COMMON GROUND:
THE PROMISE OF MIXED-INCOME/MIXED-USE DEVELOPMENT

by

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(1982)

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ABSTRACT

Mixed-income rental housing in urban areas represents a unique opportunity to bring people of different economic and racial backgrounds together. At the intersection of distinct neighborhoods, mixed-income housing can be expressive of the city's diversity; incorporating ground floor retail space and community services, such projects can be integrated into their surroundings. Carefully designed, mixed-income/mixed-use developments can provide the spatial diversity conducive to interaction among residents and neighbors. For people with market-rate incomes, for whom home ownership is increasingly out of reach, such projects can offer the vitality and convenience of city living at a good price. For people with low-to-moderate incomes, mixed-income developments can be an attractive alternative to traditional forms of subsidized housing.

In this thesis, an analysis of two recent mixed-income/mixed-use projects is intended to illuminate the factors essential to the success of such projects. Tent City in Boston and Fillmore Center in San Francisco represent two very different approaches to mixed-income/mixed-use development. Historical background and an evaluation of project design, financing, and management of these projects will serve as a framework through which broader lessons of equity, choice, and community-building can be drawn.

Mixed-income/mixed-use projects are most successful where they are born out of a neighborhood context in which providing opportunity for people of low-to-moderate income forms the basis of the community's values. However, impediments of mixed-use development, including the risks of retail turnover, can jeopardize the goal of linking such projects to their surroundings. In addition, a sense of community will not be fostered by simply combining uses and income groups; there must also be a commitment to affirmative marketing strategies, on-site services, and tenant responsibility in management to ensure that these projects can be sustained. Economically diverse and functionally complex, mixed-income/mixed-use developments are tentative opportunities in which to demonstrate the promise of economic and social integration.

Thesis Advisor: Philip B. Herr, Adjunct Professor of City Planning
ACKNOWLEDGEMENTS

I wish to thank all those involved in the creation of Tent City and Fillmore Center for their assistance to me in this exercise. The developers were always accessible and candid in their descriptions of both the development process and the recent history of the projects. In addition, public officials, private consultants, community leaders, and residents have been especially willing to share their expertise and experience.

For their advice and direction throughout the term, I extend my gratitude to my readers and in particular to my advisor, Phil Herr. Though I never had the benefit of his course, Phil's broad vision, generous commitment of time, and consistently thoughtful advice have been invaluable to me. I would also like to express my gratitude to Tunney Lee, whose experience and kindness have impressed me in my time at the Department of Urban Studies and Planning.

Finally, I owe special thanks to my wife, Karen, for enduring this interest of mine and for providing me with a balanced perspective. Her work with children and families caught in unfortunate and sometimes tragic circumstances is inspiring and reminds me that beyond discussions of equity and integration lies the hope of real people.

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# COMMON GROUND:
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<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tr>
<td>BRA</td>
<td>Boston Redevelopment Authority</td>
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<tr>
<td>DMJM</td>
<td>Daniel, Mann, Johnson, &amp; Mendenhall</td>
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<tr>
<td>FANNIE MAE</td>
<td>Federal National Mortgage Association</td>
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<td>FCA</td>
<td>Fillmore Center Associates</td>
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<td>HST</td>
<td>Housing &amp; Society Trust</td>
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<td>LISC</td>
<td>Local Initiative Support Corporation</td>
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<td>MHFA</td>
<td>Massachusetts Housing Finance Agency</td>
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<td>MI</td>
<td>Mixed-Income</td>
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<td>MU</td>
<td>Mixed-Use</td>
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<td>MXD</td>
<td>Mixed-Use Development</td>
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<td>NCHM</td>
<td>National Center for Housing Management, Inc.</td>
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<td>NDF</td>
<td>Neighborhood Development Fund (City of Boston)</td>
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<td>SFRA</td>
<td>San Francisco Redevelopment Agency</td>
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<tr>
<td>SHARP</td>
<td>State Housing Assistance Rental Program (Mass.)</td>
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<tr>
<td>TCA</td>
<td>Tent City Association (tenant organization)</td>
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<tr>
<td>TCB</td>
<td>The Community Builders</td>
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<tr>
<td>TCC</td>
<td>Tent City Corporation</td>
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<td>TCDC</td>
<td>Tent City Development Corporation</td>
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<tr>
<td>UDAG</td>
<td>Urban Development Action Grant</td>
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<tr>
<td>UIDC</td>
<td>Urban Investment Development Corporation</td>
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<td>ULI</td>
<td>Urban Land Institute</td>
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I. INTRODUCTION
1.1 THE CITY IS THE FRONTIER

The cities are history, havens of interest and contrast....They are the main forums of civil rights and the soils on which our democratic principles will receive their most crucial tests.

Charles Abrams, *The City is The Frontier*¹

Over fifty years ago, federal legislation established a goal to provide decent housing for all Americans. The subsequent urban renewal mandate called for both revitalizing our cities and serving the housing needs of low-income residents. However, the lofty ideals of the mandate became obscured as federal grants were used to clear large tracts of land for development which frequently displaced the urban poor.

While a theory of income-mixing was unfolding in reaction to public housing projects which had isolated the urban poor, a strategy of mixed-use development evolved in response to demands for diversity and pressures to optimize land value. Increasingly, political, economic, and social forces have encouraged a merger between mixed-use and theories of income mixing, both as a result of affordable housing mandates and as a deliberate strategy. Blending mixed-income rental housing with mixed-use development is an integrative approach to meeting the housing needs of diverse groups while encouraging economic vitality.

In studying city planning, my intention has been to better understand how to create opportunities in which the interests of low-to-moderate income people can be served -- not peripherally in isolated projects, but within the wider social fabric. Mixed-income housing which incorporates non-residential functions such as retail space and community services represents an occasion in which physical planning and social planning converge to meet the laudable goal of creating an economically and racially integrated environment.

It is the premise of this thesis that together a mixed-income component and mixed-use component can form a socially diverse environment conducive to building a sense of community. The mixed-income compo-
nent, in its origins and implementation, imbues the development with a special identity. The mixed-use component, in serving both residents and neighbors, can be a vehicle by which the mixed-income community can be integrated into the larger context. Combined, mixed-income and mixed-use might do more than they can separately: they might create new opportunities for interaction among residents and among residents and neighbors.

In order to illustrate the actual motivations behind mixed-income/mixed-use projects, how they have recently been developed, and what the prospects are for their success, I have chosen two examples: Tent City in Boston and Fillmore Center in San Francisco. The thesis is organized around a presentation of the cases and an analysis of each by means of four performance criteria: assessing MI and MU, project design, financing, and management. This will serve as the framework through which the broader issues of identity, integration, and interaction will be reviewed in the first and last chapters. A synopsis:

CHAPTER I
The introductory section will begin with a discussion of the issues of identity, integration, and interaction at the heart of MI/MU development; then the definitions of both MI & MU will be sharpened and the importance of their nexus explained; strategies for development will be described and an overview of design issues especially important to MI/MU development will be presented;

CHAPTERS II - IV
The centerpiece of the thesis, an examination of the two case studies, will begin with a description of the historical context of these two projects; following the case histories and project descriptions, four performance criteria will be used to evaluate the prospects for the projects' success vis-a-vis the ideals outlined in the introduction;

CHAPTER V
The concluding section will focus on broad lessons of MI/MU drawn from the case studies; finally, given a candid assessment of MI/MU development, the importance of community in the struggle for equity and integration will be discussed.
The objective of this thesis is not to present a comparative study of mixed-income/mixed-use (MI/MU) development. In terms of location, scale, income and use mix, and project sponsor, Tent City and Fillmore Center are very different. Rather, given the important similarities in neighborhood history, the challenges of the design and development process, and the nature of project management, these cases illustrate both the problems and the promise of MI/MU development.

Defining the Ideal of Mixed-Income/Mixed-Use

In defining what MI/MU developments should be, I begin with the proposition that they are rare opportunities for fostering a sense of community -- though not according to some nostalgic or utopian vision. Rather, in certain strategic locations, such developments can serve the needs and desires of diverse groups and, given their functional complexity, can be vehicles to bridge, even bind, distinct neighborhoods. Throughout this thesis, I will examine MI/MU in terms of Identity -- as a unique, socially diverse environment conducive to the building of community; in terms of Integration -- whereby retail space and community services can serve to connect the development to its surroundings; and in terms of Interaction -- the building of connections among residents and between residents and neighbors.

Identity

There are special places in most cities where residential districts overlap -- sometimes districts made up of distinctly different classes. Such seams in the fabric of the city provide occasions where people of different income groups might live together. Well-planned and thoughtfully designed, mixed-income residential environments are unique opportunities for economic and racial integration. Architecturally, mixed-income housing developments should harmonize with their surroundings; at the same time, given their broad objective of bringing people of different backgrounds together, these environments have a special identity in the urban landscape which may or may not be expressed architecturally.
One of my predecessors in the Department of Urban Studies and Planning, Buckley Yung, did his thesis on the subject of mixed-income/mixed-race housing. On the basis of two case studies, he concluded that among residents, developers, and state and local housing agencies, the projects were regarded as "very satisfactory". Residents generally did not have a problem in living among people of different race. He did not find, however, that residents necessarily felt there was a direct advantage to them in living among people of different income.2

Similarly, one belief or expectation of MI/MU development which should be dismissed at the outset is that mixed-income environments are important because they can provide role models for low-income people. The presumption here is that a) low-income people should subscribe to middle-class ideals of success (ie: the house in the suburbs); or, alternately, that b) low-income people should not expect more than a minimal accommodation in society until economically they are fully prepared to participate. The danger of these presumptions is that they equate monetary value with personal or family values. Such paternalism is reminiscent of the "just-be-grateful-you've-got-this-much" attitude that has surrounded public housing for the past 30 years.

This is not to say that the presence of people making more money within a development may not be beneficial to people of more modest means. Indeed, to the extent that personal connections can lead to a good job, such proximity can be very advantageous. But more importantly, the mixing of income groups offers an opportunity for breaking down barriers of fear and prejudice. Where they can help foster mutual understanding, MI/MU projects meet the challenge of building communities across economic and racial lines.

Integration

At the same time, the incorporation of a mixed-use component can do more than simply provide for the needs of the development's residents. Ground floor retail/commercial space and room for community functions can provide critical connections between the project and its surroundings.
The mixed-use component, in serving both residents and neighbors, can integrate the development into the larger community.

Another of my predecessors, Susan Orbuch, did her thesis on the subject of mixed-use development. On the basis of three case studies she concluded that a mix of goods and services which appealed to both residents and neighbors could help a development blend into its surroundings. In addition, she found that commercial turnover presents the greatest risk to synergy between the residential and retail uses and that, in general, residents of the developments rarely worked in one of the development's businesses. 3

This last finding runs counter to the expectation that by including a residential component, mixed-use development can become a self-sustaining, "holistic" environment. Such a nostalgic notion may have some historic precedent in the tightly-knit ethnic enclaves of our cities at the turn of the century. But mostly it harkens back to the mythical American ideal of the "small town", where people live and work together and forge a mutually-supportive community. The fact is that social contacts in American society are more typically based on work, family, or common interests -- not on place. The result is a spatial dispersion across the city. The fact that the catchment areas of our social services (such as schools) typically do not fit neat neighborhood boundaries is evidence of this. 4

At the same time, if neighborhoods are not precisely the building blocks of cities as some planning theorists might believe, it does not mean that they cannot function as unifiers. Rather than self-sustaining utopias, modern neighborhoods in the American context have been "issue-oriented" and "change-resistant". Threats such as urban renewal, school busing, and highway expansion have served to galvanize local opposition in the cause of self-defense. Furthermore, in providing cooperative day care, locally-managed housing, and "incubator" space for business, for example, many community-based groups focus on generating change rather than simply resisting it. 5
Interaction

While the ambitions of MI/MU may be lofty, the reasons people choose to move into them are likely to be pragmatic. For those with good incomes, such developments must offer what market-rate alternatives do -- and also be a good deal. People of low-to-moderate income might simply want a decent, well-built apartment. But because living together in the same development implies contact, tenant involvement in management and carefully-designed semi-private space can enhance resident interaction, fostering a sense of community.

Neither of my predecessors found that, alone, the mixed-income environment or the mixed-use environment was particularly conducive to fostering a sense of community. In his study of mixed-income/mixed-race housing, Yung concluded that the expectation of interaction might be too ambitious -- or it might be simply too early in the history of the developments he studied to tell. Orbuch was convinced that the mixed-use environment itself did not create interaction; rather, interaction was more a factor of the nature of community already existing in the neighborhood context and the extent to which the development could attract pedestrian activity.

The premise of this thesis is that incorporating mixed-income housing with mixed-use development sets an important precedent. When well-conceived and implemented, MI/MU development can provide more opportunities for people of low-to-moderate income and represents a significant step toward creating an economically and racially integrated community. The question is whether the ideals of MI/MU can be fulfilled on common ground.

There are skeptics who would argue that affordable and for-profit aims can never be reconciled on the same site. Some do not agree that government should be involved in sponsoring or subsidizing housing in the first place. Yet while they extol the virtues of personal initiative and the free market, they may neglect the fact that the federally-sponsored mortgage programs, deductions for homeowners, and suburban highway expansion of the past amount to a far larger government housing subsidy for the middle class than those proposed for people of low-to-moderate in-
come. The larger issue is whether government has an obligation to be equally responsive as it struggles to reconcile economic development with serving the broad public interest.

Others are wary of the implications of involving the private sector in a form of economic redistribution. They point to the checkered history of urban renewal to explain that government incentives to spur private investment in affordable housing inevitably result in lofty goals being co-opted by building and real estate interests. They may agree with government leadership in the provision of affordable housing yet are concerned about the risks involved in sustaining ground floor retail/commercial space. With regard to income mixing, they might point to the debilitating effects of the cycle of poverty -- the lack of education, drug abuse, crime, teen pregnancy -- and conclude that the gulf between different groups in our society is too great for an integrative environment to work.

Still there are others who see promise in a coordinated strategy to arrest the cycle of poverty and provide more opportunities for disadvantaged people. They may be concerned, however, about the viability of community-based non-profit organizations that shift from an advocacy role to a development role. Furthermore, skepticism may surround not so much the ideals of equity and integration, but rather the practical impediments to good development. Indeed, the risks of MI/MU development are significant: design, construction, and legal issues of mixing residential and retail functions can be daunting; mixing affordable housing with other income-producing uses has sometimes proven financially precarious; and government and non-profit sponsors of such development are hinging a theory of social mainstreaming on market forces as people of low income are encouraged to live among "market-rate" tenants.

The risks of MI/MU development are quite real. The case studies presented in this thesis illustrate the impediments to such projects beginning in the proposal stage and continuing through design, financing, construction, and ultimately, project management. Nevertheless, while imperfect, these examples stand as evidence that such projects are being attempted.

As ambitious as MI/MU developments are, it is certainly true that they are not appropriate everywhere, nor are they appropriate for just anyone. And yet, with home ownership beyond the grasp not only of the
urban poor but a growing proportion of the middle class as well, such developments might become increasingly practical for many people. Designed for an economically-mixed market, not only can the quality of MI/MU developments attract people with good incomes, but they can also offer choice to people of low-to-moderate income who have frequently been isolated from the rest of society.

5 Lynch, p. 247.
1.2 MIXED-INCOME/MIXED-USE: A PRECEDENT?

Many different developments could loosely be characterized as mixed-income/mixed-use (MI/MU). The purpose of this chapter is to narrow the definitions by identifying, within an historical context, the subgroup of inner city cases such as Tent City and Fillmore Center. Typically involving some form of public sector participation, such developments represent a distinct branch of the mixed-use phenomenon of the past two decades. Given the strength of the urban rental housing market, coupled with an expected slump in commercial construction over the next few years, such residentially-oriented projects may well become more common in future mixed-use developments.

This section will first concentrate on describing the emergence of income mixing theory. It will be defined in terms of the MI/MU tenancy model of this thesis, a study of its effectiveness will be cited, and the tacit link to racial integration will be addressed. Next, a brief overview of mixed-use development will be presented. Finally, the importance of the nexus between mixed-income and mixed-use will be explored.

Mixed-Income Background

For the purpose of this report, mixed-income housing shall be defined according to four parameters: 1) a high-density urban tenancy environment (as distinct from home ownership) where rent is based upon a sliding scale such that decent, secure housing requires no more than 30% of one's annual income. (The sliding scale is relative to the statistical median income of a metropolitan area or region.); 2) a physically and functionally integrated environment -- one where units are not segregated according to income classification and where opportunities for interaction are not precluded; 3) the project's income mix occurs within a building as opposed to across the site or across the neighborhood; and 4) it has been developed ac-
cording to a coherent, overall plan (as opposed to an ad hoc, incremental plan).

Begun in part as a reaction to the stigma of public housing, the growth in mixed-income housing has been steady since the early 1970's. Public and private resources have been used to produce new or rehabilitated mixed-income, multi-family rental housing across the country (in addition to mixed-income home ownership programs). By 1987, the Council of State Housing Finance Agencies reported that in that year some 25,000 units of mixed-income rental housing were produced nationally by state housing finance agencies using tax exempt bonds.¹

And yet, despite the growth in mixed-income housing, relatively little has been written about it -- in fact, there are varying perceptions about just what mixed-income housing is or is meant to achieve. At times, 1) income mixing in housing has been considered a strategy to attract the middle class back to the city, back into communities which had become economically and racially isolated. Alternately, 2) income mixing in housing has been thought of as a means to integrate people of low-to-moderate income into residential communities often outside the center city. On occasion, such "integration" has been regarded as a way of increasing the supply of housing affordable to people of low-to-moderate income by providing a "middle ground" between the dependency of publicly-assisted housing and the market.

Some may argue that if integration is the aim, surely income mixing in housing is not the only way to accomplish it. Improved educational and employment opportunities for the urban poor would eventually enable them to exercise their own discretion in the market place -- without land write-downs and large public subsidies. Certainly changing economic and political circumstances might eventually result in improvements in housing opportunities; in the meantime, however, income mixing has developed as a method of providing more alternatives to people of low-to-moderate income.² As such, it is regarded as a palatable means of income redistribution.

The evolution of income mixing as a housing policy is well documented by the architectural form many such developments have taken over the past twenty years. In some cases, whether in townhouses or towers, the
units reserved for people of low-to-moderate income have been contained in completely separate buildings on the opposite sides of a site. In other cases, while the units reserved for people of low-to-moderate income are still contained in separate buildings, these buildings are scattered among those for market-rate tenants. Ultimately, of course, the mix of incomes has occurred within the buildings themselves and it is in this category that both Tent City and Fillmore Center belong.

As noted above, documentation of such developments has been scarce. One early study by the Massachusetts Housing Finance Agency (MHFA), entitled *All In Together*, provided some encouraging findings as to the success of such mixing -- measured as the degree of satisfaction felt by low-, moderate-, and market-rate tenants. Founded in 1966 on the premise of a clear public policy to promote economic integration, in six years the agency had created over 30,000 units of mixed-income, multi-family housing.3

*All In Together*, published in 1974, is a detailed statistical analysis from a cross-section of 16 of its developments representing a variety of low, moderate, and market mixes. This "social audit" came to conclusions which challenged conventional wisdom: income mix was found to be less a determinant of satisfaction or dissatisfaction among all three groups of tenants than issues of design, construction, and management of the developments. "...Contrary to expectations, measures of lifestyle, values, and attitudes did not reveal any significant differences between income levels."4 Though this early report seem to confirm some of the Agency's belief in the potential of income mixing, it was less satisfied with the slow progress toward racial integration in its developments.5

If income mixing in housing might be considered a palatable means of achieving economic integration, the implication that it also encourages racial integration has not always been well-received. While rarely is it stated explicitly, economic barriers in our society are linked to racial barriers. A National Academy of Sciences report of the 1970s described the sorry history of how housing, as a resource, has been distributed by race in this country.6 It is suggested that racial attitudes have not so much caused a discriminatory housing market -- but that, in fact, such attitudes have been derived from the market.
The chicken and egg dilemma posed by this argument would be difficult to verify. Nonetheless, the point is that race is inextricably bound up in the issue of housing; in fact, "income" has often been used as a surrogate for "race". While it is not the purpose of this thesis to address racial mixing directly, it must be considered in the study of income mixing. To the extent that perceptions of race -- or class -- affect people's choice of where to live, it is a relevant issue. Furthermore, negative perceptions such as fear have been a factor, especially at the local level, in resisting mixed-income rental and home ownership proposals.

Like the MHFA study, the National Academy of Sciences report concludes that good quality and value for money are the means of overcoming resistance to racially-mixed housing. The report also points out that because "redlining" practices had made it difficult for many people to secure loans for purchasing a home, racial and income mixing in rental housing, in particular in the middle price range, offer the most freedom of choice and thus the best opportunity for successful integration.

Mixed-Use Background

For the purpose of this report, "mixed-use" development will be defined according to the Urban Land Institute's (ULI) description that such development is 1) characterized by three or more revenue-producing uses, 2) by significant functional and physical integration, and 3) by development in conformance with a coherent overall plan (as opposed to an ad hoc, incremental plan). In addition, other "non-residential" functions which do not necessarily generate income (ie: community meeting rooms and services provided by volunteers or outside providers) will be considered here as also constituting part of the mixed-use component.

The concept of mixed-use is nothing new. Precedent extends back to the ancient cities of Greece, the fortified medieval city, the delightful mix of residential and commercial uses central to the vitality of cities like London, Paris, and New York. But in the first half of the twentieth cen-
tury two trends converged to undermine a predominant pattern of mixed-use development: the implementation of zoning laws, originally intended to create order and safeguard public health and safety (to say nothing of the pernicious effects of segregating ethnic groups and economic classes); and the rise of the automobile as the dominant mode of transport, which led to horizontal, dispersed patterns of land use. 8

Yet the convergence of these two trends did not spell the demise of mixed-use development -- though it would take on a character and scale of unprecedented proportions. Rockefeller Center established the standard for large urban mega-projects, and later urban renewal legislation encouraged other private developers to follow this lead in the name of eliminating the blight in our cities. During the 1950's, commercial office space was the driving development type within most mixed-use developments (MXDs). 9

As the mixed-use movement gained momentum, interest in incorporating residential uses took hold. Private developers, aware of the risks involved in MXDs, would typically opt to build housing which would be profitable in the marketplace: upper-income, and luxury housing. They claimed changing demographics suggested household sizes were changing and that more adult-oriented development was in demand. But by the 1960's, public sector site control and development incentives increasingly resulted in portions of the residential use being reserved for people with incomes below market-rate. In 1985 it was estimated that of all the rental units included in MXDs across the country, 57% were for the middle-income market, 22% were for the luxury market, and 17% were for the subsidized rental housing market. 10

A 1985 Urban Land Institute (ULI) survey of MXDs across the country and Canada estimated there were three times as many such developments by 1985 as had existed ten years earlier. In fact, the survey found that 58% had been built since 1980. Furthermore, throughout the decade of the 1970s residential use was included in only 19% of MXDs, but 50% of projects built after 1979 included residential use. By the mid-1980s, 58% of MXDs were located in the Central Business District, 15% in "Other Central City", 16% in Suburban Central Business District, and 11% as suburban "Freestanding" MXDs (ie: scattered site developments). Nearly two-thirds of the MXDs in the "Other Central City" category (of which
Tent City and Fillmore Center are a part) included residential uses with the average number of units being 484. Finally, of all MXDs in the ULI survey, approximately half involved some form of public economic incentive, investment, or ownership.11

Yet despite the opportunities and advantages of MXDs, market realities can quickly dash the expectations of economic vitality. One of the most common public sector pitfalls has been to include too much retail space -- where market support has not been substantiated ahead of time.12 Recent experience has resulted in a planning process where "paramount importance" is placed on ensuring that each major component of the mix is able to substantially stand on its own.13

The recent trend toward small-scale mixed-use development, in which residential and commercial/retail uses are designed to subsist independent of one another, is well represented in the cases of Tent City and Fillmore Center. Whether new construction or incorporated into renovated structures or historic buildings, smaller MXDs can serve as an attractive transition between different land uses or districts, restoring the urban fabric. In areas such as the South End of Boston and the Western Addition of San Francisco, the image of the vibrant urban environment that is at the heart of mixed-use is not something new but a resurrection of the diversity that once existed there.

