This has produced a competitive structure of space and shelter needs between the two groups, and has instigated conflicting political and policy goals. This has been clearly operative in Boston's South End, where middle class "settlers" have consolidated into a politically-aligned group which has called for an end to subsidized units in the area, conversion of city-owned properties to market rate housing, a city-funded street and park "beautification" program, and the removal of existing low-rent boarding houses. The city has used this political vehicle to instigate its own policy of funding the return of middle class groups to the area and countering the previously strong alliance of working class groups. The consoli-

dation of working class areas has been a fundamental component of these groups' potential to gain city political and economic leverage. This, however, has been greatly dissipated by the gentrifying land market. Notes Giddons:

"in the past development of the working class, the influence of the neighborhood and regional segregation has been fundamental to class structuration and to a class consciousness."<sup>34</sup>

#### ROLE OF PUBLIC ACTIONS

Public intervention in this process takes place within two realms:

- (1) direct but limited subsidies to the lowest-income individuals or groups which the private market is least able to serve.

- (2) planning and organization of major development projects and subsidy of this private speculative development process to ensure continued profitability of the housing and urban land market.<sup>35</sup>

The latter includes the "socialization" of necessary but not profitable uses, such as transportation systems, recreational or cultural uses, or land clearance. Currently, HUD's urban strategy has relied on the UDAG grants program in which 61% of funded central city projects were such private speculative ventures as hotels and commercial malls.<sup>36</sup> Often, CDBG allocations are similarly used to subsidize and reinforce speculative neighborhood reinvestment. The coordination and funding of these activities has allowed the profitable "private"

development of both metropolitan suburbanization and the "renewal" of central city areas to office or institutional-based uses and luxury market housing units.

Federal and state housing programs which are designed to mitigate this economic "imbalance" inherent in the housing market --because they are simultaneously committed to maintaining this capitalist economic mode--are unable to command sufficient economic resources. In 1970, appropriations for housing aid and related services provided funds for less than 1.4% of all eligible families in these programs.<sup>37</sup> Interest and depreciation subsidies accrued by high income investors have been ten times that allocated for public housing; and have provided for only 2.8% of the potential public housing households.<sup>38</sup>

This process of public subsidy or expenditure of "collective consumption" simultaneously "expresses the growing contradiction between their objective socialization and their management as a function of the interests of capital, the contradictory exigencies of capital, the confrontation between popular demands, and the rationality of the dominant class to which the state necessarily subscribes."<sup>39</sup> (Castells)

#### SUMMARY

The process of capitalist urbanization contains two primary functions: (1) the mobilization of economic production, including the organization and "reproduction" of la-

bor in this process; and (2) an outlet for profitable investment and consumption in goods and services, including housing and environmental resources. States Harvey:

"the contemporary city functions as a field for the necessary disposal of surplus products and as a manipulable source of effective demand."<sup>40</sup>

The condition of the former stratifies urban groups by income and occupational status which, in turn, determines the hierarchical structure of social consumption and, most critically, shelter consumption. The urban network of neighborhood units represents this unequal distribution of urban class groups located within particular housing "submarkets."

Urban "housing classes" are thus stratified

by the differential access to political and economic power over the housing market and over urban environmental resources. In addition, this "consumption" process stratifies the working class itself and the conditions of urban conflict by creating objectively different tenure conditions, environmental conditions, and market costs and impacts to these groups.

While the housing market is characterized by a general shortage of investment and, therefore, a structural shortage of housing, it is the organization of this scarcity which allows profitable market speculation to occur. In this way, the domination of urban resources, amenities, and locational advantages by the private luxury market both insures the limited access of these

resources and the profitability of this speculative housing market. Harvey notes that the "monopoly privileges" of private property arise out of the absolute qualities of space which are institutionalized in a certain way."<sup>41</sup>

The relationship of shelter to lower income communities is clearly a class relation, which has "institutionalized" scarcity and housing deprivation as a structural component to the profitability of the capitalist housing system. Intervention or reform of this market process at the community level cannot effectively take place without directly affecting a fundamental redetermination of the social and political relation of working class communities to the urban political economy.