From rowhouse districts to dense MI/MU development:
reinterpreting a precedent
Integrating Mixed-Income and Mixed-Use

While the federal commitment to public housing was expanding in the 1960's, evidence suggested that in their isolation, public housing projects had the effect of stigmatizing the poor. There was a growing awareness that in addition to a carefully designed physical environment incorporating social services and retail space, an economically-integrated environment can provide significant opportunities for the poor to make the transition to independence. At the same time, one of the by-products of urban renewal was a strategy of mixing complementary functions on the same site in response to demands for diversity and pressures to optimize land value.

Typically, profitable private development on large parcels of cleared land consisted of office buildings, hotels, and parking structures -- projects which brought life to the city only by day. Planners advocated projects incorporating housing with other income-producing uses in order to provide a stabilizing element to the city as well as to enhance its vitality. Initially urban developers segregated luxury mixed-use development from affordable housing projects. But as urban land values escalated dramatically and public officials adopted a new entrepreneurial style, low-income constituencies began to demand more of a share in the wealth of the city.

Incorporating mixed-income rental housing into mixed-use projects can be viewed as an integrative response on the part of city officials trying to enhance the city's tax base while meeting the demand for affordable housing. It can also be understood as a strategy by which community-based non-profit organizations can provide affordable housing as well as a stabilizing economic development influence in strategic locations. In addition to serving residents, when community meeting rooms and ground floor retail space serve area neighbors, a MI/MU development is more likely to become a part of the neighborhood than one-dimensional apartment complexes.

2 Hawley, Amos, and Rock, Vincent - editors. Segregation in Residential Areas: Papers on Racial & Socioeconomic Factors in the Choice of Housing, (National Academy

4 MHFA, p. 24.
5 MHFA, p. 1.
6 Hawley, p.58.

8 ULI, p.1.
9 ULI, p.339.
10 ULI, p. 339.
11 ULI, p. 339.
12 ULI, p. 50.
13 ULI, p. 44.
1.3 STRATEGIES FOR MI/MU DEVELOPMENT

Having explored the history and merging of income mixing and mixed-use, it is important to consider the challenges facing developers of such projects. This section of the chapter will focus on the sponsors themselves -- typically a combination of public, private, or non-profit developers. Such complex public/private partnerships have become necessary in large part because of the federal shift in the last dozen years away from the provision of subsidized housing. This shift has resulted in a new variety of incentives and financing mechanisms being created to entice private developers to participate in the development of subsidized housing. This section will conclude with a look at the challenges of combining mixed-income housing with mixed-use development.

The Players

An appreciation of the crisis millions of low-income Americans face as they seek to secure affordable housing is essential to understanding the scope of the challenge faced by public, private, and non-profit developers. As of 1987, 47% of low-income renters were spending over half of their incomes for rent, compared to 34% percent of low-income renters in 1974. At the same time, home ownership has become increasingly difficult: in 1978 a typical homebuyer had to make a downpayment equal to one-third of household income, but by the mid-1980s this downpayment had risen to one-half of household income.1

In the last two decades, the federal presence in the production of affordable housing has dramatically declined. Federally-sponsored subsidized housing constituted 29% of all housing starts in 1970 and averaged 14% of all housing starts throughout the decade. But by 1983, federally-sponsored subsidized housing construction accounted for 7% of the total; by 1985, the proportion fell to 5% and continued to decline.2 Into the growing vacuum have stepped state and local governmental and non-profit entities. Some of the better-able and more progressive states, notably Massachusetts
and California, responded to the federal cut-back with a variety of strategies including: new appropriations for housing, new real estate taxes, fees on new development, and community loan funds. At the same time, numerous neighborhood-based community organizations have created development arms to build or rehabilitate housing for low-to-moderate income people.

This is great news for conservatives who have advocated a federal retreat from affordable housing production; it has also been well received by the public sector increasingly strapped for cash -- and for leadership. There is a common perception that community-originated proposals are less likely to encounter community opposition and can, in fact, serve as a source of pride and hope for area residents. Proposals for affordable housing coming from community groups often include ancillary objectives such as neighborhood economic development and providing a focus for community services. As a result, the prospects for such projects succeeding are considered greater than if the proposals were generated and developed by outsiders -- whether public or private.

However, despite the efforts of state, city, and community groups, the magnitude of the increasing demand for affordable housing is daunting. State and local housing activity to date amount to only a fraction of what the federal programs have traditionally provided. Furthermore, the evolution of other forms of project financing in the course of the 1980s has done little to enhance the potential of non-federal developers. The deregulation of the banking industry led to rampant speculation in residential real estate. The effects of ill-conceived projects and outright graft are reflected in the failings of numerous banks and saving and loan institutions in the late 1980s; the costs of the speculative spirit of the decade will haunt us for many years to come.

Financing & Incentives

The Tax Reform Act of 1986 has had a profound effect on affordable housing development. Advocates of affordable rental housing, critical of the targeting of pre-1986 federal bond issues, succeeded in expanding the affordability range. Before 1986 (under terms of tax-exempt bonds and low-income tax credits), 20% of new units had to be set aside for people with in-
comes less than 80% of area median; after 1986, 20% of the units had to be reserved for persons below 50% of median, or 40% for persons below 60% of median income. In addition, new requirements called for verification of low-income status occur on a continual basis (i.e., yearly) -- and not just when a prospective tenant initially applies. Moreover, limits were placed on the rents that could be charged for low-income units; and use restrictions aimed at protecting low-income units from market-rate conversion were extended from 10 years to 15.

And yet these stipulations themselves have done little to induce development. New restrictions on tax-exempt financing greatly inhibit the leveraging of investment from private individuals. Corporations and insurance companies, while still allowed to take advantage of tax losses associated with subsidized housing, have typically been drawn to the less risky, higher quality apartment market aimed at young professionals.

In fact, critics charge that the 1986 Tax Reform Act actually targets the wrong income group: only 19% of all current residents of federally subsidized housing have incomes above 50% of their respective area median, yet the new law permits investors to develop housing for families whose incomes are as high as 60% of median. Furthermore, an incentive system based upon a gain in project appreciation makes it unlikely that private developers would maintain a low-income use beyond the mandatory 15-year compliance period.

Meanwhile, the development of numerous inclusionary housing programs within the last 15 years signals a recognition that responsibility for the provision of affordable housing must go beyond the city limits. Typically inclusionary zoning is based upon either mandatory construction requirements or development incentives such as density bonuses and expedited regulatory review procedures. In some cities, most notably San Francisco and Boston, "linkage" programs have been designed to mitigate the adverse impact of large scale development by requiring developers to directly provide affordable housing or an in lieu fee, and, more recently, job training and community-services. However, like their inclusionary zoning counterparts, the viability of linkage programs is tied directly to the cyclical nature of the economy: there is little chance that these programs will result in more affordable housing in down times.
Finally, the nature of public-private partnership has evolved over the past two decades. In their least structured form, such partnerships involve corporations or foundations which provide grants to help community-based organizations secure options on a site or a building, complete a feasibility study, co-sign a loan, or provide some professional expertise. The non-profit Enterprise Foundation and the Ford Foundation's Local Initiative Support Corporation (LISC) are two examples. More commonly, however, public-private partnerships involve an intricate collaboration among lending institutions, public agencies, local or regional non-profit organizations, and, for the all-important equity, private individual or corporate investors.11

Risks of Combining MI & MU

Taken separately, mixed-income housing and mixed-use developments present their own problems. The prospect of mixing income groups presents serious marketing concerns. Because people whose income can support a market-rate rent have more options at their disposal, they can chose to avoid the risks they may perceive in living among people with less income. Furthermore, low-to-moderate income tenants may have to be drawn from public housing waiting lists, thus limiting the developer's discretion in selecting people best suited to an economically integrated development.

The risks of mixed-use are legion. Problems of design and construction commonly include the necessity to reconcile the conflicting structural grids of residential construction with that of retail space and/or a below-grade parking garage. Separation of space and utilities, issues of security, liability, and future sale all present daunting legal issues as well. The complications involved in mixing disparate functions have often been enough to discourage some developers from attempting mixed use.

Incorporating different income groups into mixed-use developments presents another set of challenges. In mixed-income rental housing, experience has shown that expecting the retail component to sustain the residential component is a dubious strategy. Due to the initially poor performance of the ground floor retail of one early MI/MU project in Boston, the MHFA in the early 1970s adopted a policy whereby each component would have to be self-supporting. The rental subsidy -- whether a public stream or the
result of a cross subsidy provided by the market-rate units -- must remain out-of-reach of a project's commercial component, and visa versa. Similar experience elsewhere has caused such "wisdom" to be included today in federal and state bond and tax-credit financing.\textsuperscript{12}

In a mixed-income environment, the mixed-use component faces difficulties of its own. Stores and services must appeal to a more economically and racially diverse group of customers than in traditional one-dimensional projects. In addition, the needs and desires of neighborhood residents must be addressed if the mixed-use component is truly to serve to integrate the new development to its surroundings. Furthermore, over the last 10 years public financing terms have not been particularly favorable to the incorporation of mixed-use into mixed-income developments. Before 1986, the terms of bond and tax-exempt financing (both federal and state) stipulated that no more than 10\% of publicly-backed mortgage revenue proceeds be devoted to non-residential functions; this was reduced to 5\% after 1986.\textsuperscript{13}

Typically, public agencies have required developers to provide letters of credit, and in some cases personal guarantees, to insure there will be no cross-dependency of the retail component on the residential income. Fine print in the terms of bond issues have sometimes included exceptions to the %-of-proceeds limits in instances where the retail/commercial space is "functionally related" to the residential component and directly serves needs of the residents. Occasionally, on a case-by-case basis, convenience stores, for example, have qualified under this exception.\textsuperscript{14} But the fact that the proceeds legally available for non-residential uses is referred to by public officials and developers as "bad money" is indicative of the wariness associated with public expenditure on mixed-use.

Taken together, the funding limitations, new incentives, and the relative prevalence of community-based organizations have had the effect of encouraging the building of intricate partnerships, yet the risks are great. In addition to the challenge of assembling a good development team among these players, the scramble to assemble the necessary financing brings to the foreground the motivations of each of the parties and this, in turn, has important ramifications for the nature of the MI/MU development itself.

The non-profit community group may, at heart, have only the laudable goal of providing affordable housing in an economically integrated (MI)
and stimulating (MU) environment. The public sector, increasingly limited to the state and city, is typically trying to use its scarce dollars and regulatory powers to leverage the involvement of the private sector. Public officials are confined by the political realities of bond appropriation procedures (i.e., referenda) and by the fact that exercising too much regulatory control can result in discouraging private development.

When the private developer does choose to enter into a partnership, or the private investor joins by means of an equity syndication, the motivation of profit extracts its own cost -- potentially undermining the lofty goals. Tenant marketing and selection, and perhaps even the terms of affordability, are subject to the stipulations (or the interpretation) of the private developer.

This is not to say that including the private sector is in itself a bad idea. Indeed, not only is it unrealistic to expect that the demand for affordable housing can be met by the public or non-profit sector alone, but the market orientation of MI/MU would be compromised without the inclusion of the private sector. Predicated on economic integration and a strong retail/commercial component, MI/MU requires the expertise of the private sector in design, marketing, and management. Furthermore, without the participation of private entrepreneurs in this type of development, the prospects for broader application are in doubt. The challenge of MI/MU development goes beyond the objective of successfully building a project: in a larger sense, it is a means by which people with different motivations can work to achieve a common objective.

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2 Stegman & Holden, p. 9.
3 Stegman & Holden, p. 4.
4 Stegman & Holden pp. 77-88.
5 Stegman & Holden, p. 91.
6 Stegman & Holden, p. 80.

9 Stegman, p. 17.

10 Stegman & Holden, pp. 50-59.


12 Creedon, Francis F., Operations/Budget Officer, MHFA, (interview 3/91).


14 Frawley, Brian M., Senior Policy Coordinator, MHFA, (interview 4/91).
1.4 AN EVOLUTION OF FORM IN URBAN MULTI-FAMILY HOUSING

MI/MU is defined here in terms of the physical and functional integration of the residential and non-residential components. The residential form must appeal to people of varying income groups -- offering the quality of market-rate housing and avoiding the stigma of anonymity typical of monolithic public housing projects. Non-residential components and a physical design that is sensitive to context can serve to integrate MI/MU developments into a neighborhood. The nexus of MI/MU is the functional interdependency between the residential and mixed-use components. And finally, such projects can offer a broad range of spatial opportunities for social interaction -- at a very public scale on its active sidewalks, in semi-public areas such as courtyards or community meeting rooms, in semi-private space such as common areas within the residential buildings themselves.

This section will explore these issues of identity, integration, and interaction in multi-family housing. The importance of scale, symbolism, diversity, and hierarchy of space will be described using four recently completed mixed-income developments as examples.

Establishing a Sense of Identity

Modern conceptualizations of the city, dating back more than a century, have typically been concerned with understanding the whole as a sum of its parts. In grappling with the complexity of modern society and the ill-effects of rapid industrialization, planners have tried to organize the urban environment around a comprehensive sense of order. In his urban design schemes, perhaps most vividly illustrated by "The Radiant City", Le Corbusier espoused a rigorously ordered environment as a direct reaction to the congestion and squalor that characterized the residential quarters of many cities. The meandering patterns of narrow streets, considered picturesque by some, were diagnosed as "diseased" by modernists who regarded the new discipline of town planning as a science.¹
Viewed as an inanimate object (i.e., a machine), the city could be understood analytically, abstractly. Theories of regularity and efficiency were eminently quantifiable. In hypothetical schemes, Le Corbusier advocated a rigid hierarchy of dense office highrises, blocks with set-backs for luxury housing, and box-like residential blocks for ordinary citizens. The broad boulevards along these blocks would be "workshops" with ground floor retail catering to domestic needs, while the internal cores of such blocks would be devoted to vast open spaces for recreation. Le Corbusier contended man's quest for individual liberty could be secured by creating an external order.

"Statistics are the Pegasus of the town planner"
Le Corbusier

As abstract as such theoretical notions of the city may seem, their consequences at the hands of real-life planners after the Second World War were profound, epitomized by the grim multi-family projects common to many of our cities. In her book *The Death and Life of Great American Cities*, Jane Jacobs is outspoken about the false allure of "order". Duplication and regimented regularity do not represent order. Aerial perspectives of the well-ordered city lost sight of the "bits and pieces" of our urban fabric: the differentiation of form and material, meandering streets, and a spatial sequence of very public to very private space. Abstract metaphors resulted in designs of a scale foreign to human understanding and denied the qualitative aspects of the city.²
Recently, carefully-crafted designs for mixed-income housing illustrate the importance of context and detail in imbuing multi-family housing with a sense of identity. Terraced on the southwest side of Boston's Mission Hill, for example, the Back of the Hill development consists of two- and three-story apartments. By means of careful massing and the use of bay windows and bowfronts to recall the townhouse vernacular popular throughout the city, the architect has ensured that the development does not appear monolithic. The street edge plays an important role here as shallow setbacks and the articulation of the facades allow for small front yards, walk-up stoops with iron railings, and individual entry alcoves.

Sponsored by the Bricklayers and Laborers Non-Profit Housing Company, the buildings feature a rich display of authentic brickwork. This is not a brick veneer glued on a frame, but a cleverly-detailed, textural solution. The facades feature accents of brick banding and rain-shedding bullnose coursing at the buildings' base. As the houses climb the hill, the brick color changes -- dark red with black trim at the bottom, orange with red trim in the center, and buff with yellow trim at the top -- further "individualizing" the housing.³
The street edge considered as a public space

Quality design and construction: no stigma
Integration by Means of Diversity

The Frank G. Mar Community Housing project in Oakland's Chinatown demonstrates the ability of mixed-use to integrate a mixed-income housing development to its surroundings. Here the architect faced the challenge of designing housing into an area between the busy, but low-rise Chinatown district and the higher-density central business district. On the one hand, the peaked roofs and square windows can be seen as symbolic references to "house", reminiscent of the drawings of children. But in this location (more intensely urban than Back of the Hill), the building is held tight to the sidewalk; street-facing, semi-private space is relegated to balconies scooped out of the facade.

MI/MU attracts people on many levels

Storefronts designed to embrace the sidewalk

This allows the ground floor space to step right up the sidewalk -- appropriating it, in a sense. Along three sides, retail/commercial space attracts business not only from residents within the project but from area neighbors and office workers. The continuity of this retail component, critical for small businesses dependent on pedestrian traffic, is interrupted only once to access the public parking garage built beneath the project. The garage and the street-level businesses provide the vehicle by which the Mar Community Housing development is linked to its surroundings. What
is more, storefronts as small as 400 square feet are available as "incubator space" for start-up businesses -- an important goal of the community-based non-profit group that sponsored the project.5

Form Fostering Interaction

Organic metaphors for the city have been based on the premise that while cities may be functionally interdependent, in their congestion they preclude a healthy environment. The early "Garden City" ideal called for decentralizing the functions of the city -- business, industry, administration, education, and public space -- and reconfiguring them in healthier, ex-urban environments. While such ideals would eventually degenerate into a suburban prototype lacking genuine functional diversity, within the city, concern for health and safety often became pretexts for the destruction of space that actually gave the city life.

Efforts to clarify the complexity of the city often meant cauterizing the very features of spatial diversity that provides the urban dweller with a range of public to private space from which to choose. Functional interdependency need not occur at a scale so divorced from human interaction that it renders the urban environment anonymous. The projects cited earlier point out the value of qualitative attributes of scale, material, and detailing that lend a sense of individuality in a large environment. Such attributes also play an important role in fitting a project into its surroundings. In addition, the form of buildings and the space between them are equally critical in making functional diversity more than just qualitative -- but also experiential.

The rehabilitation of a notorious public housing project offers a useful example of how, completely misunderstood, spatial diversity can result in a stultified, disorienting environment. Realigned hierarchically, diverse spatial "episodes" can provide a sequence from very public to very private space. Opened in 1954 on the 53-acre Boston harbor peninsula, Columbia Point was a 1,200-unit project comprised of 30 monochromatic, flat-roofed mid- and high-rise housing blocks. By the early 1980's it was so crime-ridden that only 350 households remained.
The plan called for tearing down some of the existing housing blocks, renovating others, and erecting many new multi-family townhouses. Three teams of architects were employed to encourage a varied architectural response in breaking down the monolithic, institutional appearance. New townhouses were clad in either brick or clapboards in keeping with the city's vernacular. Details such as peaked roofs, individual walk-up entrances, and the elimination of double-loaded corridors in the low-rise buildings have given the development a new image. Other aspects of the transformation were symbolic: the name was changed to Harbor Point and the detested yellow-brick pallor of the former project was restained a robust red.

Previously, a series of roads had rimmed the project with no sense of order or sequence. The uniformity of spatial experience, housing form, and material imbued the development with anonymity. Large parking lots at the periphery meant residents had to walk through a maze where outdoor space created by building setbacks at the street edge was no different from open space behind the buildings. The rehabilitation of Columbia Point began with selective demolition focused on replacing the stagnant towers-on-the-green site plan with a sophisticated spatial hierarchy.
Architects of the renovation began by creating a broad, tree-lined mall to form the "spine" of the new neighborhood. Streets featuring parallel parking, lampposts, and crosswalks, front yards and front stoops, bind together the development's various housing types. Residents are offered a full range of public to private space: the public zone of the mall, the sidewalk in front of one's apartment, the front-yard set back and front stoop comprising a semi-private zone, and finally the entry alcove to one's apartment. Careful site planning called for clustering the various buildings around semi-private courts, giving families a proprietary sense of the space in front of their apartments. What was once useless space between buildings now takes on the quality of a community "yard" where children can play and neighbors can visit.⁶
Conclusion

Earlier multi-family housing designed for people of low income often lacked all three of these qualities of identity, integration, and interaction. Because MI/MU projects must also appeal to people with market-rate incomes, they must be of a certain quality, offering the convenience and many of the amenities of the market-rate competition. At the same time, the All in Together study showed that people of modest means are no less attracted to safe, well-built housing -- and, in fact, are more likely to take pride in their apartment when it is well designed. As the examples here have shown, carefully-scaled details, functional diversity, and spatial differentiation are critically important to the successful integration of such projects into the larger community.

Of course, this is no less true of market-rate development. Even luxury apartment housing can appear anonymous or isolated from its surroundings. But as the case studies will demonstrate, there are practical reasons why designers of MI/MU projects must be particularly sensitive to these qualities of identity, integration, and interaction. The complexity of project financing makes lenders especially attuned to good design in order to ensure acceptance in the marketplace. Moreover, careful design can go a long way to overcoming community opposition sometimes caused by mixed-income housing proposals.7

The background material to Tent City and Fillmore Center which follows will highlight the importance of local history and physical context in fostering a sense of identity as a neighborhood; in describing the setting in which these projects intend to integrate; and in explaining the nature of community interaction prior to the development of these projects. The case descriptions and analyses will shed light on how this identity, integration, and interaction -- or lack of it -- has important implications for the success of a MI/MU development.


5 MacDonald, Donald, FAIA, "Village In The City: Mixed-Use" (unpublished article, 1990), MacDonald is the architect of Frank G. Mar Community Housing, Oakland.


7 Rawn, William; Architect of Back of the Hill Development and other award-winning mixed-income housing developments in the Boston area; (interview April, 1991).
II. HISTORICAL BACKGROUND
2.1 NEIGHBORHOOD HISTORIES: 
THE SOUTH END 
AND WESTERN ADDITION

...thus the history of the negro in Northern cities is the history of the rise of a small group growing by accretions from without, but at the same time periodically overwhelmed by them and compelled to start over again when once the new material had been assimilated.

W.E.B. DuBois

Boston's South End

Founded on an awkward hilly peninsula, the city of Boston spread out by cutting down its hills and filling in many bay inlets and tidal marshes. In the 1860's a burgeoning middle class gave rise to widespread real estate speculation throughout the "hub" region. The Boston Common is what remains today of the hill that was used to transform a large marshy cove on the Charles River shore into the distinctive Back Bay neighborhood. Soon real estate speculation of a similar variety had spread to the Fenway, South Boston, and the South End. In just over 30 years 570 acres were filled in the South End, making way for developers set upon attracting middle and upper middle income families.

Charming brick and brownstone homes featured bay windows or bow fronts, brooding cornices, lighthearted Victorian detail, and ornamental wrought iron fences. Floor plans as well as a pattern of crescent shaped streets with landscaped islands were inspired by the fashionable London townhouse rows of the period. Yet despite the ambitions and attention to detail, the development of the South End into an upper income enclave was largely a financial failure. As was the case with South Boston and the Fenway, the wealthy preferred the more genteel Back Bay.

By the latter quarter of the 19th century new industrial developments on the southern and eastern end of the South End drew a large working class population to the district. Gradually the comfortable single family row houses were converted to rooming houses and apartments. Land originally intended for rear gardens and service alleys now was developed
THE SOUTH END
into new -- and far smaller -- housing. The large Irish Catholic population
gave way to a succession of other ethnic groups including Jewish, Syrian,
Greek, Italian, Portuguese, West Indian, and American Blacks. 4

Blacks were in Boston as early as 1873 and over the next 2 centuries
others followed -- as slaves, fugitive slaves, sailors, indentured servants,
and ambitious free men. The achievements of Lewis Hayden, Frederick
Douglass, William Monroe Trotter, and others have added profound dis-
tinction to Boston's epithet, "The Cradle of Liberty". By the early 20th-
century, however, the legacy of Black accomplishment in Boston had dim-
med. The educated, comfortable elite of the Black community became
known as the "Black Brahmins". They refrained from Trotter's strident
tone, preferring evenings at the Symphony and vacations at Newport or
Cape Cod. Many still lived on Beacon Hill or in some of the charming
brick homes of the South End. 5

Meanwhile, other less privileged Blacks of the South End competed
for work with Irish immigrants. The Black population of Boston had
grown from just over 2000 when the Civil War broke out to 14,000 by
1910. The Boston and Albany Railroad yards and the hotels of Copley
Square provided steady employment for newcomers. Many railroad
porters, waiters, and other service workers lived between the railroad
tracks of Back Bay Station and Columbus Avenue (the eventual site of
Tent City).

After the First World War many Blacks came to Boston from the
West Indies, from Barbados and Jamaica in particular. The Black com-
munity was by this point a heterogeneous mix of native Bostonians (in-
cluding the "Black Brahmin"), Southerners, and those from the Carib-
bean. 6 Various other ethnic groups were crowded into the South End as
well, and though working class and somewhat poor, a cohesiveness was
apparent.

Mel King, community activist, former State legislator, and Boston
Mayoral Candidate in 1983, is a key figure in the history of Tent City. A
native of the South End, he remembers growing up as a Black male in the
1930s. The row houses were crowded and not always in the best shape but
his memories are overwhelmed by the sense of community everyone en-
joyed. Families of many colors lived in the old apartments over store-
fronts. Irish, Lebanese, Italian, Yankee, and Jewish merchants along
Washington Street, Tremont Street, and Columbus Avenue provided the district with produce markets, clothing shops, bakeries and delicatessens. King recalls when a Syrian merchant's daughter was married. The merchant could not afford to rent a hall so he had the celebration in the street and invited all the neighbors to share in the ethnic celebration.

Yet the South End was not without its problems. The area became increasingly crowded and by the turn of the century had become the largest rooming house district in the country. Over the years the large number of saloons, liquor stores, and pool rooms made portions of the neighborhood the city's Skid Row district. After the Second World War, the South End deteriorated physically and was widely perceived by outsiders as an area of alcoholics, prostitutes, and drug addicts -- the focus of the city's economic and social problems. As many of the area's working class moved out, they left behind an older and poorer population. In addition to the large lodging house population (predominantly elderly white males), the South End's diverse racial and ethnic groups were in precarious positions.

In his Pulitzer prize-winning book *Common Ground*, J. Anthony Lukas studies the decade following the upheaval of 1968 focusing on the school integration crisis that tore at Boston's social fabric. He contends that the heterogeneous Black community in Boston was not necessarily unified -- that the Black Brahmins, the Southerners, and the Caribbeans sought to protect their individual "prerogatives" and regarded each other with "ill-disguised suspicion". Furthermore, the dispersion of the Black population exacerbated this "chronic fragmentation". While by 1960 Blacks accounted for 40% of the South End population, over the course of the previous decade one in five neighborhood Blacks had moved out -- many to neighboring Roxbury and Dorchester.

This dispersion, coupled with an Irish grip on local politics, prevented Boston Blacks from advocating political and social change until the mid-1960s. In the South End prior to that time, the array of interest groups, while not always content with one another, was linked more by class than by race. Together resident landlords and concerned tenants of the area were intent upon fighting off the crime, liquor, and deterioration which increasingly plagued the neighborhood. The Urban Renewal period would prove to be a unique opportunity to focus the area's diverse interests.
San Francisco's Western Addition

Within a decade of the 1948 Gold Rush the sleepy village of Yerba Buena ballooned from a population of a few hundred to more than 56,000. California was admitted into the union as the 31st state, and the burgeoning village was renamed San Francisco. In the 1860's and '70's a growing middle class expanded steadily westward from the waterfront and business activity to lower Russian Hill, Polk Gulch, and beyond Van Ness Avenue to the Haight-Ashbury, and the Western Addition.

As in the South End, builders and real estate speculators soon began to fill in the vast grid which boldly rolled over any inconvenient topography on its way to the Pacific. In the valley of the Western Addition, a stock of cheery wood-framed Victorian-style homes quickly emerged, characterized by gingerbread ornamentation, bay windows, and false-front cornice lines. The new neighborhood became a distinctive, self-sufficient enclave centered around the bustle of commercial activity on Fillmore Street.

As a result of the 1906 earthquake and fire a quarter of a million people, or three-fifths of San Francisco's population, lost their homes. Despite the great devastation, the people of the city began to dig out and rebuild. While the wreckage was cleared downtown, thousands set up make shift living arrangements out at Golden Gate Park. The fire had been stopped at Van Ness Avenue on the edge of the Western Addition and almost immediately the major merchants of downtown began to set up shop along Fillmore Street, which would serve as San Francisco's principle business thoroughfare for several years.

Since its inception the Western Addition had been a magnet for the city's growing middle class. But after 1906, significant numbers of ethnic groups and new immigrants began to come from Rincon Hill and other areas south of Market Street destroyed by the quake and fire. The city's Japanese colony concentrated in a few blocks around Post and Sutter east of Fillmore Street. Italian, French, Irish, and Russian immigrants gathered in the valley of the Western Addition as did several black families.

In the 1920s and '30s the Western Addition was a bustling community stretched out along Fillmore Street, crowded with apparel and jewelry stores, bakeries and kosher delicatessens. Gas lamps lined the sidewalks and
THE WESTERN ADDITION

WESTERN ADDITION A-2
SAN FRANCISCO REDEVELOPMENT AGENCY 11-66

[Map of the Western Addition with various symbols for different types of developments and buildings]
sweeping metal arches studded with electric lights rose from the corner of each intersection making Fillmore Street, in the words of the local Improvement Association "the most brilliantly illuminated street in America".\textsuperscript{16}

Jerry Flamm, in his book \textit{Good Life in Hard Times} reminisces about the excitement of the "Fillmore District", as it came to be known. On Saturday nights the stores would be opened after sundown when the 24-hour Jewish Sabbath ended. During Jewish High Holidays such as Rosh Hashanah and Yom Kippur everyone in the neighborhood would come out. Even non-believers "felt a need to identify themselves as Jews on the special days and 'be counted'".\textsuperscript{17} No one seemed at a loss for entertainment with the cluster of vaudeville and motion picture theaters in the neighborhood.

While the area suffered hardship during the Depression, it was during the Second World War that the Western Addition would face its most serious challenges to date and undergo a complete transformation. Up until World War II the history of Black San Francisco had been a footnote. By 1860 San Francisco Blacks numbered more than 1000, or roughly 2\% of the total population. As the region grew, the reliance on cheap Chinese labor to build the railroads and the existence of powerful white labor unions prevented Blacks from winning stable jobs and migration from the south was discouraged.\textsuperscript{18} By 1900 the Black population had declined to .5\% of the city's total. With a sizeable number of the city's Blacks from Jamaica, at the turn of the century, only New York had as large a percentage of foreign-born Blacks.\textsuperscript{19} Those that came to San Francisco, mostly adult males, had little choice but to take service jobs.

In his book \textit{Pioneer Urbanites: A Social and Cultural History of Black San Francisco}, Douglas Henry Daniels describes how by the First World War the Bay Area's residential patterns had "crystallized". The East Bay became a mecca for Blacks partly due to the fact that Oakland was the terminus of the railroad, an important source of employment for newcomers. But with most employment opportunities barred from Blacks in San Francisco and with discrimination commonplace among the real estate industry, the city's higher rents and shoddier accommodations made the East Bay an acceptable alternative.\textsuperscript{20} By 1940 San Francisco Blacks numbered 4,846 -- still less than 1\% of the city's population. And though two-
thirds of the city's Blacks lived in the Western Addition, they accounted for 6% of the neighborhood's population. With the outbreak of war in December of 1941, San Francisco's strategic location and the Bay Area's industrial potential was clear. What was missing was cheap labor -- and a lot of it. Executive Order 8802 prompted industrialists like shipbuilder Henry Kaiser to hire Blacks. For a time, Kaiser was bringing 1 to 3 trainloads of workers from the south every day. Most of the newcomers came from the western region of the south, from Texas, Arkansas, and especially Louisiana. In three years the Bay Area's Black population more than tripled. At the same time, another federal policy of the period had a pernicious effect on other Americans. Issued in 1942, Executive Order 9066 forced thousands of Japanese-Americans from the Western Addition into "relocation centers" dispersed throughout the west. While numbering about 5000 in 1940 (roughly equivalent to the city's Black population), Americans of Japanese ancestry had been an important part of the Western Addition since 1906. Their cultural heart was in the area around Post and Sutter Streets east of Fillmore Street and became known as "Nihon Machi" or commonly as "Japantown". Into the vacuum of this hastily evacuated area came the newly-arrived Blacks, many with large families. In Pioneer Urbanites, Daniels observes that these newcomers would not be the first to suffer from a tradition of California racism: "the same antipathies that excluded Chinese immigrants and placed Japanese Americans in concentration camps operated to contain Afro-Americans in urban ghettos." Some have charged that a concerted effort was being made by neighborhood groups, merchant associations, and improvement clubs to confine Negro families to the Fillmore District. Yet in spite of this, during the war the Western Addition, with its numerous black bookstores, jazz clubs, art galleries, and churches, became a vibrant Black cultural center compared by contemporaries to New York Harlem. After the war, the situation quickly changed. War-time migration had caused a ten-fold increase in the Black population of San Francisco. By 1943 half of the new families lived in 3 rooms or less and paid up to 43% more for their housing than native Blacks. After occupying crowded, dilapidated or temporary shelters during the war, many were not able to maintain their WWII-era gains in industry and make the transition to
roomier, more stable housing.\textsuperscript{25} The Fillmore District became the heart of Black San Francisco, and by 1950 the numbers of Blacks had "fatally ruptured the area's previous ethnic structure, leading to massive and self-reinforcing 'white flight'".\textsuperscript{26}

In two respects, the experience of Black migration to San Francisco was distinct from eastern cities. First, a huge portion of the population arrived over a very recent span of time; similar immigration to the industrialized northeast had taken place a generation earlier. What is more, in San Francisco, there was no predominantly Black district before the Second World War. In fact it was widely dispersed and incredibly heterogeneous.

Immediately after the war, economic conditions plummeted for Blacks in the Bay Area. Non-discriminatory hiring practices and on-the-job training had meant good work in skilled jobs for the newcomers to the Bay Area during the war. Partly because there were so few Blacks in the Bay Area before 1940, by the end of the war there were five times as many skilled workers as the national average for Blacks. Yet it was ironic that the unskilled service jobs which most San Francisco Blacks held before the war proved to be more secure.\textsuperscript{27}

Southern Blacks who had migrated to San Francisco did not find the poor, tenement-ridden scene of New York and Chicago. Yet after World War II, the loss of employment, overcrowding, deteriorating housing, and discriminatory real estate practices served to create such a scene in San Francisco's Western Addition. A U.S. Supreme Court ruling in 1948 broke racial covenants in real estate which had prevented minorities from settling in many areas of San Francisco, it was not until 1960 that a Black middle class had developed in the city. By this point, the core of the Western Addition was "solidly black", while many of the previously interned Japanese-Americans returned to their area north of Geary Boulevard.\textsuperscript{28}

In the course of the next decade, life did not improve for the Black community of the Western Addition. Property values continued to fall as property owners were either unwilling or unable (due to discriminatory lending practices) to maintain the buildings into which poor families crowded. As early as 1948, the Fillmore District was designated as blight-
ed by the San Francisco Board of Supervisors preparing the way for later redevelopment projects.


3 BRA, Environmental Assessment, p. 6.

4 BRA, Environmental Assessment, p. 6.


6 Lukas, p. 60.

7 King, Mel, Adjunct Professor and Director of Community Fellows Program, Department of Urban Studies & Planning, MIT, (interview, 11/90).

8 BRA, Environmental Assessment, p. 6.

9 Lukas, p. 59.


11 Keyes, pp. 45 & 49.

12 Daniels, p. 15.


16 Flamm, p. 75.

17 Flamm, p. 74.

18 Daniels, p. 18.

19 Daniels, p. 19.

20 Daniels, p. 101.

21 Godfrey, pp. 72 & 100.

22 Daniels, p. 95.

23 Godfrey, p. 95.

24 Godfrey, p. 100.

25 Daniels, p. 169.

26 Godfrey, p. 100.

27 Daniels, p. 167.

28 Daniels, p. 102.
2.2 THE RECORD OF URBAN RENEWAL IN THE SOUTH END AND WESTERN ADDITION

Urban Renewal in The South End

For many years the various interest groups of the South End had maintained a certain equilibrium. In addition to tenants and property owners, lodging house residents, and poor newcomers from the rural south and Puerto Rico, middle- to high-income white professionals began to buy and rehabilitate some of the district's charming bowfronts. Among these disparate interests, along with several church groups, established settlement houses, and other social welfare institutions in the area, there was broad consensus by the early 1960s that the South End was in need of renewal.¹

At this time the district had the worst housing stock in the city: 56% of its housing was classified as "deteriorated" while 11% was considered "dilapidated". By comparison, the Boston average in renewal areas was 24% "deteriorated" and 6.2% dilapidated.² In addition to poor housing, the area's public facilities, streets, and sidewalks were in terrible shape. "Compounding these problems was the fact that banks generally refused to issue mortgages in the area." With both the city and local residents lacking the resources, the federal program of urban renewal was the only alternative.³

Fundamentally the process of conceiving and approving a plan for the neighborhood's rehabilitation centered around the issue of whether, on the one hand, the South End would remain Boston's "prime repository of the old, the poor, and the problem ridden", or, on the other hand, the South End would simply become a frontier for white urbanites and real estate speculators, in effect a charming "museum piece".⁴ Between these two extremes lay a lofty goal of creating "an economically, socially, and racially integrated community."⁵ To the extent that the renewal process of the South End served to identify common interests and forge a unifying vision of the neighborhood, it was a critical step in laying the foundation for Tent City.
This is not to say that the implementation of the plan was necessarily well received by everyone in the neighborhood. The Boston Redevelopment Authority (BRA) has explained that its planning goals were to rehabilitate the South End's housing and physical infrastructure while "maintaining the heterogeneous nature of the population". After 13 years and over $90 million spent on implementing the South End Urban Renewal Plan, the BRA concluded that it was these twin goals which generated "conflict and polarization" within the community.\(^5\) In opposing demolition and displacement and by putting pressure on the BRA, however, community groups would keep the focus on the lofty goal between the two extreme visions for the neighborhood.

To more fully appreciate the nature of the community's debate -- epitomized in the Tent City struggle -- it is helpful to go back to the early record of urban renewal in Boston. In the 1950's, the BRA, in an act destined to become "an archetype of what urban renewal should not be", fixed on the city's West End as a blighted area. A large, low-income ethnic neighborhood along the Charles River, the West End was completely cleared to make way for 2,400 units of luxury high-rise apartments and open space. Following the "public health" rubric of urban renewal, some 3,600 dwelling units were demolished and 7,500 people were forced to leave the area. It has been reported that only 15% of these people were helped by the relocation program.\(^7\)

With the unfortunate experience of the West End Project in mind, later neighborhood renewal programs focused more upon rehabilitation than upon demolition and new construction. This strategy of replacing run-down low-income housing with rehabilitated middle-income housing in hopes of attracted the middle class back into the inner city was consistent with those of other renewal authorities of the day.

In *The Rehabilitation Planning Game*, Langley Keyes points out that the community participation in the urban renewal process became increasingly important as the strategy for renewal shifted from demolition for spot projects to rehabilitation and "the expansion of the size of the area considered optimum for renewal treatment". A well-managed process in which the broad spectrum of local interest groups was included could have the effect of bringing together disparate groups around notions of community and identity as a neighborhood.\(^8\)
As the initiator, manager, and coordinator of the renewal process, the BRA would be a dominant player in the planning process. In the course of his six-year term as Development Administrator for the BRA, Ed Logue centralized the city's planning and redevelopment bodies into an enormously powerful agency. If success in terms of urban renewal consisted of getting federal money, stimulating private investment, and organizing a highly professional agency, Ed Logue was very successful in Boston. Critics have countered, however, that Logue's accomplishments were achieved at heavy cost to the city's poor, particularly Blacks.9

Logue made it no secret of the fact that he considered the return of the middle and upper classes from suburbia critical to preventing the inner city from becoming a ghetto of the poor. The alternative to rehabilitation was to lock the urban poor into the central city in public housing. By 1966, city-wide renewal plans called for some 7,700 families to be displaced. According to the BRA's ten-year plan, of the approximately 37,000 new housing units proposed only 5,000 were slated for people of low income, the vast majority for elderly people (who at this point in Boston were predominantly white).10

The BRA had no way of implementing civil rights housing legislation and the overwhelmingly white Boston suburbs had demonstrated little willingness to welcome inner city residents. At the same time, the BRA's record on relocation was suspect after experience had illustrated many displacees from one project were simply moved into substandard units in other slums. BRA critics charged that throughout the Logue era, the participation required by HUD was always carefully managed so as to insure the middle class homeowner was the most influential player in the planning process -- often at the expense of low-income people.11

Initially, BRA plans for the South End were based on the idea that physically the area could be divided between the family-oriented, stable population and the poverty-stricken elderly tenants of the lodging houses and Skid Row. This was widely opposed by various interest groups largely because of the proposed clearance and the general sensitivity to the fine-grain social mix of the neighborhood. A subsequent concept recognized these concerns and focused instead on the separation of the broad residential community from institutional and industrial uses in the southern portion of the neighborhood. Composed in the course of 3 years and reviewed
in over 150 community meetings, "the final South End plan was a series of neighborhood designs soldered together into a proposal for the area as a whole. Concern for design criteria or over-all concept went by the boards in the drive to gain the approval of individual organizations." 12

But if the planning process served to identify and involve disparate interest groups in the rehabilitation of the neighborhood, many of the same groups accorded a voice in the planning process made their objections heard in the subsequent implementation of the plan. The South End Urban Renewal Plan called for relocation of 3,550 households -- of which nearly two-thirds would be eligible for public housing. This relocation effort was to take place over 7 years. The Plan's aim to provide 1,500 low-income units in a combination of public housing, rehabilitated and new Section 221(d)(3) moderate-income housing left many people skeptical. The moderate-income program depended on a Congressional sanction which had recently restricted the use of funds and the rehabilitation units required that a non-profit corporation be founded -- easier said than done. Even if all the 1,500 units could be built, up to 35% of the displaced households would not be able to remain in the area.13

Meanwhile, throughout the city, life for low-income Blacks was not improving. The Black population would increase 21% during the decade such that by 1980 Blacks accounted for 22.4% of the city's population. The poverty rate among blacks was double that among whites by 1980. Teenage unemployment in the Black community averaged 40%. By 1983 one in five Black children in Boston was born to teenagers -- amounting to nearly half of all teenage births in the city. Among the city's Black families, 46.7% were headed by female householders.14

As Table 1 documents, the Black population of the South End began to decline during the decade of the 1970s, explained in part by the growing gentrification of the area. At the same time, measured in terms of the percentage of Black families below the poverty level by 1980, there was a general improvement for Blacks still living in the South End. The need for affordable housing, however, was as acute as had been the case ten years earlier. There were more Black families by 1980, a greater percentage of Black renters, and while vacancy rates had declined, many more existing units were in need of major repair.
Table 1

<table>
<thead>
<tr>
<th>THE SOUTH END</th>
<th>Census Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1970</td>
</tr>
<tr>
<td><strong>Population</strong></td>
<td></td>
</tr>
<tr>
<td>City-wide Population</td>
<td>641,071</td>
</tr>
<tr>
<td>% of city population Black</td>
<td>16%</td>
</tr>
<tr>
<td>Census Tract Population *</td>
<td>23,762</td>
</tr>
<tr>
<td>% census tract population Black</td>
<td>48%</td>
</tr>
<tr>
<td>Number of Families in Census Tracts</td>
<td>4,287</td>
</tr>
<tr>
<td>% of census tract Black families</td>
<td>34%</td>
</tr>
<tr>
<td><strong>Housing</strong></td>
<td></td>
</tr>
<tr>
<td>Census Tract: Rental Housing as % of Total</td>
<td>75%</td>
</tr>
<tr>
<td>% of Black renters in census tract</td>
<td>39%</td>
</tr>
<tr>
<td>Census Tract: Residence 5 Years Previous</td>
<td>46%</td>
</tr>
<tr>
<td>% of Black population in same house</td>
<td>29%</td>
</tr>
<tr>
<td>% of Black pop. in same center city SMSA</td>
<td></td>
</tr>
<tr>
<td>Vacancy Rate Among Rental Units</td>
<td>16%</td>
</tr>
<tr>
<td>Substandard Units: lacking full plumbing</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td></td>
</tr>
<tr>
<td>City-wide: Median Family Income</td>
<td>$9,133</td>
</tr>
<tr>
<td>Census Tract: Med. Black Family Income</td>
<td>$5,083</td>
</tr>
<tr>
<td>% Black families below poverty level</td>
<td>34%</td>
</tr>
<tr>
<td>% Black female hsholds below pov. level</td>
<td>24%</td>
</tr>
</tbody>
</table>

* Source: U.S. Census, 1970 & 1980
d* census tracts: 703-712, 804-806

Subsidized rental housing in Boston in the 1970s amounted to 41,700 units. Yet given the alarming economic conditions among the city's Black population, the waiting list for public housing by the early 1980s amounted to over 7,000 people. By 1980, 20% of Black households in Boston lived in some form of subsidized or public housing. Meanwhile, between 1970 and 1980 there was a net loss of 18,000 units of private rental stock: 11,000 units demolished (over half within minority areas) and 7,000 units lost to condominium conversions, particularly in the South End.15

The South End's distinction as "a model of desegregated living in Boston" was threatened during the 1970s by the rush of white urban professionals buying up the area's deteriorating bowfronts. Rich and poor were in competition over the neighborhood housing and, given the proximity to downtown, the costs of decent housing were escalating. Many of the area's poor were holding on simply by virtue of a rental voucher or their place in public housing.16
Urban Renewal in The Western Addition

In anticipation of passage by Congress of the 1949 Housing Act which introduced the urban renewal program, the San Francisco Redevelopment Agency (SFRA) was established in 1948. Its commissioners appointed by the Mayor and confirmed by the Board of Supervisors, the SFRA, in its early history, fit the stereotype of the cold-hearted public authority which would rather capriciously classify an area as blighted and set about demolishing it with little regard for area residents.17

Chester Hartman, in his book The Transformation of San Francisco, is candid in his disdain of the agency's performance over the years, particularly with regard to its early history under the leadership of a series of "political hacks".18 Hartman contends that the definitive era of San Francisco urban renewal history began in 1959 with the appointment of M. Justin Herman as the SFRA's new Executive Director. Tenacious, energetic, politically astute, and committed to downtown renewal, Herman built a "superagency" which at the time of his death in 1971 had twice the staff of Boston's BRA, though Boston had more renewal projects and disbursed far greater sums of federal grant money.19 Though known as "St. Justin" to banks and City Hall, to the people of the Western Addition who came to be the recipients of "prisonlike housing", Herman was known as the "white devil", "the arch villain in the black depopulation of the city".20

To fully understand the origins of this perception, it is necessary to explain the impact of the first phase of Western Addition renewal. Approved in the early 1950's, the Western Addition A-1 project consisted of widening Geary Boulevard into an 8-lane highway at the Northern portion of the Western Addition neighborhood and clearing blocks adjoining the thoroughfare deemed blighted. This land in turn was developed into a recreation center, expanded school sites, St. Mary's Cathedral, the Japanese Cultural and Trade Center, medical facilities, retail/commercial space, and housing.21 Some 4000 families, predominantly low income Black and Japanese-Americans, were moved out and virtually none was able to move back.22 By 1973, some 1,853 new housing units had been constructed, 35% of which were federally subsidized for low and moderate-income households.23
In the early 1960s, HUD requirements for community participation in the planning process met with varying degrees of success. If in the South End the process became an occasion to recognize the area's disparate groups, SFRA initiatives were not so successful. The Agency found a very hostile reception in some areas of the city, including the Western Addition A-2 District (the site of the eventual Fillmore Center development). Because well-coordinated community groups were hard to identify, the SFRA attempted to compose a body of neighborhood representatives with which it could engage in constructive dialogue. But to many, this process was suspect. Much to Herman's ire, an article of the period declared "the SFRA is in trouble....citizen groups have banded together to curb its powers.... Young priests and ministers are charging the redevelopers with utter disregard for the fate of the poor."24

With the surprise election in 1967 of Joseph Alioto, one-time counsel and later chair of the SFRA backed by "big financial interests", Herman was assured that his redevelopment agenda would not be held up.25 A clear advocate of business interests, and a firm supporter of downtown renewal, Alioto was nonetheless not a household name among the electorate. In garnering the support of the city's influential labor unions, notably the International Longshoremen's and Warehouseman's Union (ILWU), which by that time was mostly Black, Alioto secured his victory. The year after his election, Alioto traveled to Washington to secure funding for the Western Addition A-2 project.26 In addition, he also appointed ILWU representative Wilbur Hamilton to the SFRA board -- later Hamilton would become manager of the Western Addition A-2 project and eventually Executive Director of the SFRA.27

Whereas in 1940 less than 1% of the city's population was Black, by 1960 this proportion had increased to 13.4%. Much of the Western Addition was in a state of decline, housing was overcrowded, and rents were increasing. By 1960, nearly two-thirds of the housing in the Western Addition was "unsound" (43% substandard and 21% seriously substandard). The City average at that time was 16% unsound.28 Building of residential units during the 1950s averaged 2500 units per year, though due to urban renewal demolitions this amounted to only a 6% increase in housing in ten years.29
The Redevelopment Plan for Western Addition A-2 was officially approved in 1964. The program included the "development of 5,372 new housing units, the rehabilitation and retention of over 3,965 housing units, the revitalization of the Japantown and Fillmore business districts, construction of new commercial buildings, and the provision of new community recreational facilities."30 The SFRA's declared emphasis was on development of new subsidized housing for low- and moderate-income families - preferably nonprofit housing sponsors from the Western Addition.31 Yet lacking an articulated community voice, the viability of the plan as a vision of the area's revitalization was in doubt.