"The system of private property," notes Harvey, "which excludes labor from land as a condition of production also serves to exclude labor from land as a condition of living...; this necessary social need for land automatically pits labor against landed property in the appropriation of rent."<sup>42</sup>

## COMMUNITY AND STRATEGY

The necessity of neighborhood control of housing development relates directly to the inability of the market to allocate housing resources and the de facto exploitation of the urban working class through this private operation of the housing stock. Shelter, and the capital invested into and extracted from housing, represents not only physical structures but a social class relationship which must be addressed. S. Barton notes:

"There are fundamentally only two strategies possible in solving the urban housing problem. One would be a genuine incomes policy, which abolishes poverty and makes it possible to provide decent housing for all. The other is to remove low and moderate income housing from the market so that the rents the tenants can afford to pay go into maintaining the usefulness of the building to its occupants. In fact,

both are needed, since an economic situation which lowered profits in housing would lead landlords to cut back even further on middle income tenants, while with tenant ownership and control, many tenants would still be too poor to keep up their buildings."<sup>42</sup>

Community-based strategies and change will be a critical arena for social change and redistributing the access of low and moderate income groups to urban social, economic and environmental resources. However, the impact of the larger market process has a critical impact on these local community strategies. These factors are briefly outlined below.

- 1) There is a direct relationship between housing and neighborhood disparities and urban economic or occupational stratification. An alliance of housing-based issues with work-based issues and change will be

critical for a progressive social strategy. In this way, the necessary increase of development funds into nonspeculative low- and moderate-income housing is feasible only through a parallel control of finance and industrial development sectors.

2) The interdependence of housing markets and neighborhood conditions will necessitate that a broadly-based community coalition is a pre-condition for a progressive urban housing strategy and housing parity. The unequal distribution of housing capital, market stratification, and public subsidy to communities creates an inherently contentious structure of inter-community competition.

3) The combined effects of public or government regulation, coordination, and sub-

sidy of land development and the profitable and inequitable functioning of the private market must be mitigated by broadly-based participation of working class communities in the control of city development strategy. Program priorities must represent the interests of working class residents and communities.

4) The organization and participation of existing neighborhoods must take place through a local community-based group which can act as a political vehicle which can actively intervene in the planning administration and implementation of strategies for neighborhood change.

#### STABILIZING NEIGHBORHOODS

Centrally-administered city housing policies

have failed to effectively understand the highly differentiated social and economic characteristics of local areas, and have been unable to resolve the political interest conflicts of urban development. However, community intervention in city housing policy and community development has both concrete and direct potential to stabilize or mitigate adverse neighborhood changes. Notes Weiller:

"It is almost axiomatic that a broad-based, well-organized general purpose neighborhood organization exist and be involved in the planning and development process for the community. It is highly desirable that the organization have some technical assistance under its own control and be involved before any substantial reinvestment begins. These preconditions apply to any neighborhood."<sup>43</sup>

The involvement of the community can take place through: 1) planning and administra-

tion of city housing programs, and strategies, and 2) direct ownership or development of housing through a non-profit development corporation. The former is critical for the determination of program priorities and effective regulation of the private market. The Environmental Impact Review, A-95 clearinghouse process, as well as CDBG guidelines, allow neighborhood participation in reviewing programs and provide a HUD mandate that "ensures" the needs of lower-income groups are served. The latter can potentially provide a long-term development vehicle for meeting the housing needs of low- and moderate-income persons outside of the private speculative housing market. This, however, will necessitate a dramatic increase in federal and state commitments to fund non-profit Community Development ventures than

presently exist. Briefly outlined is a framework of community strategies which examine the potential for community control of development changes. Community strategies have been outlined for programs that are feasible within the neighborhood itself, and for necessary changes to external conditions that directly affect neighborhoods. Specifically, this will examine development or program strategies in reinvestment areas such as the North End.