Most of the housing since the late 1960's was developed under the FHA Section 236 program with additional subsidies provided to at least one-third of the units for the benefit of low-income families. During the 1980's some low income housing was subsidized under HUD's Section 8 program. The total number of completed low- and moderate-income housing developed under the plan comes to 2,769 units. Of the 3,965 units scheduled for rehabilitation and sale by the agency, a mere 7% are eligible for low- and moderate-income families and 37 condominiums have been conveyed to families with incomes under 150% of the area median under a shared appreciation mortgage with the agency.32 In addition, 2,578 units of market-rate condominiums and rentals are scheduled for the Western Addition A-2 area -- Fillmore Center Development constitutes 43% of this market rate total.33

Serious questions have been raised over the years as to the SFRA's renewal agenda and relocation program demonstrated in the Western Addition and elsewhere in the city. The agency's performance in the Western Addition A-1 area was generally regarded as unsatisfactory. A federal study of SFRA files found that almost half of the 4,000 low-income Black and Japanese-American households displaced by the A-1 project had moved to unsatisfactory housing or were forced to accept major rent increases; about a quarter of the residents were moved into deteriorated housing in the A-2 area.34

Many of these people were among the 13,500 people displaced by the Western Addition A-2 project. Neighborhood opposition to the project resulted in the construction of several publicly subsidized housing projects
but this entailed a wait of 5 to 6 years before the new projects could provide replacement. Furthermore, the number of replacement units did not offset the number displaced, and new rents were far higher than old rents. For reasons such as these, urban renewal in San Francisco, as in many cities across the country, was becoming known as "Negro removal".\textsuperscript{35}

The halcyon days of Justin Herman's SFRA were gone. Moreover, the agency's capacity to manage public land and its responsibility to low-income residents of an area became increasingly circumscribed as the stream of money from Washington began to dry up. In Herman's dozen years the agency attracted $128 million in federal urban renewal dollars for the city of San Francisco. At its peak staff of 450, the agency was operating an annual budget of up to $40 million. By 1983 as Fillmore Center was being negotiated the SFRA annual budget was $12 million, its staff reduced to 138.\textsuperscript{36}

The agency adapted itself quickly to the new rules of the Community Development Action Grant (CBDG) program which replaced "categorical" programs such as urban renewal. But with the Washington pipeline delivering a fraction of what it had, increasingly the agency had to begin to pay attention to the local political process. Whereas between 1975 and 1978 the SFRA got 57\% of the city's total federal CBDG monies, by 1984 this was reduced to 22\% of the total. The agency for the first time faced serious competition for funds from community-based housing development corporations that had begun to spring up in neighborhoods all across town. By 1984, over half of the agency's budget was estimated to be derived from sale of land it controlled.\textsuperscript{37}

Meanwhile, the circumstances of the city's Black population had taken a turn for the worse. Wartime industrial expansion had accounted for a ten-fold increase in San Francisco's Black population by 1950. Two decades later, Blacks accounted for 13\% of the city's population. Yet during the 1970s this percentage declined slightly. While some contend this was due to the suburbanization of Blacks, this does not necessarily imply upward mobility. The pattern of migration to Oakland, alluded to earlier, appears to have prevailed in response to the escalation of San Francisco's property values, rents, and gentrification. During the 1970's the Black population percentage in Oakland increased from one-third to one-half.\textsuperscript{38}
In order to appreciate the debate surrounding the Fillmore Center proposal of 1983-84, it is important to understand the status of the Western Addition at that time. Over previous decade, the Upper Fillmore area north of Geary Boulevard experienced a dramatic rebirth primarily as a result of gentrification and the boom in the city's residential real estate market. Indeed, most of the SFRA's market rate housing program included in A-2 took place in these blocks north of Geary Boulevard.39

Table 2 documents the changes in the Western Addition census tracts south of Geary Boulevard. These blocks, traditionally known as the Fillmore District, are the core of the Western Addition, the location of the bulk of the SFRA's subsidized housing and the home to the majority of the area's low- and moderate-income population. While through the 1970s the over-all percentage of Blacks in the neighborhood increased slightly, the number of Black families increased dramatically. At the same time as the percentage of Blacks in rental housing rose, the percentage of Black families below the poverty level plunged from 28% in 1970 to 44% by 1980.

<table>
<thead>
<tr>
<th>Table 2</th>
<th>Population</th>
<th>Census Year</th>
<th>1970</th>
<th>1980</th>
</tr>
</thead>
<tbody>
<tr>
<td>WESTERN ADDITION</td>
<td>City-wide Population</td>
<td>715,674</td>
<td>678,974</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-- % of city population Black</td>
<td>13%</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Census Tract Population *</td>
<td>11,543</td>
<td>14,015</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-- % census tract population Black</td>
<td>60%</td>
<td>62%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of Families in Census Tracts</td>
<td>2,580</td>
<td>2,771</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-- % of census tract Black families</td>
<td>28%</td>
<td>49%</td>
<td></td>
</tr>
</tbody>
</table>

| Housing | Census Tract: Rental Housing as % of Total | 80% | 78% |
|         | -- % of Black renters in census tract | 55% | 62% |
|         | Census Tract: Residence 5 Years Previous | 42% | 54% |
|         | -- % of Black population in same house | 34% | 37% |
|         | -- % of Black pop. in same center city SMSA | 7% | 7% |

| Income | Vacancy Rate Among Rental Units | 6% | 2% |
|        | Substandard Units: lacking full plumbing | 6% | 2% |
|        | City-wide: Median Family Income | $10,503 | $20,911 |
|        | Census Tract: Med. Black Family Income | $5,661 | $7,801 |
|        | -- % Black families below poverty level | 28% | 44% |
|        | -- % Black female hsholds below pov. level | 18% | 33% |


* census tracts: 158, 159, 160, 161
Census data suggests that by 1980 the need for rental housing affordable to low-to-moderate income residents of the Western Addition was serious. As the Fillmore Center proposals were being made in 1984, San Francisco had 47 public housing projects amounting to 7,038 units. In addition, there were 2,100 units of privately-owned low-rent subsidized Section 8 developments, many in "rough shape, the legacy of years of neglect". The San Francisco Housing Authority had a waiting list of over 4,000 households. Some 1,200 of the authority's apartments (one-sixth of the entire stock) were "unoccupied and uninhabitable" leading the 1982-83 Civil Grand Jury to conclude that San Francisco faced an emergency in that many people of low-to-moderate income could no longer find housing they could afford in the city.

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4 Keyes, p. 74.
5 BRA, South End Urban Renewal Plan, p. 4.
6 BRA, South End Environmental Assessment, p. 8.
8 Keyes, p. 5.
9 Appleby, p. 21.
10 Appleby, p. 21.
11 Appleby, p. 21
12 Keyes, p. 81.
13 Appelby, p. 27.
15 Clay, pp. 190 & 201.

18 Hartman, p. 16.

19 Hartman, p. 19.

20 Hartman, p. 18.


22 Hartman, p. 25.

23 SFRA, p. 89.

24 Hartman, p. 25.

25 Hartman, p. 28.

26 Hartman, p. 30.

27 Hartman, p. 221.


29 Little, p. 34.

30 SFRA, p. 13.

31 SFRA, p. 13.

32 SFRA, pp. 13-19.

33 SFRA, p. 19.

34 Hartman, p. 60.

35 Hartman, pp. 59 & 60.

36 Hartman, p. 220.

37 Hartman, p. 220.


39 SFRA, pp. 16-18.

40 Hartman, p. 256.

41 Hartman, pp. 233 & 256
III. CASE STUDIES
3.1 TENT CITY - BOSTON

The Tent City Protest

The Community Assembly for a United South End (CAUSE) had been organized by Mel King in the mid-1960s to oppose the city's renewal plans for the area. On Thursday, April 25, 1968, CAUSE occupied the BRA's field office in the South End to protest the Authority's redevelopment agenda. After a show-down with the newly elected mayor Kevin White made front page news, the protestors sought "to keep the pot boiling". For CAUSE leaders, the "Fitz-Inn" site was a natural target for a demonstration.¹

By the early 1960s, former Fire Commissioner William Fitzgerald purchased about half of the 3-acre Tent City site and had the buildings on it razed to open a parking lot. By 1965, the BRA had control of most of the other half of the site and together with HUD approved the South End Urban Renewal Plan promising to acquire the Fitzgerald property and develop new replacement housing.² When demolition and displacement begun under the Plan did not result in any action on the Fitzgerald site, CAUSE saw it as an example of the city's complacency. By 1968, under the South End Urban Renewal Plan, over 1000 people had been displaced and no new housing had been built. The "Fitz-Inn" site symbolized the "arrogance of city officials ... who said parking was more important than housing."³

Early on the morning of Friday, April 26, about 40 CAUSE members descended on the parking lot, blocked entrances, formed picket lines, and began distributing leaflets that announced the lot had been closed because "people in the South End want to live in decent homes at reasonable prices....Housing should be built here so your cars will no longer park here." As police arrived a crowd of about 1000 gathered. When a parking lot customer drove his Volkswagen mini-bus into a line of pickets, a scuffle erupted resulting in the arrest of 23 demonstrators.⁴
Demonstrators returned to the site the next day and began to set up tents and other make-shift shelters. A community of about 100 people spent the weekend in what the Boston Globe called the "tent city" that had the "festive air of a gypsy camp". When "implied threats of forcible eviction" were made if the lot was not cleared by Monday, CAUSE leaders decided the point had been made and broke up the camp. The BRA in turn made promises to build low cost housing "in the near future".5

In a proposal designed "to provide community representation and input into the urban renewal process" the BRA sponsored elections the next year for the South End Project Area Committee (SEPAC).6 But by 1974 there was no housing on the site and the BRA proposed an 18-story luxury apartment tower for the Tent City Site. A newly organized Tent City Task Force halted the luxury high-rise plan. 7

At the same time, the deep community divisions which had been revealed in forging the South End Urban Renewal Plan in the mid-1960s reappeared. At one end of the spectrum was the Ad Hoc Committee for a South End for South Enders. The Ad Hoc Committee held that poorer residents were being displaced due to rehabilitation activities and the lack of low-rent housing alternatives. They advocated for more subsidized housing. At the other end of the spectrum was The Committee For a Balanced South End, a group of middle-income residents which opposed additional subsidized projects claiming there was already too heavy a concentration of such development in the South End.8

When in the fall of 1975 the Tent City Task Force began efforts to rehab vacant row houses across Columbus Avenue known as the "Frankie O'Day Block", the Balance Committee filed a court suit seeking an injunction against the project.9 (This "sweat-equity" program for moderate income South End residents was successfully completed by 1982.) Later the Balance Committee failed in its efforts to halt the relocation from Chinatown to the South End of the Pine Street Inn, a home for indigent alcoholic men. Nevertheless the Balance Committee did succeed in convincing HUD for a time to place a moratorium on the construction of additional subsidized housing units in the South End.10

During this time the BRA claimed "a position of neutrality concerning the housing controversy", content to regard the conflict less of a BRA-
community dispute than an internal neighborhood quarrel. By April, 1978, the tenth anniversary of the Tent City demonstration, the community's concern over the Authority's "dwindling commitment" to urban renewal housing goals led to the creation of POSSE (People Organized to Save the South End) which organized another rally at the Tent City site and a march on BRA headquarters.

At this point the Authority was concentrating on the planning of Copley Place, a $500 million mixed-use complex to be built on the air rights of the highway interchange that bordered the Tent City site. An upscale hotel, office, and shopping development, Copley Place would come to signify for many residents of the South End that the political power of the city was predisposed to private, market-rate development -- essentially cutting them out of the picture. The community was involved in a review process for Copley Place and eventually succeeded in getting 25 of the 100 apartments built on the backside of the development set aside for people of low-to-moderate income. But this may not have been due so much to the community's influence as to the fact the private developer, with the city's assistance, had secured a UDAG grant for the development and was therefore obliged to make this concession.

In early 1979, the Tent City Task Force organized the Tent City Corporation (TCC) as a non-profit community housing sponsor. At a public hearing on the proposed Copley Place project the BRA pledged to take the Fitzgerald land by eminent domain and encouraged the newly created TCC to form a partnership with development professionals. Simultaneously the BRA's 1979 close-out assessment for South End urban renewal recommended the Tent City Site could support 280 apartments, up to 26,000 square feet of ground floor commercial space, and parking to serve only the development.

The Fitzgerald family expressed a "sudden interest" in developing a parking garage and housing on the site, but their offer was rejected by TCC because of the Fitzgerald's lack of experience in housing development and because the Fitzgerald's housing goals were "incompatible" with those of TCC. Nevertheless, the BRA proceeded to pit the Fitzgerald proposal against one that TCC eventually drew up with another private developer. In the spring of 1980 SEPAC and TCC demanded that the city's UDAG application for Copley Place include Tent City housing. The BRA director
refused this demand but did promise to apply for a separate Tent City UDAG in six months.16

(While this application was never made, relentless pressure by Mel King and SEPAC succeeded in convincing HUD to attach conditions on the Copley Place UDAG requiring payback money to be used to help prevent displacement of low income people in the South End and other neighborhoods. This repayment stream to the city became the Neighborhood Development Fund and is today the major moderate-income rental subsidy of Tent City.)

The BRA's position in the early 1980s exacerbated the tension between itself and the community. First the Authority missed the application deadline for a Tent City UDAG in 1980 and the next year refused to go after any "last chance" UDAG money before the expected Reagan Administration phase-out. Then the Authority refused to move to acquire the Fitzgerald land either by negotiated agreement or by eminent domain. During this time, SEPAC research discovered that between 1977 and 1980 the BRA had received as much as $1.7 million from HUD, "$950,000 of which was specifically earmarked for purchase of [the] Tent City site..."17

Finally in the Fall of 1982 the Urban Investment Development Corporation (UIDC), the private developer of Copley Place, purchased an option of the Fitzgerald portion of the site and announced plans to build an above-grade 7-story, 1,400 car garage to serve its mixed-use complex next door. When TCC strenuously objected to this proposal, the BRA responded by instructing TCC to work out a deal with UIDC.18

A year later, with a newly-elected Board and a focused proposal generated with the help of Greater Boston Community Development (later The Community Builders), TCC proceeded to seek sole tentative designation for the Tent City site and reaffirmed its original affordability goals. In the meantime, UIDC had finalized its purchase of the Fitzgerald site meaning TCC was asking that the BRA take control of the entire 3 acres and designate TCC as the non-profit sponsor of a mixed-income development. But lame duck Mayor White was not pleased with TCC's failure to come to some understanding with UIDC and publicly accused TCC of killing the "deal".19
The Tent City Proposal

In January of 1984, following a hard fought contest with Mel King, Raymond Flynn became Mayor of Boston. Moving quickly to assure the Black community that his campaign theme of concern for the city's neighborhoods meant all neighborhoods, Flynn held a South End hearing in May. There he announced his support for affordable housing on the Tent City site and a garage "acceptable to the South End Community".20

While reluctant to exercise its power of eminent domain, the city entered into negotiations with UIDC for site control while at the same time encouraging TCC and UIDC to work out a mutually-acceptable mix of a scaled-down garage plus housing. By mid-summer TCC and UIDC had reached a general agreement on providing a 270-unit mixed income housing development with two floors of below-grade parking accommodating roughly 700 cars.21 The broad outline of Tent City was established but what is more, the community's goals had remained intact through over 5 years of negotiating with a range of players.

When the Tent City Task Force was originally founded in 1974, it began by articulating some "Fundamental Principles for the Development of Parcels 11a and 11b", the Tent City Site. Broadly stated, the principles called for a mixed-income community that would reflect the racial and ethnic mix of the South End. In 1978 the principles were revised and approved by SEPAC and can be summarized broadly into five main objectives that would guide any future development of the site:

1. The housing must be affordable to South End residents. Therefore 25% of the units "shall be" available to those of low income; 50% "shall be" available to South End working families and individuals; and 25% of the units "can be" available at market level rents.

2. There should be a mixture of tenancy and home ownership, particularly in the low-rise townhouses intended for family occupancy.

3. Current and former South End residents shall have priority
for occupancy on the site and shall reflect the racial and ethnic mix of the South End.

4. Existing housing on the site shall remain and not be demolished. Existing owners should be given assistance to rehabilitate their property if they desire and buildings presently owned by the BRA should be returned to private ownership.

5. The design of new housing on the site shall be in keeping with the scale, materials, and spirit of the bowfront rowhouses common in the South End.22

Attempting to test the feasibility of these principles, the Tent City Task Force in 1978 elected to participate in MIT's "Total Studio", an urban design studio course involving architectural students and planners from the Department of Urban Studies and Planning. Comprised of 3 faculty members and 16 graduate students, the studio prepared a detailed report outlining development and financing strategies, options for citizen participation, and a series of physical design guidelines. The report provided members of the Task Force with tangible pro-forma and design alternatives which helped in negotiations with various possible development partners. It also paved the way for a productive future relationship with the architect of the development.23

By the spring of 1985, together with Greater Boston Community Development (GBCD) as its development consultant, TCC was working closely with the BRA in developing schematics, cost estimates, and contract details for the project. A change in tentative designation allowed the city to hold title to the Tent City site (through the BRA) while granting surface and air development rights to TCC for the development of a mixed-use housing complex. In turn, the BRA granted underground development rights to UIDC to build a two-level parking garage which would become the foundation for the housing above. These separate development rights were formally structured as individual 99-year leases.24

As compensation, UIDC (by this point merged with JMB Properties to form JMB/Urban) traded the surface and air rights of its half of the Tent City site for the development rights on a nearby Huntington Avenue site.25 The BRA regarded JMB/Urban as an "enormously good citizen" in coming through on this trade. But it was not without strings attached. The BRA
anticipated risks in JMB's proposal to build a 300,000 square foot office building on the Huntington Avenue site. Concern about community opposition that might scale back or stall the project, the BRA assigned its interest in the soon-to-open Marketplace Center development adjacent to the thriving Faneuil Hall Market. (While JMB did not achieve all its objectives on Huntington Avenue, a 265,000 mixed-use office/retail building was recently completed and the company has never tapped into the BRA's collateral). 26

After TCC was granted tentative designation as the developer of the Tent City site in the Fall of 1984, the city promptly filed a $10 million UDAG application with HUD -- something that 2 years before had been rejected as an option by the White administration. A new city government was determined to show "where there's the will there's a way" and other public agencies, notably the Massachusetts Housing Finance Agency (MHFA) followed suit. When in 1985 HUD rejected the city's UDAG application, the city responded by pledging $30 million over time in repayment of the earlier Copley Plaza UDAG. 27 Today, this money makes up the subsidy stream for the all-important 50% moderate-income apartments. 28

Meanwhile MHFA became the primary lender providing a $29 million First Mortgage for the development. When a $3 million construction loan from Aetna Life Insurance failed to pan out, the MHFA increased its loan amount by that amount. In addition, the agency designated a yearly subsidy stream of over $500,000 from its State Housing Assistance Rental Program (SHARP). These funds are in the form of a loan which helps support the affordable rents; the program allows repayments to be recycled back into the project when such recycling will benefit the low- and moderate-income residents. 29

A myriad of funding sources was required to develop and to now operate Tent City. In addition to the state and BRA assistance noted above, federal Section 8 and State Chapter 707 rental assistance subsidies help low-income tenants make up the difference between 30% of their income and the government-determined fair market rent. Seed money for development costs totalling $750,000 came from seven different lenders. And two BRA grants totaling $673,000 helped pay for site clearance, new sidewalks, the
new street (Yarmouth Place) over the parking garage, and streetlighting on the site.\textsuperscript{30}

Finally, a $10 million equity syndication package was generated through the sale of limited partnership interests in the Leighton Park Limited Partnership, the legally designated owner of Tent City. The general partner is a subsidiary of TCC. In addition to investing $10 million over seven years to take advantage of the project's tax losses, the limited partners take part in any cash flow generated by the project's commercial and retail space. Besides providing Tent City with equity funds to cover development costs and provide construction and operating reserves required by MHFA, the limited partners provide a net worth for TCC of approximately $1.5 million to be held as a back-up reserve.\textsuperscript{31}

As the ground lease arrangements were finalized and the funding came together, in 1984 TCC and JMB/Urban hired Goody, Clancy & Associates as the architect for both the garage and the mixed-use housing complex. A highly respected Boston-based firm, Goody, Clancy had previously acted as a design consultant to the Tent City Task Force. Now officially on board, the firm drew up a schematic design which reflected the massing and mix that had gradually been refined since 1978.\textsuperscript{32}

Over the next two years the design developed around TCC's Fundamental Principals, JMB's garage requirements, and various urban design considerations. Of the latter it had been agreed early on that the mixed-use housing complex would be clad in red brick in keeping with its 19th-century context. Similarly, while the goal of 270 units meant some form of a tower would be inevitable, the architect was careful to scale the project in such a way that it provided a suitable transition from the brick and brownstone row houses of Columbus Avenue to the modern high-rise Copley Place development.\textsuperscript{33}

Members of the South End community were particularly concerned that the project be a transition to the cosmopolitan world of Copley Square. The simultaneous transformation of the Amtrak/Orange Line mass transit corridor bordering Tent City to the north into a landscaped pedestrian avenue provided an ideal buffer. Community input was strong in favor of making a statement of the Tent City's high wall along the pedestrian park -- as if to say "This Is Where Gentrification Ends". The architect complied with a stepped wall of brick which gently curves away, allowing pedestri-
ans along the "Southwest Corridor" a direct view of the terminus of the landscaped avenue, the Back Bay Transit Station. 34

One of the Fundamental Principles of Development had been to preserve the few bowfront rowhouses clustered randomly along Columbus Avenue, and Dartmouth and Yarmouth Streets. But early on the cluster on Dartmouth Street presented problems. First they were in very bad condition. (A former tenant in one of the units who now lives at Tent City recalls a series of fires around 1980 suspected of being caused by arson. She links these episodes with concurrent BRA offers to her and other tenants to be relocated.) Secondly, these units posed an enormous difficulty in the design and construction of the below-ground parking garage. For these reasons the units on Dartmouth as well as those on Yarmouth Street were demolished. 35

A plan to restore the last cluster of row houses along Columbus Avenue prevailed as the new construction of the rest of the project got underway around it. But when rehabilitation began in 1988, a bearing wall collapsed. The condition of the rowhouses was re-evaluated and it was decided that these too should be demolished. The final ten units of the Tent City development were designed by Goody, Clancy in a rowhouse style compatible with the rest of the project and the neighboring bowfronts. 36

The design development process consisted early on of weekly meetings with the TCC Board and any one else from within the community who might be interested. In some matters decisions were straightforward: MHFA, as primary lender, had specific guidelines for as to a laundry facilities, the square footage of bedrooms and bathrooms, the size of the multi-purpose community room, and to some extent the unit mix (ie: the number of 1,2,3, and 4-bedroom units). But the TCC Board was strong in its advocacy of 3- to 4- bedroom units for families -- and that these units be townhouses with separate entrances (not elevator-accessed high-rise units). 37

There was also much concern about the "democratization" of the units. Whether a 1-bedroom or a 3-bedroom, units for low-to-moderate income tenants were to be the same as those a market-rate tenant might rent. In fact, so that no stigma would ever be attached to any unit, it became policy that units would rotate among tenants in the various income categories. 38

The architect recalls that despite occasional debate and the pressure to complete drawings under "fast track" conditions, everyone on the develop-
ment team -- from the client to the architect to the general contractor -- was of the same mind, namely: "that every person has a God-given right to a decent place to live". Of the concern that a "social housing bias" had infected development teams in the past, the architect recalls that there were a couple of problems along those lines initially. For example, one brick subcontractor early on did not take seriously the architect's and client's attention to detail and was soon replaced. As the job proceeded through 1987 and 1988, the architect recalls that people working on the job took pride in their work and in the fact that they were building for the "common man" -- that "market-rate housing good enough for everyone".

Tent City Described

Tent City opened in August of 1988 and has since won widespread acclaim including several architectural awards and national recognition from the New York Times and Architectural Record. Many people take tremendous pride in having been associated with a project that over two decades has required such tenacity. For others who are not aware of what went into it, Tent City's appeal may be purely aesthetic.

Situated at a complex juncture of pedestrian and transit activity -- and between the cosmopolitan world of Copley Place and the brick and brownstone neighborhood of the South End -- Tent City is a 269-unit mixed-income/mixed-use community built on 3 acres over a below-grade parking garage. An articulated four-story brick facade on Columbus Avenue turns the corner on a pinnacle and proceeds up Dartmouth Street where it gradually steps up to respond to the high-rise Copley Place complex.

This facade forms a protective barrier for the cluster of townhouses and landscaped courtyards in the internal court. The entire development is clad in an orange-red brick skin which bulges occasionally to form a bay window or a walk-up entrance. Recessed windows punctuate the outer wall and carefully placed decorative tiles accent the seriousness of the brick.

The residential component to the 269-unit project is divided between 176 units in an elevated mid-rise building and 93 flats or duplexes in the townhouses. The unit mix consists of (1) studio; (93) 1-bedroom apartments; (92) 2-bedroom apartments; (66) 3-bedroom apartments; and (17)
4-bedroom apartments. Each unit in the mid-rise is equipped with an all-electric kitchen and heating system and is fully carpeted. Townhouse units have gas kitchens, individual gas heating systems, and are also fully carpeted. There are 17 units located throughout the development which are accessible to the handicapped.\textsuperscript{41}

One quarter of the apartments are reserved to people of low income (defined as no greater than 50\% of the City of Boston median income); 50\% of the units are reserved for people of moderate income (defined as 50\%-120\% of the City of Boston median income); and 25\% of the units are rented at market rates. (Because the development contains units for low-income persons it is exempted from Boston's rent control ordinance).\textsuperscript{42}

Federal Section 8 and State Chapter 707 rental assistance subsidies for the low-income tenants make up the difference between 30\% of the tenant's income and the government-determined fair market rents.\textsuperscript{43} The 50\% moderate-income units are divided into a sophisticated 4-tier arrangement (ie: A, B, C, and D units). While the unit types and quality do not differ, a person in a two-bedroom C unit, for example, may pay $562 per month while a person in a two-bedroom B unit might pay $421 per month. If the person living in the C unit loses her job, in time her unit might \textit{on paper} be changed to a B unit; conversely, should the man living in the original B unit get a raise, he might eventually pay rent on a C unit. The advantage of this flexibility is that it enables tenants to weather financial difficulties and remain in the development -- thereby helping to ensure the stability and cohesiveness of the community.\textsuperscript{44} (see Appendix)

Non-residential components of the development consist of a two-story reception lobby flanked by management offices, a multi-purpose Community Lounge and kitchen, and 6,500 square feet of ground floor commercial space. The below-grade parking garage has a capacity for 700 cars, 129 of which are reserved for Tent City residents at below-market rates.\textsuperscript{45}
# PROJECT SUMMARY
## TENT CITY

**APARTMENTS**

<table>
<thead>
<tr>
<th>Affordability *</th>
<th>Total Number of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>low income (25%)</td>
<td>67</td>
</tr>
<tr>
<td>moderate income (50%)</td>
<td>135</td>
</tr>
<tr>
<td>market rate income (25%)</td>
<td>67</td>
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</table>

<table>
<thead>
<tr>
<th>Types of Units</th>
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</thead>
<tbody>
<tr>
<td>Studio (550sf)</td>
</tr>
<tr>
<td>1- Bedroom (650sf)</td>
</tr>
<tr>
<td>2- Bedroom (850sf)</td>
</tr>
<tr>
<td>3 - Bedroom (1,200 sf)</td>
</tr>
<tr>
<td>4- Bedroom (1,525 sf)</td>
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**SIZE of DEVELOPMENT**

<table>
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<tr>
<th>Component</th>
<th>Total SF</th>
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<tbody>
<tr>
<td>Residential Component</td>
<td>315,000 SF</td>
</tr>
<tr>
<td>Retail/Commercial Component</td>
<td>8,600 SF</td>
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<tr>
<td>Multi-Purpose Area</td>
<td>2,500 SF</td>
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<tr>
<td><strong>Total SF above grade</strong></td>
<td><strong>327,000 SF</strong></td>
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<tr>
<td>Below-Grade Garage</td>
<td>(2 levels @ 120,000 sf each = 240,000 SF)</td>
</tr>
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</table>

| Total Site Area | 3.3 Acres |

| Housing Density | 81.5 Units/Acre |

**COSTS of DEVELOPMENT (excluding parking garage)**

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
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<tr>
<td>Total Development Costs (no land cost)</td>
<td>$42,882,000</td>
</tr>
<tr>
<td>Cost per Unit</td>
<td>$159,413</td>
</tr>
<tr>
<td>Cost per Square Foot</td>
<td>$131.14</td>
</tr>
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</table>

**SPONSOR**

- Tent City Corporation - *non-profit developer*

**OWNERS**

- Tent City Corporation - *managing gen'l partner*
- Leighton Park Investors - *limited equity partners*

**ARCHITECT**

- Goody, Clancy & Associates, Inc.

**PUBLIC SUBSIDY**

- certain development costs *(incl. land assembly)*: BRA
- mortgage *(low-interest loan)*: Federal Section 8
- rental subsidy: State Chapter 707
- State SHARP Program
- BRA's NDF Fund

**DEVELOPMENT OPENED**

- AUGUST 1988

*Affordability: "low income" defined as less than 50% of City of Boston Median
"moderate income" defined as between 80%-120% of City Median
"market rate" defined as having no income limitations*
The Development in Operation

One tenant has characterized the rent-up of Tent City as a "cattle call" when about 6,500 people submitted applications for the 269 apartments. Nevertheless, occupancy came in at less than 90% in the first year primarily because the rehabilitation of the existing Columbus Avenue row houses had to be abandoned and plans drawn up for replacing them. (This final building was completed in the summer of 1990, providing the last 10 units of the development.) Furthermore, with fewer units the project was not eligible in the first two years for the full amount of SHARP rental subsidy that had been expected in the pro forma.

Nevertheless, rent-up has increased steadily such that today Tent City enjoys an occupancy rate of 97%. The waiting list for the moderate-income units stands at about 300. Vacancies which develop for the market rate units are typically filled without a long delay -- area real estate agents, occasional advertisements in Boston newspapers, and word-of-mouth recommendations have sufficed. The 25% low-income units are first listed with the Boston Housing Authority (to be eligible one must have either a Section 8 or Chapter 707 certificate). All applicants are screened by the project's property manager, The Community Builders (TCB), TCC's original development consultant.

There are five groundfloor retail spaces at Tent City: an upscale clothing store and cafe, an optometrist, a convenience market, a hairdresser, and a lobby for an ATM bank terminal. The Community Builders and the architect both recall the TCC Board being very clear that the small amount of retail space within the project was meant to go the women and minority owned businesses first, preferably from the South End. No sophisticated market studies were done; instead the Board felt, for instance, that one did not need to be a "rocket scientist" to see the need for the convenience store. This has been a minority-owned business from the start.

One surprise thus far for TCC has been that despite the fact that less than .5 cars per unit is provided on site for tenants to rent, only about 80 stalls are used. It seems to have less to do with the parking rates (which amount to $150 per month for market-rate apartment renters and one-half
to one-third of that for others) than with the fact that many people at Tent City do not own cars. (Given the project's strategic location this is not so surprising.) The stalls that are not used are leased back to JMB which owns and manages the garage to accommodate Copley Place shoppers and area office workers. 49

The Tent City Corporation is considered the parent body of the Tent City Development Corporation, the development arm of Leighton Park Limited Partnership. The Tent City Development Corporation is the Managing General Partner for the project; about 100 equity investors who contribute $10 million in equity syndication are limited partners. The Tent City Corporation Board of Directors is made up of 18 members of the South End community who are committed to seeing Tent City succeed. Ultimately their intention is that, in 15 years when the SHARP rental subsidy is due to terminate, the Tent City development might be purchased outright by the Tent City Corporation and/or the tenants while maintaining the affordability of three-quarters of the development's units. 50

Tent City is managed by TCB on a negotiated contract basis. As manager, TCB is responsible for tenant selection, rent collection, building maintenance, and security. TCB's screening process adheres to MHFA guidelines while at the same time it endeavors to achieve "the racial and ethnic mix of the South End" as spelled out in TCC's Fundamental Principles. Project security consists of 24hr "desk coverage" by a "concierge" in the mid-rise lobby by day and 2 security guards (including one on patrol) at night. 51

Tent City Corporation also provides a full-time "tenant coordinator" for Tent City. The Tenant Coordinator's responsibilities are not defined explicitly but have come to include: convening a Tenant's Council, a group of 15 tenant volunteers which meets once a month to deal with issues of the community; coordinating the "Keylatch" tutoring program which typically meets twice a week and averages about 35 children, 15-20 of which come from within Tent City; and organizing a Parent's Group around fundraisers and family events. Late this summer the Tenant Coordinator hopes to start an art program for children within the development to be run by another Tent City resident. 52

The current Tenant Coordinator, one of the original Tent City activists, began her job two and a half years ago when the development
opened. She issues a Tenant Council Newsletter once a month and makes herself available to all of the tenants. Almost exclusively, however, it is the low-to-moderate income population that takes advantage of her presence.53

Ellis Memorial, a South End social service provider, has recently started an after-school day care service for infants-to-2 1/2 years. Toddlers both from within the development and outside amount to about 20. The service is provided in the multi-purpose Community Lounge which faces a contained patio area outside.54

Assessing the development's operation since its beginnings two and a half years ago, four general issues emerge. First, interviews with the architect and tenants suggest a few "bugs" had to be worked out after construction -- common to any new building. Original wood-frame storefronts did not work out for climatic reasons and the flashing of the bay windows proved problematic. In addition, controlling the carbon monoxide vapors being exhausted from the below-grade garage was an early problem that has since been rectified. The architect cites the fast track schedule as having been a critical factor causing some of the "bugs". One of the strongest lessons of the project for him was that fast tracking the project, made necessary by financing constraints, was ultimately at the owner's disadvantage because realistic costs were obscured by the rush to work with incomplete drawings.55

Several tenants have mentioned their displeasure with soundproofing between units -- in both the mid-rise or the townhouses. One tenant claimed she could hear virtually everything her neighbors were doing.56 Another tenant complained that the ringing phone in the unit above him and his neighbor's weight training routine were a constant irritation.57

And finally, the early history of the wear and tear on the grass in one of the 3 courtyards required the planting of some box hedges to prevent its use as a playfield.58 (A basketball court and tot lot is located about 100 yards down the Southwest Corridor and the nearest playground is Sparrow Park, further down the Corridor by about a quarter mile.)

As mentioned previously, there are five retail establishments on the ground floor. In two and half year of occupancy each seems to have gained a foothold in the local market. But the owner of the upscale cloth-
ing store and cafe noted that when he approached the TCC Board with his proposed store he was given a very cool reception. The Board had originally hoped only minority owned businesses could fill the retail spaces and had actually planned for 6 shops facing the Southwest Corridor and Copley Place. When the board found no takers and came to the realization that its hopes for "affordable clothing" were unrealistic, the Board grudgingly allowed the white businessman the right to develop the space set aside for 5 shops into a unique store/cafe concept which, perhaps given its proximity to Neiman Marcus and Copley, has done well.59

Conversations with the Tenant Coordinator and tenants reveals some common perceptions about Tent City's "mix" of people. First, everyone seems to be of the opinion that generally the market-rate tenants are uninvolved in the development. Remarkably consistent was the view that of the market-rate population, the most conspicuous group is the college students. Students live in both the mid-rise (primarily 1- and 2-bedroom units) and the townhouses (3- to 4-bedroom units). It is the students living in the townhouses which seem to cause the most irritation to the tenants interviewed. The primary complaint is that their loud music and wild parties show no respect for the working parents in the development. The Tenant Coordinator adds her frustration that none of the students has ever offered to be a part of the on-site tutoring for children.60

Finally, there is the matter of the project's acceptance, both among the tenants and within the community. Generally, the sense of pride felt by the original activists, the development team, and members of the Board appears to exist within the broader context of the community as well. The market, the dry cleaner, hairdresser, and optometrist, and the clothing store are frequented by neighbors in the South End. Many of the blocks immediately adjacent to the development have quite a diverse population and the project's strategic location provides it with a busy flow of pedestrian traffic from the community. Last summer, Tent City residents, primarily members of the Tenant Council, organized a "Block Party" which featured a cook-out and entertainment. The event attracted a good number of neighbors and the Tenant Council plans to do it again this summer.61
Nevertheless, conversations with the Tenant Coordinator and tenants, especially those involved with the Tenant's Council, suggests there is also a good deal of isolation and some contentiousness within the Tent City community. Members of the council complain that only a handful of people ever participate -- whether its to plan an event or sort out some social issue. In addition, personality clashes within the council seem to have compromised its potential. When a recent council meeting broke off in a shouting match, the council member chairing the meeting used the next issue of the Tenant Council Newsletter (available to all tenants) to criticize what she called the "lynch-mob mentality" that threatened to divide the Black residents of the development amongst themselves.62

Another white tenant charged that the newsletter had become a racist propaganda piece that just served to widen the gulf between the people of low-to-moderate income, predominantly Black, and the market-rate tenants, many of whom are white. She claimed several key people within the development lacked a firm commitment to stay and make a community -- that they had one foot out the door and would just as soon find themselves a condo somewhere.63

Still, a single mother of two children seems philosophical about it all. Having lived for seven years in crowded conditions in a remote part of town, she was delighted when her application was accepted two and a half years ago. She observes that a lot of people without kids complain about kids. She admits she's not pleased that some of the students make so much noise or that she can hear her neighbors through the walls. But when asked if she feels her participation is encouraged at Tent City, she responds affirmatively: "I've never lived in a place like this before."64

While most people seem to keep to themselves at this point, she explains that people have been at Tent City for two and half years at most: people may not have settled in and gotten to really know each other yet. Building a community, she implies, is as much a project as was the creation of her new home.
3 Kruckemeyer, Ken, co-founder Tent City Task Force and former President TCC, (interview May, 1991).
4 Stalvey, p. 12.
5 Stalvey, p. 15.
7 TCC, Tent City Chronology 1966-1986.
9 Kane, Michael; original member Tent City Task Force, current member Tent City Corporation Board (interview December, 1990).
11 BRA, "South End Environmental Assessment", Spring 1979, pp. 9 & 10.
14 King, Mel; Adjunct Professor and Director of Community Fellows Program, Department of Urban Studies & Planning, MIT; co-founder Tent City Task Force, (interview November, 1990).
22 TCC, "The Fundamental Principles for Development" (originally drafted by the Tent City Task Force in 1974; revised 1978).
23 MIT, "Tent City Report 1978", (School of Architecture and Planning, MIT); (studio leaders: Philip Herr, Julian Beinart, Rod Freebairn-Smith), 1978.
28 Posner, p. 10.
29 Posner, p. 10.
30 Posner, pp. 9 & 10.
31 Posner, p. 11.
32 Wooding, Geoffrey; Associate/Project Manager of Tent City; Goody, Clancy & Associates -- Architects; (interview February, 1991).
41 Gallagher, Susan; Assistant Property Manager - Tent City; (interview February, 1991).
43 Posner, p. 11.
44 Jacobson, Bob; Executive Director -- Tent City Corporation, (interview December, 1991).
45 Posner, Joshua; Director of Housing Development -- The Community Builders; (interview December, 1990).
46 TCB, "Tent City Operating Budget for 1989".
50 Poston, Paul; member TCC board, former Chair of Tent City Development Corporation -- 1989-90; (interview December, 1990).
52 Seymour, Toni; Tenant Coordinator -- Tent City; (interview February, 1991).
56 Tolin, Tina; Tent City resident; (interview February, 1991).
57 Cook, June; Tent City resident; interview February, 1991).
59 Marotta, Gary, Owner -- Street Clothiers/Back Door Cafe; (interview February, 1991).
60 Seymour, (interview February, 1991).
63 Sullivan, Susan; Tent City resident; (interview February, 1991).
64 Tolin, Tina; Tent City resident; (interview February, 1991).
FILLMORE CENTER

SAN FRANCISCO
"Don't get sentimental about Victorians in the Western Addition," Wilbur Hamilton, director the the SFRA, told an Examiner reporter in 1978. "I'm as committed to the preservation and refurbishment of Victorians as any housing official in the City, but we have to face the historical fact that before the black people who lived here in the 1940s -- before the current Victorian revival -- the average Victorian was an overcrowded, underutilited tenement, owned by an absentee white landlord. The people who lived here wanted out."1

Hamilton came to the Western Addition from Texas at the age of seven. His father was pastor of the Emanuel Church of God in Christ, the first Black congregation to build its own church in San Francisco. (Hamilton Playground, situated across Geary Boulevard from Fillmore Center, was named after him.) "A man with a mission", Wilbur Hamilton was raised in the Western Addition, fought in Korea, received a doctorate of divinity, and in 1969 was appointed by Mayor Alioto to the SFRA. In 1977 he was named the agency's executive director.2

The director was an ardent proponent of urban renewal and strongly denied the SFRA was an agency of "Black removal". While admitting the mass housing projects were a sociological disaster, Hamilton was an advocate of smaller-scale, low-density housing.3 As manager of the Western Addition A-2 project in the 1970s and later as the agency's executive director, he was directly involved in the development of many of the FHA Section 236 and Section 221(d)(3) projects, most of which are low-rise developments and constitute the majority of the area's low-to-moderate-income housing.4

In June of 1970, about half way into the life of the A-2 program (as measured by the duration of federal funding to it), the SFRA issued a re-
quest for proposals for "a new undertaking called the Fillmore Center in the heart of the Western Addition Redevelopment Area". The agency had ambitious plans to reverse the decay along Fillmore Street with a large, mixed-use complex which might include "shops, offices, medical facilities, private housing for low-to-moderate income families, public and private senior citizen housing, private rehabilitated housing, restaurants, entertainment facilities and parking areas." The agency was specific about the inclusion of merchants who would be displaced by the development, the number of senior and low-to-moderate income units, and the sponsor of the medical complex. Then agency director M. Justin Herman reminded interested parties that this was to be no ordinary shopping center but an unusual concept "evolved in collaboration with the community". The SFRA would assist in the creation of a community-based development team which, in a unique "marriage" with a commercial developer would both develop and jointly manage the business center. A strong interest was expressed to make this "an accomplishment with strong Black or Afro flavor by Black residents and businessmen." Six months later the SFRA set out to review the three proposals received. Two of the proposals were soon dropped: one for essentially not being "Black enough", the other apparently due to the fact that a key member's personality was perceived as too "militant and divisive". The third proposal was made by some influential Black leaders of the Bay Area, including Dr. Carlton Goodlett, Assemblyman Willie Brown, and John Williams, Executive Director of the Oakland Redevelopment Agency. Their proposal met "in varying degrees" the agency's expectations. Though in July of 1971 this third group was selected as the agency's developer-candidate, less than a year later the agreement was cancelled due in part to what the group perceived as resistance from Mayor Alioto. Soon afterward, the agency, apparently frustrated by the lack of initiative from within the community, sought out Pyramid Development Company, a group of Black professionals. By the mid-1970s it appeared a deal would come together with Prudential Life Insurance as the major source of funds. But perhaps due to the infighting prevalent at the time among members of the Western Addition Project Area Committee, Prudential suddenly backed out. By late 1980, after numerous extensions the SFRA terminated its agreement with Pyramid.
At this point, Western Addition A-2 Project Director Gene Suttle decided to try a different strategy for developing Fillmore Center. Incremental demolition over the course of twenty years had left nearly nine acres of land vacant and had become a focus of the agency's frustration in the wake of the federal retreat from urban renewal. Instead of hoping for the big solution, Suttle's architects, economists, and real estate analysts recommended the area be broken into parcels to attract smaller, incremental development.\textsuperscript{13}

With public resources scarce, Suttle and others at the SFRA saw a market-oriented strategy as not only practical, but in keeping with the original intention of developing Fillmore Center into the retail hub of the Western Addition. Now within a veritable "sea" of public subsidized housing, Fillmore Center was regarded as the long term answer to the area's economic decline -- a stable market-rate core that could help unleash the disposable income that, contrary to popular belief, Suttle and others maintained existed in the Western Addition. The SFRA sought distinctly market-driven proposals, counting on the terms of contemporary tax exempt bond financing to reserve at least 20% of the new units for people of low-to-moderate income. Such a development would serve as a stepping stone for those ready to leave public housing but not willing or able to leave the neighborhood.\textsuperscript{14}

In 1983, with the incentive of a UDAG from HUD, Safeway Stores, Inc., became the first developer in the Fillmore Center project by constructing a 47,000 sf "super store" containing a bakery, delicatessen, pharmacy and floral department. The long hoped-for "anchor" for Fillmore Center, Safeway would also provide over 100 jobs to area residents. In addition, Safeway agreed to construct a 71,000 sf commercial/office building along Fillmore Street under the same UDAG program.\textsuperscript{15} Still, nearly 9-acres sat vacant across the street.