#### REINVESTMENT NEIGHBORHOODS

1) Increase Resident Ownership. The high percentage of tenants in many lower income areas and their vulnerability to increased rental costs can be mitigated through a broad neighborhood program to support low-

and moderate-income ownership. The conversion, however, of absentee-owned properties to single-family or condominium owner-occupancy typically cannot take place through private developers who realize large capital gains profits in the process. The creation of a non-profit community developer which can utilize low-interest rehab funds (312, NHS, Title VII funds) as well as provide low downpayments on mortgages can be effective. In addition, 100% financing, as well as Section 8 subsidies, are possible for lower income co-operative housing.

2) Directly Control Speculative Profits. Despite their controversial and often contradictory long-term impact, rent controls are a direct and effective means of both ensuring rental cost stability and dampen-

ing speculative incentive in a reinvestment area. Some effective measures which reduce the potentials for condominium conversions must simultaneously be in place. These include temporary moratoriums on conversions or a phased regulation of occupancy change permits which can act to slow or to distribute the immediate speculative pressure over time.

In addition, a city- or state-based speculation tax on capital gains from unimproved or high-turnover properties in these areas can decrease speculative investment.

3) Rental Subsidy. Increasing the number of subsidized units in a reinvestment area will be necessary to effectively stabilize a low-cost housing stock. Large Section 8 allocations, especially those

targeted through NSA programs to a rental neighborhood, are essential. Their general unavailability may be supplemented with Section 23 scattered site leased public housing.

4) Incumbent Upgrading. It is necessary that subsidized low-interest rehab loans be made broadly available to a reinvestment area to decrease the cost burden imposed by high-interest private loans. It is critical that these funds are targeted to existing low- and moderate-income residents and not to higher income "professional" residents. In addition, programs such as Section 312 funds can be used to refinance existing private mortgages on a property, which further reduces both rental and ownership costs. Rehab costs may also be reduced to lower income persons by

direct CDBG grants or rebates for specified and code-related improvements. Section 8 rental subsidies may be targeted to tenants in upgraded buildings with rental units.

5) Preservation of Low-cost Units. Often a significant percentage of unrehabed and low-cost housing exists in reinvestment areas. These units must be preserved from demolition as well as speculative rehab efforts. This can be accomplished either through ownership and development of these properties by the community, or by assembling these properties in a land banking program. The latter provides the possibility that these units may be upgraded or sold to residents incrementally as rehab funds or subsidies become available. In addition, large-scale land banking provides

the potential to remove significant numbers of units from the private market, which allows more direct control by the community.

#### EXTERIOR CONDITIONS

1) Increase Regional Housing Production. The critical element of reinvestment and inner-city housing cost inflation is the regional shortage of housing units and the current inelasticity of new housing production. Working class communities are least able to compete for these available housing units. A significantly scaled investment effort in new housing production must begin to offset this housing shortage. Broad public intervention and subsidy in this process will be necessary to ensure both the availability of

funds and to regulate prices and rents to ensure a significant mixture of accessible low-cost units.

The metropolitan region must begin to institute a policy which maintains and ensures a low-cost housing stock and its favorable location to employment and services. This will involve the development of low-income accessible multi-family units that are dispersed throughout the metropolitan region.

2) Disperse City Investment. The concentration of city investment into specifically targeted neighborhoods has increased the potential for subsidized reinvestment displacement. City housing policy must begin to disperse these reinvestment subsidies and mitigate the process of target-

ing neighborhoods for concentrated reinvestment speculation.

3) Contiguous Land Uses. The high dependency of land speculation on surrounding land uses such as office, institutional, commercial centers, or other luxury housing areas must be understood. The location or concentration of these uses adjacent to lower income reinvestment neighborhoods should be discouraged. Direct public subsidy of these speculative ventures through programs such as UDAG or CDBG should be stopped by community intervention.

4) Maintain Mixed Economy. A critical element in discouraging displacement of working class groups from the central city is the continued maintenance of a mixed

economy, by assuring that blue-collar employment uses such as manufacturing or lower-skill service jobs remain in the area. The total conversion of inner-city areas to office or professional occupation uses will be a critical problem for maintaining surrounding working class communities.

FOOTNOTES

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