In the course of the next three years a handful of proposals were considered: a condominium/commercial office development, a multiplex theater and dinner club, and a new home for Third Baptist Church and school. During this time one minority developer approached Donald H. Tishman, a white, Sausalito-based developer, about a joint-venture. Intelligent, energetic, and politically well-connected, Tishman had a proven track record in residential and mixed-use development and had recently com-
pleted with a 360-unit garden apartment complex in San Jose using tax exempt financing.16

Tishman's development reputation had been established in the midwest and the east. He had built some 10,000 units under Section 8 and Section 236 housing programs, mostly in suburban settings. In 1983, he was captivated by an enormous housing development proposed for Chicago's West Side redevelopment area. In what had long been Chicago's skid row district, ground was being broken on a 2,346-unit mixed-use complex to be called Presidential Towers. Consisting of four 49-story towers with high-tone stores at grade and within walking distance to offices in The Loop, Presidential Towers was directed toward young urban professionals, typically single or married without children.17

The developers of Presidential Towers saw this last wave of baby boomers as ideally suited to downtown living. Well-educated and well-heeled, these successful professionals spurned the boredom and anonymity of the suburbs for a cosmopolitan lifestyle: immediate access to restaurants, specialty shops, trendy clubs, and sophisticated cultural attractions. Belying this sense of glamour and freedom, however, was the fact that increasingly these people were not able to afford home ownership in the city or the suburbs, and because they were typically saddled with credit-card debt, they had little choice but to rent.18

The developers of Presidential Towers, and presumably Don Tishman, had in mind the kind of renaissance that had followed the development of Sandburg Village on Chicago's Near North Side some 30 years earlier. In fact, some of the same developers had been involved in that project and remembered the risks and the rewards: "We thought that by putting a lot of attractive, reasonably priced middle-class housing all at once it would have an effect. From Sandburg east to Lake Shore Drive, the neighborhood became a very respectable, very sought after place to live."19

Indeed, the developers likened the dynamics of a project like Sandburg Village to "dropping a pebble in the pond and watching the ripples grow."20 Apparently Don Tishman saw Fillmore Center as an ideal candidate. He not only agreed to join with the Black developer but boldly proposed that a large-scale, high-density mixed-use garden apartment complex could work along Fillmore Street. He proposed fusing the hodge-podge of mo-
dest development proposals into a 1000 unit mega-project -- ironically the sort of thing the SFRA had once advocated.

Three aspects of this daring new proposal were of concern here to the agency: 1) aside from tax exempt bond financing, there would be no public money available for such a large project; 2) the high density scheme proposed by Tishman called for several high-rise apartment towers, a concept with a troubled past in the Western Addition; and 3) as important as open space was to the agency, the sort of lush, tropical gardens as Tishman proposed (complete with palm trees and water falls) struck some in the agency as inappropriate to the community.

Nevertheless, the indomitable Tishman pressed on and his enthusiasm seemed to infect nearly everyone he met. When the SFRA reacted coolly to the high density scheme he initially proposed he called on Bechtel Corporation in hopes of creating a "turn-key" project where everything from architecture to construction could be provided by one source. Bechtel's designers generated a primarily low-rise mixed-use scheme with very little open space. When this failed to impress Tishman, he turned to the architectural firm of Daniel Mann Mendenhall and Johnson (DMJM). They sought to blend the high density of towers with neighborhood-scale buildings fronting the street. Their scheme captivated the developer.21

DMJM architects also developed a good rapport with the SFRA and soon Gene Suttle and others expressed satisfaction with the compromised density and the open space. Given Tishman's dynamism, and the fact that this was the first proposal with real momentum in years, Suttle and the agency soon were in a reactive mode. Based on his early market studies, and no doubt by the precedent being set by Presidential Towers (which also used tax exempt financing), the developer proposed to build only 1- and 2-bedroom units. Tishman had only to point up the street to the young urban professionals who were flooding into market-rate housing in nearby Pacific Heights and the Upper Fillmore. Nevertheless, while the agency was clearly in favor of a market-oriented development, it was concerned that families not be left out of the picture and insisted that some 3-bedroom units be included.22

In addition, the agency's zoning for the 9-acre site called for a substantial infusion of ground floor retail/commercial space. The agency encouraged the 73,000 square feet proposed by the developer be concen-
trated along Fillmore Street to restore the vitality the street had once supported. Furthermore, it would agree with Tishman's proposed Health Club only if it were sold as an amenity for those living in the new development - - it would not be open to the public.23

As DMJM worked to satisfy the developer's demands and agency requirements, Tishman worked feverishly to find lenders for the project. For years, experience in the Western Addition had demonstrated a reluctance (some would say an aversion) on the part of local banks to participate in the area's revitalization. In 1984, Don Tishman found not much had changed. Eventually he had to piece together funding from outside lenders such as Citicorp of New York, the Bank of Nova Scotia, and later, Sanwa Bank of Japan. Tishman's formed a limited partnership, Fillmore Center Developers, with four other groups but with his firm, Housing Associates, Inc., as the sole General Partner.24

In November of 1985, SFRA Executive Director Wilbur Hamilton announced that the agency had authorized the execution of a Land Disposition Agreement (LDA) for the 9-acre site. At a cost of $23.10 per square foot, the Fillmore Center parcel would be sold to Fillmore Center Developers for $9,007,530. This price was determined by the agency to be "fair reuse value based upon the evaluation of two independent appraisal reports [and] by staff in accordance with the Agency's practice."25 In addition, the SFRA agreed to permit the "fast track" construction schedule proposed by the developer. Project financing would come primarily from the Agency's issuance of privately-backed tax exempt mortgage bonds approximating $95 million. It was anticipated that the $20 million in equity required would be secured by public syndication of limited partnership interests. The developer estimated total development costs would come to $145 million.26

Simultaneously, the development team explored several structural systems that would be cost effective for this complicated project. Initially, Perini Construction worked with the architects at DMJM to devise a solution to the problem of locating parking below residential development of various heights. The contractor priced various alternative schemes such as an all-concrete high-rise system and a low-rise wood-frame system -- a typical combination in the city at the time. But when Perini's estimate of
$83,000,000 exceeded the budget by some $10 million, Tishman became disenchanted.27

He called in Dillingham Construction to compete with Perini and presumably shave down the estimate. With DMJM forced to produce 2 sets of drawings according to each contractor's "value engineering" hunches, a frenzied pace was launched. When both contractor's estimates then came in roughly equivalent at $99 million, Tishman served up an ultimatum: only by cutting the cost down to the earlier estimate would one of the contractors get the job. Soon Dillingham, against better judgement made a "rather flippant" decision in December of 1986 to go with an all-concrete structural system and tie itself to a guaranteed maximum price of $83 million.28

Earlier, Tishman had suggested a European structural system unproven in California known as "tunnel forming" could conceivably make an all-concrete system financially feasible. Consisting of poured-in-place modular forms, the concrete ceiling and sidewalls of each unit form a stackable structural system. Under optimum conditions, an experienced subcontractor could build the towers at the rate of a floor a week.29

Not only was this an unrealistic expectation, but with the added costs of transferring the enormous bearing loads over the below-grade parking and the premium for using such a sophisticated system in otherwise routine wood-frame low-rise construction, the "tunnel form" concept proved to be a colossal and persistent financial nightmare for the project. The first concrete subcontractor ran into "a million and one" concrete mix problems and was never able to meet the optimistic schedule of the project's fast track construction. This subcontractor eventually went bankrupt.30 When Dillingham could not keep to the guaranteed maximum price, the contractor was released by Fillmore Center Developers and a suit and countersuit followed. Six months after commencing construction, the project had to be refinanced.31

Citicorp, the primary lender, soon began to lose faith in Tishman. Integrated Resources, Inc., a New York-based equity syndicator, was brought in by the developer as a "deep pockets" partner, a move which mollified Citicorp for a time. Integrated agreed to contribute $7 million up front -- but with the caveat that should there be a subsequent cost overrun, Tishman would have a limited opportunity to "cure it". Should he fail to do so, Integrated Resources would take over as the general partner.32
The deal with Integrated Resources was closed in late summer, 1987. Construction continued, though it was clear the original 27 month construction schedule was no longer realistic. Tishman convinced Turner Construction to take over the project and bring it back on line. But, in order to avoid the contractual problems surrounding a guaranteed maximum price (GMP) that had haunted its predecessor, Turner declined to act as a General Contractor but instead as Construction Manager under an expenses and fee arrangement.33

Meanwhile, financial difficulties continued to plague the project as the full cost of the structural system became apparent. Exacerbating the problem was the fast track construction schedule which resulted in construction drawings never being fully complete so as to allow all parties to realistically assess costs. With lenders pointing to the overly optimistic time schedules and subcontractors pressing for payment, the developer found himself "fighting for dollars". The "value engineering" studies had allowed very little room for error and efforts to scale the project back had ramifications that were never fully weighed.34

By December 1988 the project was in "technical default". Well behind schedule and facing irritated subcontractors, Tishman was up against the wall. Construction never stopped, however, as lenders continued to allow construction loan draws to see the project along. But Tishman's work-out plans eluded him and the banks grew wary.35

In the meantime, Integrated Resources was having troubles of its own. Its $1 billion in assets were largely underwritten by the New York investment house Drexel Burnham Lambert. By 1988, Drexel's roll in the junk bond market was over and it was facing increasingly nervous investors, to say nothing of investigations of illegal activity by the Security and Exchange Commission. Citicorp Real Estate Investment, sensing that Integrated Resources might soon be bankrupt and in no position to take over Fillmore Center as General Partner, insisted that the partnership be restructured.36

Integrated Resources sold 1% of its interest to a partnership of three individuals which would become the new General Partner; Don Tishman was cut out of the picture. The new partnership, known as Fillmore Center Associates (FCA), is made up of a Black developer (who had been partly responsible for bringing Tishman in in the first place), a member of the
original Tishman firm of Housing Associates, and a key player formerly with Integrated Resources. Formed in early 1989, FCA constitutes the third ownership structure in the development's young history. As the project neared completion in 1990 and rent-up was in full swing in the completed portion of the development, construction cost overruns forced yet another "technical default". Again, construction did not stop, and though subcontractors were forced to wait 53 days for payment, in January of 1991 an additional $24 million was raised from a variety of lenders (including a three-month bridge loan of $13 million by Citicorp) to sustain the project through completion in April, 1991. After this third refinancing of the project, total development costs are expected to total $220 to $230 million.

Description of Fillmore Center Completed

Today Fillmore Center stands as an almost-completed residential/commercial mixed use project on 9 acres in the heart of the Western Addition. There are three towers in the development (two 19-story and one 15-story), two mid-rise buildings (12-story and 9-story), and low-rise units oriented primarily onto Steiner Street and Fillmore Street, the main retail/commercial thoroughfare through the Western Addition. An extensively landscaped garden and plaza, featuring palm and redwood trees as well as a waterfall, meanders through the internal core of the site accounting for nearly half the site's acreage. Parking underneath the plaza podium and below-grade contains over 1200 stalls.

The residential component totals 1,113 units comprised of (307) studio apartments; (431) 1-bedroom apartments; (343) 2-bedroom apartments; and (32) 3-bedroom apartments. Each unit, whether in a flat, a townhouse, a garden-oriented building, or a penthouse is equipped with an all-electric kitchen and baseboard heating system and is fully carpeted. Many of the units throughout the development feature private balconies or patios and several townhouse apartments feature fireplaces. The exterior of the development features bay windows, articulated roofs, and a smooth stucco finish painted in pastel shades.
# Project Summary

## Fillmore Center

### Apartments

- **Affordability**
  - Low income (20%) 223
  - Moderate income (30%) 334
  - Market rate income (50%) 556

- **Types of Units**
  - Studio (550sf) 307
  - 1-Bedroom (750sf) 431
  - 2-Bedroom (950sf) 343
  - 3-Bedroom (1,350sf) 32

### Size of Development

- **Residential Component** 933,000 SF
- **Retail/Commercial Component** 73,000 SF
- **Multi-Purpose Area** 34,000 SF
- **Total SF above grade** 1,040,000 SF

- **(Below-Grade Garage)** 2 levels @ 250,000 sf each = 500,000 SF
- **(Community Center)** jointly developed off-site 22,000 SF

- **Total Site Area:** 9 Acres
- **Housing Density:** 124 Units/Acre

### Costs of Development (including parking garage)

- **Total Development Costs (including land cost)** $231,112,332
- **Cost per Unit** $207,650
- **Cost per Square Foot** $150

### Sponsor

Fillmore Center Associates - for-profit developer

### Owners

- Fillmore Center Associates - managing gen'l partner
- Integrated Resources Investors - limited equity partners
- Donald Tishman - limited equity partner

### Architect

Daniel, Mann, Johnson, Mendenhall

### Public Subsidy

- Mortgage (low-interest loan via SFRA bond issue) Fannie Mae 30-year
- Rental subsidy none

### Development Opened

DECEMBER 1990

*Affordability: "low income" defined as less than 80% of S.F. Regional Median
"moderate income" defined as between 80%-150% of Regional Median
"market rate" defined as having no income limitations*
Twenty percent of the housing units are reserved for low- and moderate-income people. In accordance with terms of the project's tax exempt bonds, "low income" is defined as no greater than 80% of the San Francisco SMSA median income; "moderate income" is defined as between 80% and 150% of median income. In addition, one third of the units are offered at "affordable rents" which amounts to the lowest of a) 30% of 150% of median income; b) designated "affordable rent"; or market rent. Finally, the balance or 50% of the units are designated as "market rate". (T) (Because the development contains units for low-income persons it is exempted from San Francisco's rent control ordinance.)42

The non-residential components of the development consist of: a 34,000 square foot health club with lap pool, weight room, basketball court, squash courts, sauna, and juice bar; and 73,000 square feet of retail space located primarily along Fillmore Street. Uses to date include a women's apparel store, a florist, and a concierge service, in addition to two locations at opposite ends of the development for a Montessori school and childcare facility. At present FCA is in the process of signing a newsstand, travel agency, insurance company, and a restaurant.43

Fillmore Center Associates is also in the process of constructing a 22,000 square foot Community Center across the street from the development. Built by the developers under a "turn-key" agreement, the center will be owned and operated by the West Bay Community Development Corporation, a non-profit arm of the Third Baptist Church. The center will provide office space for community groups, a program for senior citizens, and community services such as childcare. The center is to be funded by the Mayor's Office of Community Development, the Third Baptist Church, and the SFRA.44

The Development In Operation

Fillmore Center officially opened on September 13, 1990. Rent-up has occurred incrementally as phases of the project have been completed. At this writing, some 700 units have been completed and are about 75% occupied (over 85% in the completed tower units but only about 60% in the low-rise units).45 According to Fillmore Center Associates, the rent-up is exceeding their pro forma projections and those of Citicorp. The devel-
oper claims low- and moderate-income units have rented up quickly, though not the (32) 3-bedroom units (perhaps supporting Tishman's initial market studies which supposedly indicated families were moving out of the Western Addition). Completion of the remaining 400 units is expected in April, 1991. Permanent take-out financing will be provided by the Federal National Mortgage Association (Fannie Mae); it is expected to occur by early 1992 -- contingent, in part, on achieving an overall occupancy of 85%.46

Meanwhile, a project leasing agent laments the difficulty in attracting the market-rate tenant the development is geared for. He notes the obvious appeal to young urban professionals of the Upper Fillmore just above Geary Boulevard. But he adds that "tire kickers" who come down to Fillmore Center looking for an apartment are often reluctant to even keep a tour appointment when they look a few doors down and see a barricaded liquor store, a check cashing operation, and the public housing bordering the development.47

Meanwhile, the developer admits that commercial lease-up is not meeting expectations. Yet Webster Towers, a 156-unit mixed-income/mixed-use development created on the coattails of Fillmore Center and situated on the Safeway site across the street, has achieved lease-up of nearly three-quarters of its 60,000 square feet of retail/commercial space within its first two years.48 Fillmore Center Associates find this news encouraging -- as well as the fact that Webster Towers has a 92% occupancy rate in its mixed-income apartments.49

The developers of Fillmore Center are proud of the project's record with regard to affirmative action and responsiveness to its neighbors. FCA claims to have surpassed the goal of awarding 15% of total project costs to minority and women owned businesses. Almost 60% of the project's construction jobs have been held by minorities (over 50% of whom are African-Americans). In addition, FCA has estimated that nearly a third of the overall workforce has been composed of Western Addition residents and that some $12 million in wages will have been pumped into the local economy since construction commenced in 1987.50

Despite such accomplishments, Fillmore Center has opened beneath clouds of controversy. In addition to the enormous cost overruns, the
three refinancings, and the fact that ownership since 1986 has officially changed hands three times, the development has suffered from bad press. Questions of safety were raised last year when it was learned a city building inspector had failed to adequately inspect the project. A stop work order was issued while the city knocked out walls to check code compliance. (The inspector himself became embroiled in scandal surrounding alleged conflict of interest in his inspecting in an area where he owns property.)

To add to the project's woes, charges of discriminatory rent practices against prospective low income and minority tenants have been leveled at the developer/managers. Under the terms of the SFRA's land disposition agreement, prospective tenants are initially screened by the privately-managed leasing office which then forwards applications to the SFRA for review. The charges focus on the propriety of that link between the private sponsor and the public agency whose bonds essentially stipulate the inclusion of low- and moderate-income people in such projects.

This is probably the most contentious issue of Fillmore Center. The terms of the land disposition agreement and the tax exempt bonds reflect a policy of the SFRA in the early 1980's that allowed for the inclusion of 20% low- and moderate-income persons to expire after 10 years. In effect, the developers of Fillmore Center can, as early as the year 2000, convert the development into exclusively market-rate rentals or condominiums. The SFRA cites a provision within the agreement that allows for the agency to purchase the 20% affordable units to arrange its own "write-down" disposition agreement with low- to moderate-income tenants. But the fact remains that long term affordable rental units are not provided in this development.

This policy is not an aberration but rather has been the nature of virtually all of the agency's mixed-income housing in the 1980's. In addition to Fillmore Center, five other developments, accounting for some 3,000 units, were developed under the same policy and their affordability terms will expire one after another in the course of this decade.

Presently the pendulum is swinging the other way, no doubt partly as a response to the criticism surrounding this short-term strategy. Current policy of the San Francisco Redevelopment Authority, in concert with the
Department of City Planning and the Mayor's Office of Housing, is to ensure a 50 year affordability to new rental units developed as part of public/private ventures in the city. This new time frame has been advocated by public officials as providing San Franciscans of low-to-moderate income with affordable rental housing "in perpetuity".54

2 Starr, p. 1.
3 Starr, p. 1.
6 SFRA, press release June 1, 1970; p. 1.
8 Suttle, Gene; Senior Deputy Executive Director -- SFRA; (formerly Western Addition A-2 Project Director); (interview January, 1991)
10 Suttle, (interview January, 1991)
11 Suttle, (interview January, 1991)
13 Suttle, (interview January, 1991)
14 Suttle, (interview January, 1991)
16 Numainville, Thomas; Chief Financial Officer, Fillmore Center Associates; (interview March, 1991).
17 Chicago Tribune Magazine, "St. Patrick's Catholic Church and Urban Renewal on the West Side"; Chicago Tribune; February 16, 1986; Section 10, p.8.
18 Chicago Tribune Magazine, February 16, 1986; Section 10, p.8.
19 Chicago Tribune Magazine, February 16, 1986; Section 10, p.8.
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47 Bott, Dan; Fillmore Center Leasing Agent; (interview January, 1991).
48 Szeto, Richard; Managing Partner -- Western Commercial Partnership (developers of Webster Tower Project); (interview January, 1991).
50 FCA, "The Fillmore Neighbor", (Fillmore Center Newsletter); July/August 1990.
51 Massey, Steve; "S.F.'s Fillmore Center Picks Today as Opening", San Francisco Chronicle; September 13, 1990; p. A2.
54 San Francisco Department of City Planning, "Draft of Inclusionary Housing Guidelines", (Exhibit A: Guidelines for the Application of San Francisco's Inclusionary Affordable Housing Policy, p.8); November 21, 1990.
IV. PERFORMANCE CRITERIA ANALYSIS
This chapter will focus on whether Tent City and Fillmore Center are successful MI/MU developments. These cases will be analyzed according to the performance criteria of design, financing, and management. This first section of the chapter will concentrate on the mixed-income component as the critical factor in the project’s identity; what distinguishes these projects from other mixed-use project’s is the mix of income groups. The mixed-use component will be assessed in terms of how it serves to integrate the development to its surroundings; this is a factor of the range of goods and services offered residents of the development as well as neighbors. Finally, it is the combination of the mixed-income and mixed-use which brings together the project’s identity with its capacity to integrate into the neighborhood. To the extent that this combination encourages interaction among residents and between residents and neighbors, the project can truly build community.

The Mixed-Income Component: Shaping the Project's Identity

The strength of Tent City as a mixed-income community is the direct result of public policy converging with very articulate community goals. Ambitions of the Tent City Task Force were born out of frustration with the urban renewal record on displacement and the provision of affordable housing for South End residents. A vigorous debate within the community was evident in the course of the 1970s as the area became increasingly gentrified. While some newcomers were purely real estate speculators with little interest in retaining the neighborhood’s poor population, other newcomers joined with area natives and fought to maintain the neighborhood’s racial and economic diversity. This group faced enormous challenges as it transformed itself from an advocacy organization into a development sponsor; their great achievement is that the Fundamental Principles they had espoused as activists survived the transition.
At the same time, it is clear that in addition to the Task Force's determination, the political and economic weight of both the MHFA and the BRA were essential to the development of the project. The first mortgage, several site improvements, and most importantly rental subsidy streams amounting to over $25 million are designed to make Tent City fly no matter what. While the Fundamental Principles cite too many lofty goals to be achieved on one site -- from tenancy to home ownership, elderly housing to sweat-equity programs, retaining all existing housing on the site as well as providing a community garden -- it is precisely this idealism and commitment to change that attracted the political will necessary to see this project through.

Tent City's special identity in Boston is centered around the integrity of its history. The devotion of area residents to the ideal of economic and racial integration in general is epitomized by the development itself. Tent City has grown out of its context and by virtue of the support of two public agencies, it will remain a mixed-income development in perpetuity. The ultimate objective of the project is a form of tenant cooperative ownership -- highlighting TCC's broad aspiration of empowering people of low-to-moderate income.

Whereas Tent City was born out of community protest, Fillmore Center was forged largely from redevelopment policy and the nature of bond financing in the early 1980s. When work in the Western Addition A-2 redevelopment area began in the late 1960s, the SFRA envisioned Fillmore Center as the retail/commercial center for the neighborhood -- a pivotal retail hub that would attract discretionary income and provide an alternative to the dependency of public housing for families in the area. When the proposal for the eventual development was first made, there was very little community input. The developers claimed that demographic trends and their market studies suggested the city was losing its middle class population and that the number of families in the Western Addition was declining.

But the 1980 Census Data indicated that while the city's middle class population had indeed declined, the need for affordable rental housing among people of low-to-moderate income had increased -- especially among families of the Western Addition. Lacking a well-coordinated
neighborhood constituency and without the political and financial clout it had during the urban renewal period, the SFRA did not aggressively advocate a mixed-income development that would attract middle class renters and at the same time serve people of the area truly in need.

In retrospect, both the SFRA and the developer argue that what the Western Addition did not need was more subsidized housing, but rather a market-oriented alternative for area residents. For many people in the Western Addition, however, Fillmore Center's low-to-moderate income rents are not a realistic alternative. With "low income" defined as less than 80% of regional median income, Fillmore Center is a stepping stone for very few. SFRA officials concede that the 80%-150% of median range promoted by the developer as "affordable" is actually market-rate today.

The six MI/MU projects developed under the SFRA's tax-exempt bond program, including Fillmore Center, have been under fire for allegedly discriminating against low-to-moderate income people. A report by SFRA staff in 1989 found that at that across time 1 in 6 units set aside for low-income San Franciscans sat vacant and that of those units rented, 90% were occupied by whites.(O) When affordable housing advocates charged that holders of Section 8 certificates were being discriminated against, however, the developer/sponsors of the six projects objected. They asserted that that Section 8 holders constitute "very low income" (ie: less than 50% of the area median income) and that the requirements of the bond program do not include this group.¹

Much of the controversy of Fillmore Center surrounds its identity as a mixed-income development. The spirit of the terms of the bond financing is that housing affordable to people of low-income will be provided in developments attracting market-rate renters as well. But behind the semantics of "low", "very low", and "moderate" is a reluctance on the part of the developers to embrace this spirit. A profound ambivalence marks Fillmore Center's identity as a mixed-income environment. The project's design, amenities, marketing strategies, and 10-year term of affordability all imply that the inclusionary provisions amount to little more than a vehicle by which a massive infusion of market-rate housing could be accomplished.
The Mixed-Use Component: Integrating the Project Into the Neighborhood

While the BRA advocated ground floor retail as a comprehensive planning objective, potential obviously varies from site to site. Tent City Corporation, in planning that went back as far as the MIT Total Studio of 1978, was quite aware of the attractiveness of its site. Located strategically between the cosmopolitan Copley Square, Back Bay district and the brick townhouses of the South End, the Tent City site enjoyed significant foot traffic. This was further enhanced by the construction of Copley Place over the air rights to the Massachusetts Turnpike, the refurbishment of the Back Bay Transit Station across the street, and the completion of the Southwest Corridor pedestrian park adjacent to the site. The clear advantages of its location allowed TCC to plan more according to "gut" feeling than to exhaustive market surveys.2

The Fundamental Principles of the Tent City Task Force were not as specific about incorporating a mix of uses as they were about achieving a mix of incomes reflective of the South End. TCC approached the planning of the retail functions of the development not from a marketing perspective but with social goals in mind. Tent City founders envisioned retail services which would cater to the needs and tastes of low-to-moderate income people. Consistent with the goals of expanding opportunity, Tent City founders saw ground floor retail as providing "incubator" space for small, minority-owned businesses. The desire is also expressed that the commercial space be priced within the range of area merchants and that a market analysis be done. Early on, the board was convinced of the need and viability of a small grocery store. Suggestions of a dry cleaner and a clothing store seemed appropriate to the board as well.

But the TCC board had difficulties with the proposal for an upscale clothier/ cafe because the owner was not a minority and did not intend to sell clothes affordable to low-income people. When the goal of having six minority-owned shops facing the Southwest Corridor did not pan out, the board acquiesced and allowed the clothier/cafe owner to make one large space out of 5 smaller ones. The owner claims his unique concept of
blending a clothing store with a cafe/espresso bar is doing quite well --
though his customers are generally not Tent City residents.\textsuperscript{3}

In limiting the definition of mixed-use to revenue-producing func-
tions, a factor of Tent City's success which is overlooked is its symbiotic
relationship to the two-story parking garage beneath the development.
Built by UIDC under the same 99-year ground lease as Tent City, the
garage accommodates Tent City residents, Copley Place shoppers, and
nearby office workers. While functionally Tent City operates separately
from the privately-owned and managed garage, what may be overlooked is
the fact that the garage structure is literally the foundation of the project --
a tremendous write-down for Tent City. While not directly cross-subsid-
dized, Tent City's existence hinges upon the attraction of people of means
to Copley Place. Not only do they park under Tent City while shopping,
dining, or enjoying entertainment, but their presence ensures the success of
Copley Place which, in turn, has ensured that the UDAG grant is repaid --
the major rental subsidy stream of the project.

In some ways, the mixed-use aspect of Tent City might be regarded as
a convergence of rather naive, if laudable, goals of community economic
development with the cold reality of market "wisdom". In the end, the
goals must face the test of the marketplace, and in the case of Tent City, the
advantage of location underlies the success of its retail components. Simi-
lar community economic revitalization strategies tried off the beaten path
have not fared as well.

Like Tent City, the strategy of creating a concentration of retail/com-
mercial activities at Fillmore Center was born more of gut instincts than
detailed market studies. But two factors greatly inhibited previous attempts
to restore the area to its former glory. The Western Addition A-1 plan
had focused on depressing Geary Boulevard at Fillmore Street in order to
enhance traffic flow to and from downtown. While schools, playgrounds,
and a mix of residential and com-mercial functions were planned for the
margins of Geary Boulevard, Fillmore Street was destined to deteriorate in
the background.

Another factor which inhibited resurrection of the Fillmore Center
area was the general aversion of local lending institutions to the area.
Charges of "redlining" were commonplace during the district's urban re-
newal phase and later, Fillmore Center's developers could find no local bank for construction financing. Meanwhile, especially in the course of the last 15 years, Fillmore Street north of Geary Boulevard -- through Japan Town and up to Pacific Heights -- has experienced a remarkable renaissance.

By 1984 the SFRA had succeeded in getting Safeway Stores, Inc., to build a "superstore" of lower Fillmore Street, with ancillary commercial and office space. This would be the extent of the commercial "anchor" it had once envisioned. With the proven sustainability of small shops, eateries, and service stores just up the street, the plan was adjusted in response to the "wisdom" of the marketplace. The Agency's strategy shifted from the mega-shopping center to a ground floor retail strip concentrated on Fillmore Street. Much like dental work, the pattern of first floor retail topped by bay window apartments was meant to "fill in the gap" along Fillmore Street.

Mixed-use at Fillmore Center, in other words, is oriented exclusively to the consumer. With the long-awaited "anchor" across the street, and with neighboring Webster Tower's commercial and retail space filling up, Fillmore Center anticipates a synergy to develop along Fillmore Street. Certainly the population among the Center's 1,113 units will help support the new retail space. But if neighbors of the development are not drawn to the ground floor retail, not only will the stores fail, but the one tenuous link between the new development and the neighborhood will be lost.

Combining Mixed-Income & Mixed-Use: Fostering Interaction Among Residents and Neighbors

Of course the difficulties of combining residential functions on top of retail or commercial space can be daunting. Architects for both Tent City and Fillmore Center faced tremendous challenges in attempting to reconcile the structural grid of the housing with that required for the parking garages below-grade. The retail and commercial space sandwiched in between has its own special requirements for utilities, service access, fire separa-
tion, and security. These aspects, in turn, have great implications in terms of liability.

Early experience prompted the MHFA to adopt a policy whereby the residential and retail/commercial functions of all future projects would have to subsist independent of one another. Though underwritten as a total development, a project's rental income stream would be immune from the faulty performance of retail space -- and visa versa. Nevertheless, city planning departments, redevelopment authorities, and housing finance agencies have continued to encourage the mix of retail with residential in strategic locations. Even though the factors of the marketplace are sometimes miscalculated or not fully appreciated, the notion of vibrant street activity coupled with the stability of a residential community remains a compelling aspiration for planners.

At Tent City the goal of combining incomes and uses was born of an activist ideal to build a total community. Integrating different groups of people reflective of the South End's diversity was one part of the community; integrating different uses to provide on-site support services and encourage interaction among residents and area neighbors was the other part. Among residents, the architecture of Tent City is intended to foster interaction. The sense of security and hierarchy of public to private space will be described in more detail in the next section of the analysis. The larger point is that, like the neighborhood context of which it is a part, Tent City is meant to elicit the participation of its tenants. Its lobby, multipurpose meeting room, and outdoor courtyards are intended to foster communication among residents, not isolate them from on another.

The on-site management office, Tenant Council, and Parent Group are intended to serve as support mechanisms within the community. Moreover, the day care service and a tutoring program -- both centered in the project's multi-purpose room -- have been designed as a means of connecting Tent City to the neighborhood. The inclusion of other area children within the on-site programs has had the effect of linking families in the community to Tent City. Furthermore, the multi-purpose room is regularly used in the evenings for meetings of various South End organizations free of charge, reinforcing the ideal of Tent City as a true neighborhood center.
Fillmore Center's mix of income groups and uses is distinct from this. Aside from the obvious difference of scale, Fillmore Center, in the character of both its residential component and its retail/commercial component, is focused on the dynamics of the market. The consumer -- of housing as well as goods and services -- is on his or her own, free to choose among the offerings that presumably have been developed according to market demand. The promise of the free market -- consumer discretion and trickle-down consumption -- is fully embraced here. The emphasis is on serving oneself and not on engaging in community-wide activities.

While the project's affirmative action policy of marketing retail and commercial space is intended to involve area residents in the development, the residents of Fillmore Center are not encouraged to interact among themselves or with residents of the neighborhood. Fillmore Center does not include on-site support services for residents of low-to-moderate income. The proposal accepted by the SFRA called for a community center will provide office space for community groups, a program for senior citizens, and community services such as childcare.5

Fillmore Center does include two separate sites for a Montessori School within the development -- but the school is run as a private venture unaffiliated with the development or the community center. The focus of community interaction at Fillmore Center is its health club, located below the surface of the landscaped podium in the interior of the development. Available to residents and outsiders for a monthly fee, the health club is considered the vehicle for social intercourse in as much as the developer sees the need for such a vehicle. At this writing, no tenant organization exists at Fillmore Center though the developer has indicated there are plans to form one.6

The flip side of this issue of interaction, and the factor on which the development’s success is predicated, is whether Fillmore Center will attract the market-rate tenants as intended. Certainly the mixture of retail and commercial establishments provided on site will have to cater to tastes beyond those of the neighborhood. In this sense, the mixture of income groups and uses is delicate. Too many croissant bakeries and high-tone clothiers may be inappropriate for neighbors with limited means. But too
many fast-food restaurants or discount shoe stores may alienate the tenants with the greatest ability to pick up and move elsewhere.

Conclusion

The blending of income groups and some degree of retail/commercial use may result in an overall synergy and a significant vehicle by which the development is integrated into a neighborhood. The developers at Fillmore Center, for example, are counting on its Fillmore Street retail to provide the same charm and quality of services that have made similar mixed-use developments along the Upper Fillmore attractive to residents and neighbors alike. But the blending of uses may not result in any synergy at all -- retail space may be completely unrelated to the population within the housing above -- as would appear to be the case with the upscale clothier/cafe at Tent City -- or unrelated to the population of the neighborhood as is no doubt the case with the concierge service at Fillmore Center. Moreover, the nature of resident and community services provided, and in particular the physical placement of these services, clarifies the objectives of these developments.

The character of income-mixing and mixed-use at Tent City and Fillmore Center is reflective of the projects’ sponsors. The non-profit, activist-inspired Tent City Development Corporation had a mix in mind that placed the priority on serving people of low-to-moderate income in the South End. The private, profit-oriented Fillmore Center Associates envisioned a market-oriented development dependent upon attracting large numbers of people from outside the Western Addition. Such distinctions amount to more than refinements of the definitions of mixed-income and mixed-use. The intentions of the sponsors, rather than categorical definitions, determine whether the promise of MI/MU is ultimately realized.

1 Rhett, Byron -- Project Director: Hunters Point/India Basin/Western Addition Projects; and Shirley Wysinger -- Assistant Project Coordinator; (interview January, 1991).
2 Kruckemeyer, Ken; co-founder Tent City Task Force and former President TCC, (interview May, 1991).
3 Marotta, Gary; Owner -- Street Clothiers/Back Door Cafe (interview February, 1991).
4 Suttle, Gene; Senior Deputy Executive Director -- SFRA; (formerly Western Addition A-2 Project Director); (interview January, 1991)
5 Suttle, (interview January, 1991)
6 Davis, Robert G.; Vice President -- Fillmore Center Associates; (interview January, 1991).
4.2 REVIEW OF ARCHITECTURAL FORM

Meeting a nominal definition of MI/MU does not necessarily mean a particular project will succeed as a MI/MU development. Ultimately the success of a project depends on how well people enjoy living, shopping, and congregating in and around it. Shaping the physical form involves more than making sure car exhaust from the below-grade garage does not find its way into the apartments. As introduced in the first chapter, qualities of scale, material, and spatial diversity distinguish projects with architectural character from those that are anonymous and disorienting.

An attention to detail in the design of a window opening, a sensitivity to human scale in a courtyard, a gradation from public to private space in an entry sequence -- these aspects of design which together can help impart a special identity to a building are not unique to MI/MU development. But because such projects can engender community opposition and skepticism among prospective lenders and investors, it behooves the developers of MI/MU projects to be especially sensitive to these characteristics of good design. In bringing life to the sidewalk and attracting neighbors to the project, a retail/commercial component can help integrate the project to its surroundings. Moreover, carefully designed semi-private spaces can be expressive of the project's diversity and foster interaction among its residents.

In this section, Tent City and Fillmore Center will be reviewed in terms of how their formal qualities contribute to identity, integration, and interaction. Together, these qualities reveal much about the integrity of Tent City and the ambivalence of Fillmore Center as MI/MU developments.

Identity

A development's identity is made up of the sum of detail and symbolism which make it both a part of the city and personally significant to its residents as "home". Facades, roofs, doorways, and steps can individually serve a utilitarian function and yet, in concert, can be thematically linked. What makes MI/MU unique is that not only must the form of the residential
and retail components merge, but together the ensemble must attract people of very different backgrounds.

TENT CITY

It is undoubtedly true that Tent City would not be what it is today were it not for its position on a seam in the fabric of Boston. Passed the cosmopolitan world of Copley Square, the South End is a tweedy texture of brick bowfronts, small stores, churches, and an occasional restaurant. City street grids collide in the South End, providing a variety of spatial experiences in close proximity to each other. Unlike San Francisco's Western Addition, much of the neighborhood's 19th century housing stock remains, particularly on the side streets. Columbus Avenue, the two lane thoroughfare that crosses Dartmouth Street at Tent City, features some of the area's subsidized housing, though most of the government-sponsored projects are to the south. Tent City, at the northern-most edge of the South End, is situated on one of the neighborhood's choicest site.

The Southwest Corridor that sits between Copley Place and Tent City is more than just a pass-through for people headed for public transporta-
tion. Situated between Copley Place and Tent City, a public plaza marks the intersection of the landscaped corridor and Dartmouth Street. In addition to the rail transit underground, auto traffic for Copley Place shopping and entertainment passes this point destined for the garage beneath Tent City. The prestige of the location has enabled the upscale clothing store, one Tent City's ground floor retailers, to expand its espresso bar into a cafe with outdoor seating.

While the scale of Tent City is a departure from the collection of 19th-century bowfronts, the density is not unheard of in the South End. Just next door to Tent City on Columbus Avenue sits Methunion Manor. Built in the early 1970s, Methunion is designed as a six-story, flat-roofed box -- so generic (and apparently cost-effective) that it is repeated several times down Columbus Avenue. Though clad in brick, the color of the facade is mottled. The windows, punched superficially into this tight skin, are spaced in a static rhythm interrupted by two entry points along its 100-foot length.

While similarly dense, Tent City is distinct from Methunion and other projects in the way it achieves its density. The mid-rise tower steps down from its apex at the Southwest Corridor to form a hard outer street edge of five-story walk-up apartments, shielding a softer inner court. Landscaped and featuring two clusters of townhouses, the inner core of the project resembles the character of the brick bowfronts it faces across Yarmouth Street. This unique spatial combination makes Tent City unique in the South End and serves to clarify the joint between the districts. The weight of Tent City's residential density leans up to the edge along the Southwest Corridor, holding fast like a hunched shoulder across from the modern, precast Copley Place high rise. The texture of the mid-rise tower wall is stripped-down compared to the five-story walk-ups it descends to meet. The orange-red brick skin appears especially taught at the tower as it wraps around the curve of the Southwest Corridor.

Tent City borrows a set of architectural components and motifs from its 19th-century neighbors: bay windows, bow windows, sand-stone lintels and window sills, front stoops, two-tone ribbons of brick at the building's base, and black iron hand rails. While respectful of proportion and materials, Tent City departs from a complete repetition of the past with a degree of playfulness: decorative ceramic tiles amidst the brick facades, a turret,
and a faux-mansard roof. Tent City avoids mimicking yet remains true in spirit to the charm of its 19th-century counterparts. The development stands self-confident in its surroundings -- as if part of the family.

Within the grand archway and above the main doors along Dartmouth Street, bronze relief letters announce not the project's address, but its name: TENT CITY. The architect has noted that considerable debate surrounded the decision of what to name the project. For the purpose of successfully attracting the required equity syndication, one of the project's financial investors felt that Leighton Park, the corporate-sounding name of the Tent City Corporation's non-profit parent company, would enhance the project's appeal. This plucked a nerve in the TCC board and community representatives who together fought hard and won back the name Tent City.¹ It serves as a reminder to natives and newcomers alike that this development was born of a community struggle and is a symbol of accomplishment for many in the South End. The name thus epitomizes the special identity of Tent City.
FILLMORE CENTER

Whereas at Tent City the juncture between two districts is defined by a pedestrian parkway, at Fillmore Center a wide traffic artery serves more to divide than define the two districts. Day and night, Geary Boulevard is alive with traffic taking people downtown or home to the western districts of the city. In the 1950s, as the focal point of the SFRA's Western Addition A-1 plan, Geary Boulevard was widened and retail/commercial development was envisioned for its new flanks. Vehicular congestion at Fillmore Street, the neighborhood's traditional retail thoroughfare, was carefully prevented by depressing Geary at that point. The result, however, was that over the years Fillmore Street has been isolated as motorists speed past it.

The Fillmore-O'Farrell crossing serves as the gateway to the heart of the new Fillmore Center and is intended to thrive on foot traffic up and down both sides of Fillmore Street. Fillmore Center's 73,000 square feet of retail space is lined up along the west side of the street and extends three blocks. The office building on the east side of the street, built as part of the Safeway development, features an assortment of retail stores on its ground floor and flanks about one-third of the new Fillmore Center retail.
The Fillmore-O'Farrell crossing aspires to be the anchor point of the new area -- and it would not be the first time. During the district's heyday, this intersection, crowned by the electrically-lit metal arches, was among the busiest in town. Today, the butcher shop, liquor store, and cleaners that have hung on through years of the area's depressed condition figure prominently in its rebirth by offering newcomers a sense that Fillmore Street is not a recent, artificially-created retail strip. The old establishments serve as a link between Fillmore Center and the thriving Upper Fillmore, distinguished by its older buildings.

Fillmore Center stands out in its surroundings by virtue of its contrasting scale. The ensemble of high- and mid-rise towers constitute a major transformation of the neighborhood's landscape. For people who spend their day downtown, or who live in the Golden Gateway or on Russian Hill, Fillmore Center is not unusual -- it passes for yet another cosmopolitan apartment complex. And yet, despite its years as a proving ground for publicly-assisted housing of various types, the Western Addition features relatively few highrise housing projects as compared to similar redevelopment areas of Chicago, New York, and Boston. For people who reside in the Western Addition and may not spend their day downtown, the high-rise is perceived as something incongruous to the neighborhood, if not a threat.

Fillmore Center: Looking south along Fillmore Street

The architects of Fillmore Center sought to mitigate the scale of the project by articulating the facades. The array of bays, balconies, split pedi-
ments, and occasional chimneys illustrates how a combination of distinct elements can still fall short of a thematically-linked composition. While Fillmore Center avoids the box-like sterility of its institutional neighbor, El Bethel Terrace, it does so at the cost of any visual relief whatsoever along Fillmore Street. By contrast, and presumably for cost reasons, within the landscaped court and at the family walk-up units along Steiner Street, bay windows and other architectural elements appear infrequently.

Meanwhile the architects employed the pediment motif religiously in the design of the building elevations. Each of the 45-degree pediments is split by various widths to allow for a balcony, a bay window, or a vertical accent. Consistent with the city's Downtown Plan, the tower roofs are tapered -- here by means of split pediments on each of the facades. Pitched obediently at 45-degrees no matter how wide the building, some of these pediments create enormous shed spaces a floor or more in height. The towers themselves, meanwhile, taper not an inch as they rise skyward. Instead they are capped abruptly at random heights. The verticality which might have been celebrated is lost in the squat proportions.

"Fillmore Center" was christened in 1970 in the SFRA's Request for Proposals. Its name was more of a hope than a promise -- a hope that this empty basin of the Fillmore District might be transformed into a retail hub
and a prosperous mixed-income community. In one sense it is remarkable that such an enormous amount has been accomplished along these sorry blocks. Its towers send a signal to those who for years cruised under and past Fillmore Street that the Western Addition is on the mend -- a place to move to or at least visit.

Yet beyond the signal the bright towers may send to outsiders, and for all the hope the developer and architects may have intended in the design, the character of the buildings may send the wrong message to people of the Western Addition. The presence of towers in an area with an aversion to towers, the lushly landscaped court that outsiders are discouraged from taking advantage of -- these qualities of form emphasize the project's aloofness in the neighborhood. Gates and skybridges send a message to people on the street that the development is for residents only.

Integration

Beyond economic and racial integration within a development, there is the issue of how to incorporate retail/commercial space into a multi-family environment. In part this means goods and services should appeal to residents of different income groups. In addition, because one of the primary goals is to integrate the MI/MU project into the surrounding community, there are issues of how neighbors and others can be encouraged to participate in the development. Typically this is the intention for project's retail space, but sometimes other on-site services, or recreation areas can also attract non-residents. A MI/MU development can provide continuity along the street edge, connecting portions of a neighborhood or even adjacent districts.

TENT CITY

Good multi-family housing is sensitive to context and avoids appearing monolithic. At Tent City, the architects preserved the continuity of the district's ground floor retail space while also developing a sophisticated rhythm of bay windows and flat surfaces, walk-up entrances, and recessed brick openings in order to make the development seem the result of incremental infill construction. Changes in brick shade, disconnected lines of
decorative tile, and seemingly haphazard roof permutations are meant to appear as an amalgamation of styles bearing on the tastes of various property owners. In fact, this is one building, and upon close inspection, the language is not as haphazard as first hits the eye.

The undulation of the brick skin around bays and bows avoids redundancy. There is plenty of relief for the eyes in the flat surfaces with deep recessed windows and the entry stairs that go up to stoops in the walk-up apartments. The facade pivots on the turret at the Dartmouth/Columbus crossing and continues until interrupted by a collection of brick bowfronts -- the last ten units of the development, completed nearly two years after the rest of the project. Originally this had been the site of existing bowfronts which the community had hoped to salvage. Nonetheless, the new units are reminiscent of what they replace while blending in proportion, detailing, and craftsmanship with the rest of Tent City.

The bulk of Tent City's ground floor retail space is situated along Dartmouth Street and turns the corner down the Southwest Corridor. The way this space meets the sidewalk differs from the detailing of the walk-up apartments to either side of it. Whereas at the residential blocks a sequence of setbacks, landscaped edges, steps, and alcoves denote apartment entrances, the retail space is pressed to the sidewalk face. The one exception is at the convenience store where the difference in elevation between the store and the sidewalk required a series of steps and a ramp for people in wheelchairs. Still, the brick detailing and iron railings tie this transition space to the building facade while the green awnings that project over it announce the stores to passers-by.
There is therefore a special dynamic in a form's integration into its surroundings in that typically one perceives continuity of form while in motion. The nature of the project's shape is continually changing as patterns of light shift and as the pedestrian moves through space. At Tent City this dynamic is particularly distinct because, unlike San Francisco's orthogonal arrangement, Boston is a virtual collision of grids -- partly the result of an awkward topographical configuration, mostly the result of the unbridled real estate expansion of the late 19th century. Tent City's site configuration means the play of sunlight through the day and through the seasons is somewhat unpredictable. The trapezoidal site is situated such that no one surface is cast in shadow all day long.

This is a considerable advantage for a project which allows no preferential disposition of units: there is no truly disagreeable exposure. This is not to suggest that the architect did not capitalize on this advantage. Indeed, Tent City enjoys a lively play of sun and shade throughout the day because not only is the site well-situated, but the buildings are proportioned to allow for maximum sun penetration. At dawn the sun strikes the Dartmouth Street facade and peaks down the Southwest Corridor. By mid-day, the full intensity of the sun is directed into the landscaped inner court and the clusters of townhouses. By late afternoon the setting sun is beaming back up the Southwest Corridor.

One consequence of the project's particularly dense northwest corner is that from the inner court the tower can appear to loom over the townhouses of the inner court in the morning shadow. In addition, the project's
elevator penthouse, set back from the Dartmouth Street edge, from the inner court protrudes in an otherwise carefully-stepped roof line. By mid-afternoon, however, the townhouses have the sun to themselves and the mid-rise becomes only a back-drop.

From its perimeter, Tent City is a four-sided piece of urban design. It holds down the prominent Dartmouth/Columbus corner with the pinnacle and blends sensitively with the existing brick rowhouses of Yarmouth Street. The new internal street which penetrates the development, named Yarmouth Place, further binds the project to the neighborhood as the new townhouses are all given street edges. Meanwhile, as the facade of the mid-rise steps up gradually along Dartmouth Street the project's retail space embraces the sidewalk and the public plaza around the corner. From the Southwest Corridor, the mid-rise tower curves deferentially to reveal the view to the Back Bay Station, making Tent City a key part of the Southwest Corridor climax.

FILLMORE CENTER

Unlike Boston's South End, much of the grand Victorian-era housing south of Geary Boulevard was demolished. While other areas of San Francisco experienced a remarkable rejuvenation at the hands of the new urban gentry during the 1970s, the Western Addition was consistently avoided. Efforts to create a new district over the past two decades have been largely disappointing. Today the Western Addition is a veritable pastiche of various redevelopment strategies: a handful of isolated, institutional towers (relics of earlier times like the El Bethel Arms and the notorious Pink Palace -- now both converted to elderly housing); a occasional, face-lifted Victorian; some recent condominiums (generally near Geary Boulevard); and large swaths of low-rise townhouse clusters featuring front lawn setbacks and rakish angularity, giving some parts of the district an oddly suburban appearance.

Like Tent City, a certain calculated randomness is meant to suggest that this is not a monolithic development, even though it is. The architect at Fillmore Center celebrated diversity by inventing a series of variations on the same basic parts: bay windows and split pediments, for example. The clearest instance of this "calculated randomness" is along Fillmore Street where 5-story apartment buildings are arranged side by side. About
25' wide each, these seemingly separate buildings recall the typical San Francisco lot size. Along the sidewalk edge, the project's ground floor retail space is linked by a series of green awnings. Both the style and colors of the 5-story apartment buildings alternate in a rhythm that is inexplicably interrupted by one of the development's towers. Whereas the other towers all step back from the street edge, this one visually interrupts the continuity with other mid-rise buildings down Fillmore Street.

View of pedestrian plaza at the Fillmore-O'Farrell Street crossing

As this is the district's main retail/commercial corridor, the magnate of a considerable amount of foot traffic, the continuity of storefronts is critical. As in any successful retailing arrangement, the vitality of these shops will depend on anchor destinations at either end. The pull from the north consists of the existing retail establishments immediately across O'Farrel Street and, ultimately, the activity of the Upper Fillmore. Without a comparable draw to the south, Fillmore Center's efforts to restore economic vitality to the street might be seriously jeopardized.

Fillmore Center is aligned along a north-south axis and therefore enjoys a long morning exposure on its Fillmore Street retail facade. By mid-day the sun has fully penetrated the inner landscaped court and proceeded to warm the back side of the units which were in shadow all morn-
ing. From this point on, however, the tower along Fillmore Street casts a long shadow on its immediate neighbors. Similarly, another tower and a mid-rise block at the northern-most edge of the site are arranged such that the small public plaza that serves as the development's gateway is in shade most of the day.

The trade-off of the project's massing is that nearly half the site acreage is devoted to the landscaped inner court. The breadth of this open space offers a marvelous opportunity to create vistas, panoramas, and focal points within the project. But while the light of the internal court is inviting to pedestrians, the lack of benches and high planter walls suggest this is not a place for the public to linger. (A lawn and seating area does exist on the terrace level one level up, though this is inaccessible to non-residents.) While Ellis Street is being converted to a landscaped pathway, it is flanked by high side walls and beneath two skybridges. This street-level link from Fillmore to Steiner Street may only exacerbate the feeling among neighbors that the development is off limits to them.

Pedestrian skybridges across Ellis Street connect the residents' terrace
Interaction

In his hypothetical Radiant City, Le Corbusier espoused "open space" between apartment blocks for recreation. In reality, the left-over space between public housing blocks becomes an urban no man's land -- neither as large as parks nor as intimate as private gardens. Open to everyone and belonging to no one, such space is commonly avoided, even abandoned.\(^2\)

In the first chapter, the reconfiguration of a notorious public housing project centered around creating a hierarchy of public to private space. A wide, tree-lined boulevard now welcomes residents returning from the larger city context. From this main artery more secluded streets, sidewalks, and entry paths complete the entry sequence. Townhouses and mid-rise buildings are clustered to create courtyards of various dimensions over which residents take a proprietary interest. Despite the large scale of a development, it is this range of spatial qualities that gives people with a sense of privacy and security. Semi-private space provides unique opportunities for intervention that is conducive to the building of community.

TENT CITY

The Southwest Corridor offers a spatial transition from the intensely public, cosmopolitan glitz of Copley Place and the venerable Copley Square to the quieter, more residential South End. The corridor acts as a sort of back yard for the neighborhood, a semi-public/semi-private zone in which area residents can stroll, visit, and play. Several small playgrounds and tot lots were created along the handsomely landscaped promenade, culminating with Sparrow Park about a quarter mile from Tent City.

For the residents of Tent City, the experience of coming home involves a full series of transitions. The activity of Dartmouth Street and Copley Place gives way to a small public plaza where Tent City's gently curved wall on the Southwest Corridor serves as a backdrop. Around the corner, the mid-rise tower steps back dramatically to reveal the development's front door, literal for some Tent City residents, symbolic for others. Proceeding through this doorway, one encounters the development's spacious two-story main lobby. There are no seats as this is intended not as a place of leisure but as a transition point. For resident's of the
mid-rise, the concierge at the desk will buzz them into the adjacent elevator lobby.

For residents of the townhouses, the lobby serves as a pass through to the more secluded world of the inner court. To the right of the arched entry to the courtyard, the outdoor patio off the development’s multi-purpose room takes in maximum sun exposure. To the left, a lawn stretches out, flanked by a tree-lined path. Light posts and benches occur regularly, making this outdoor space a gathering spot for residents. Residents of the townhouses or walk-up apartments follow sidewalks to set-backs and individual, recessed entry alcoves with their mail boxes. (The architects were successful in convincing the Postal Service that units accessible from the street deserved their own address.)

Clustered townhouses and outdoor seating invite interaction

The fact that there are no balconies at Tent City may be explained by more than climatic considerations. Not only would the cost of balconies have been prohibitive, but more importantly, as elements of segregated outdoor space they would have been anachronistic at Tent City. Here, outdoor space is not regarded as personally private. Though a few of the family townhouses have enclosed patios, generally residents who want to get some fresh air and sunshine can do so on one of the benches along the pedestrian path, or in one of the two more secluded courts.
At Tent City, the two semi-private courtyards framed by the townhouse clusters are intended to foster interaction. In the larger court, kitchens of the ground floor family units are situated to offer parents the opportunity to keep an eye on their children playing. Attention to sight lines and details such as entry alcoves and landscaped edges, gives residents a proprietary interest in this area they share.

The stand-alone townhouses at the center of the development are clustered around a rather small, very secluded courtyard. Though accessible from two sides, it is virtually a secret zone for the enjoyment of these townhouse residents. By mid-day this space serves as a sunny seating area for some of Tent City's senior citizens. Later in the afternoon, the space is frequently a favorite with children of Tent City riding bicycles around the tight radius of the court's four trees. The architect did not intend this space to serve as a playground but has learned that the seniors and families who face into this private court tend not to mind, but rather enjoy the opportunity to supervise the development's children.

In designing these two courtyards, the designers have attempted to create more private worlds within the semi-private world of the inner core. There has been no need for gates or other barriers. Each of the courtyards is accessible to area neighbors on foot. And yet, the proprietary sense that resident families have about these spaces serves to discourage strangers from lingering.

FILLMORE CENTER

At Fillmore Center, a pedestrian footbridge crosses Geary Boulevard east of the development, connecting residents of the Western Addition with the Japanese Cultural and Trade Center. Long a favorite of many San Franciscans, Japantown is considered the area's landmark. This major mixed-use complex attracts many people from other parts of the city. A path from the landing of the Japantown pedestrian footbridge on Webster Street cuts diagonally through the Safeway Shopping Center and culminates at Fillmore and O'Farrell Streets, the gateway to Fillmore Center. A similar footbridge to the west of the development connects Kimbell and Hamilton Playgrounds, two semi-private recreation areas for residents of the Western Addition. However, equipped with its own health club and semi-
private landscaped terrace, it remains to be seen whether residents of Fillmore Center will make use of these public playgrounds.

As a very large development, Fillmore Center features a variety of entry sequences. The 3-bedroom walk-up apartments facing Kimbell Playground are stepped back along the sidewalk and feature front stoops which serve as a transition from the public sidewalk. By contrast, the walk-up apartments between the retail stores along Fillmore Street feature a high flight of steps which spring abruptly from the building face. Without a landing at the sidewalk or a respite as they climb over 8 feet over the ground floor retail, the entry sequence to these apartments lacks an effective transition from public sidewalk to the privacy of one's front door. (All residents of Fillmore Center, whether in the walkups or the towers, have their mail delivered to a central location; the developers were unable to convince the Post Office that any of the units warranted individual addresses.)

Fillmore Center: development entrance along Eddy Street

At Fillmore Center, the variety of unit types -- from walk-ups to tower units to roof-top penthouses -- have been designed to be secure and private. Many units have balconies, and all the units at the podium level have private patios screened by wood fences. Such private outdoor space, coupled with the scarcity of seating on the podium level itself, creates an introverted atmosphere. It is ironic that the 4-acre landscaped inner court seems intended primarily for viewing. Unique not only in the Western
Addition but across the city as well, in this focal point of the development the only place where interaction is encouraged is on the lawn of the terrace level which is restricted to residents.

At semi-public plaza level below, no lawns, few benches, and planter walls typically over 3 feet high make lingering difficult. Neighbors of the project are not invited to enjoy this mini-park in the center of their own neighborhood. Though the exterior circulation zones have been deftly separated from the street without oppressive walls and bars, if Fillmore Center is to be the catalyst of the area's revitalization, its form does little to embrace the neighborhood.

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1 Wooding, Geoffrey; Associate/Project Manager of Tent City; Goody, Clancy & Associates -- Architects; (interview February, 1991).

4.3 PROJECT FINANCING

Tent City and Fillmore Center, though different in many respects, both illustrate the challenges and complications resulting from the state-of-the-art financing of the 1980s. Public regulatory and financial incentives play the key role in shaping these MI/MU developments. On the one hand, rents for a percentage of the apartments are subsidized by writing down the cost (or lease) of the land and perhaps by means of a public grant or loan. The retail component of the projects is influenced primarily by the development's mortgage. Whether public or private, the terms of debt financing for mixed-income rental housing explicitly limit non-residential uses.

In the course of this section, Tent City and Fillmore Center will be analyzed in terms of how the financing shaped first the residential component and then the mixed-use component. The chapter will conclude with a look at the risks and costs of involving private investors in the financing of these projects.

Mixed-Income Component

Making any affordable housing feasible requires reducing the normal costs of development and subsidizing a certain number of units over time such that people of low-to-moderate income pay no more than 30% of their income to rent. Being proposed for publicly-owned land, both Tent City and Fillmore Center benefited from not only regulatory incentives such as density bonuses and zoning allowances for mixed-use, but also from the manner in which the site was sold or leased.

Where at Tent City the site is leased from the city, a combination of federal, state, and local grants and loans have been coordinated to provide a rental subsidy for 30 years. At Fillmore Center, by contrast, the site was sold at a market price. Density bonuses were granted to allow more high-rent apartments in order to cross-subsidize the affordable units. In both instances, this combination of land disposition and rental subsidy determines the nature of the project -- and its duration as a MI/MU development.
## Table 1

**TENT CITY: SUMMARY OF DEVELOPMENT PRO FORMA**

### DEVELOPMENT COSTS

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
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<tr>
<td>Site Acquisition</td>
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<tr>
<td>Construction</td>
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<td>Design, Surveys, etc.</td>
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<td>Developer’s Fee</td>
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<td>Construction Loan Interest</td>
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<tr>
<td>Financing Fees</td>
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<tr>
<td>Professional Fees: Legal, Development Consulting, Environmental Assessment, Accounting, Appraisal</td>
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<tr>
<td>Syndication Sales Commissions</td>
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<td>Supplemental Mgt. &amp; Syndication Fees</td>
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<td>Marketing &amp; Rent-Up</td>
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<tr>
<td>Taxes, Insurance during Construction</td>
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<tr>
<td>Staff Costs, Community Sponsor</td>
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**Total Development Costs** $42,882,001

### SOURCES OF FUNDS

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
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<tr>
<td>First Mortgage (MHFA 30-year loan)</td>
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<tr>
<td>Grant Funds from BRA</td>
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<td>Demolition Funds</td>
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<td>Public Improvement Funds</td>
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<td>Costs Paid by UIDC</td>
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<tr>
<td>Equity Syndication Funds</td>
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</tbody>
</table>

**Total Sources of Funds** $42,882,000

1. Massachusetts Housing Finance Agency
2. Boston Redevelopment Authority. It also assembled the site and leased it to the developer for 99 years for $1 per year.
3. JMB/Urban Investment & Development Company, developer of the adjacent Copley Place, paid some of the costs of demolishing structures prior to construction of Tent City.
4. Equity Syndication funds are raised through the sale of limited partnership interests in the project.
The first factor affecting the term of the projects' affordability is the manner in which the land is conveyed to the developer. At Tent City, the BRA structured a unique land lease to serve TCC and UIDC -- as well as the Authority itself. In 1985, TCC was granted surface and air rights by the BRA in order to develop the housing. At the same time, the BRA granted below-grade development rights to UIDC to build the garage by trading other UIDC interest in the site for development rights to another nearby site. Both TCC and UIDC signed a 99-year land lease that locks in affordability requirements.

The BRA's preference to lease its land rather than to sell it outright is reflective of the relative autonomy of the Authority. Wholly self-sufficient, the BRA in recent years has been a major influence in virtually all development across the city. As the city planning body as well as the city's redevelopment arm, the Authority has been able to shape land use policy by encouraging development on key sites, linking the interests of one project to those of another -- sometimes across town. By maintaining control over the Tent City site, the BRA can continue to exercise influence by preserving and protecting the affordability of 75% of Tent City's apartments in perpetuity.

The SFRA finds itself in a much different position. As revealed in the case study, the Agency co-exists with the City Planning Department and The Mayor's Office of Housing. During the 1950s and 1960s, in the heyday of urban renewal, the SFRA was a powerful, free-wheeling body, largely dependent on funding from Washington and thus detached from the vagaries of the local political scene. But with the federal retreat in the late 1970s and early 1980s, the Agency had to rely on less federal money -- and it had to compete among newly-formed community development corporations for that which was left. As a result, the SFRA felt a growing need to sell many of its sites simply to maintain itself. Such was the case by the mid-1980s when Agency Executive Director Wilbur Hamilton recommended to the redevelopment board that the 9-acre Fillmore Center site be sold for $9,000,000 ($23.10 per square foot) -- determined to be the property's fair reuse value.¹

The terms of the land disposition agreement are clear about the income qualifications for the 20% low-to-moderate income units (not more
<table>
<thead>
<tr>
<th>DEVELOPMENT COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Site Acquisition</td>
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<tr>
<td>• Construction Costs</td>
</tr>
<tr>
<td>• Professional Fees: Design, Engineering, Legal, Accounting, Retail Lease Commissions</td>
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<tr>
<td>• Financing Fees:</td>
</tr>
<tr>
<td>Construction Loan</td>
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<tr>
<td>Fannie Mae Take Out (1)</td>
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<td>Underwriters Fees (2)</td>
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<td>Miscellaneous Fees</td>
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<tr>
<td>• Interest Expense</td>
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<td>Construction Loan thru June 1992</td>
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<tr>
<td>Issue &quot;F&quot; (3)</td>
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<tr>
<td>• Building Permits, Inspections &amp; Utility Fees</td>
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<tr>
<td>• Taxes, Closing Costs, &amp; Insurance</td>
</tr>
<tr>
<td>• Developer overhead and misc. charges</td>
</tr>
<tr>
<td>• Residential Marketing Costs</td>
</tr>
<tr>
<td>• Property Management Start Up</td>
</tr>
<tr>
<td><strong>Total Development Costs</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>SOURCES OF FUNDS</th>
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<tbody>
<tr>
<td>• Construction Loan (Citicorp)</td>
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<tr>
<td>• Issue &quot;F&quot; Loan</td>
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<tr>
<td>• New Loans - &quot;Bank Group&quot; (14 add'l lenders)</td>
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<tr>
<td>• Net Rental Income during Construction(4)</td>
</tr>
<tr>
<td>• Integrated Resources Capital Contribution</td>
</tr>
<tr>
<td>• Sale of Issue &quot;F&quot; bonds and Misc. Income</td>
</tr>
<tr>
<td>• Hedge Proceeds Received(5)</td>
</tr>
<tr>
<td>• Developer Funds</td>
</tr>
<tr>
<td><strong>Total Sources of Funds</strong></td>
</tr>
</tbody>
</table>

1. The Federal Mortgage Insurance Agency is commonly known as Fannie Mae;
2. Underwriters for Issue "F" and Issue "A" bonds (see 3.);
3. Issue "F" is a tax-exempt, non-rated "junk bond" issued as a Second Mortgage;
4. Income has been received from completed portions of the project;
5. FCA has recovered this much of the interest ceiling hedge required by new lenders;
6. As of January, 1991, this Pro Forma projected a $301,662 deficiency over costs.
than 80% of area median income) and the 30% "affordable" units (not more than 150% of area median income). But what is also clear is the developer's intention to design and construct the residential units for possible resale as condominium units upon expiration of the project period -- 10 years from the point of 50% occupancy. At this point the Agency reserves the right to buy 20% of the units at a 20% discount to preserve low-income residency. The developer will also offer to sell the units to existing tenants at a 10% discount, will provide moving expenses to those who do not buy, and will provide lifetime leases for the elderly (those tenants at least 62 years old). But ultimately, the SFRA's influence over the fate of this large site is negligible.

At this writing, in exchange for issuing an additional $24 million bond to help cover cost overruns, the SFRA is considering requiring that half of the units slated for "low-to-moderate" income people actually be available to those with incomes less than 50% of the area median -- meant to rectify the concern that the truly needy were cut out by the terms of the initial mortgage revenue bonds. Thus, not so much by design as by virtue of unfortunate financial circumstances, the Agency may have an opportunity to exercise influence over the use of the site -- at least until the project term expires.

The second factor affecting the projects' affordability is the subsidy to below market-rate units. With apparently no write down of the land cost, the only land use concession the SFRA had at its disposal in encouraging a mixed-income development was density. Despite the fact that nearly half of the site is reserved for open space, at 124 units per acre Fillmore Center is the most dense development in the neighborhood, on par with similar projects downtown. The developer proposed 1,113 units because given the nature of the mortgage revenue bond program (ie: that 1 in 5 units must be reserved for low-to-moderate income households), to build fewer units would jeopardize the cross subsidy built into the rent structure. Given that the higher rents of the market-rate units help offset the losses incurred by the low-to-moderate income units, the developer's proposal was meant to insure the project's economic viability -- and a reasonable profit.

While the record at Fillmore Center is relatively new, concerns about compliance to the spirit of the bond program have already arisen. Because
under the terms of the initial bond issue the developers were under no obligation to accept them, Section 8 holders were turned away when rent-up began. The developers pointed out that they were not required to accept applications from prospective tenants with incomes less than 50% of the area median. But because other similar projects in the city had consistently misrepresented the fact that low-to-moderate income units were available, suspicions about the intentions of the private developers at Fillmore Center have been exacerbated.

Patterned at least in part after Presidential Towers in Chicago's West Side redevelopment area, Fillmore Center has become a target of affordable housing advocates wary of private developers. At Presidential Towers, despite benefiting from a tremendous discount on the land price and an underhanded waiver of the affordability provisions for 20% of the development's units, the project defaulted in 1990 when its occupancy rate fell below 90%.4 HUD's agreement to pay off the project's mortgage, making Presidential Towers the largest claim ever made against the federal government's multi-family mortgage insurance fund, focused the debate on the public costs of private folly.5

Indeed, critics of Fillmore Center question whether the risks of the project will ultimately rest with its private owners. The developers were largely taken at their word when they proposed that with 1,113 units they would be able to maintain 20% of the units for people of low-to-moderate income. There is nothing to preclude the developer from selecting tenants from the upper ranges of each income tier except periodic pressure from the SFRA to meet affirmative marketing requirements. Should debt service and maintenance costs begin to exceed income, the developer may well default.

But the fact that the mortgage is federally-insured makes it unlikely the government will allow such an enormous project to fail. With this safety net, the developer's incentive to minimize the risks of cross subsidy rests in self-interest, not in making the project truly affordable to those in need. By pre-1986 law (under which Fillmore Center was developed), an applicant whose income is determined to meet the low-to-moderate income classification is never again questioned.
The rental subsidy stream at Tent City also amounts to a major public investment, but here the monitoring of the affordability goals is explicit. The project enjoys four significant rent subsidies from federal, state, and local government. First, under the Federal Section 8 and State Chapter 707 rental assistance programs, the project receives a subsidy for low-income tenants equal to the difference between 25 to 30 percent of a tenant's income and the government-calculated fair market rent.\(^6\)

Secondly, the BRA's Neighborhood Development Fund (NDF), created from the repayment to the city of the Copley Place UDAG loan, allots an average of $1 million a year to Tent City in a declining balance for a period of 30 years. The payments, made monthly, provide long-term rental assistance for housing costs of low-to-moderate income residents. The NDF funds are a loan to the project by the city and are expected to be repaid starting in 30 years after the MHFA First Mortgage is amortized.\(^7\)

Finally, the MHFA's State Housing Rental Assistance Program (SHARP) provides the project with approximately $865,000 annually in the form of a loan. The program allows repayment to be recycled back into the project when such recycling will clearly benefit low- and moderate-income tenants.\(^8\) Lately, however, the SHARP program's weaknesses have come to light. Experience of the last several years has shown that the growth rates on which the SHARP program is predicated are not being achieved today. Without some self-adjusting mechanism, affordable housing projects dependent upon state assistance can find projected cash flow scenarios completely untenable after only a few tough years. To the extent that Tent City can accommodate a down-turn (by virtue of its 50% A-B-C-D moderate-income tier), it becomes a more stable environment for people who might otherwise be forced to move out.

These four crucial rental subsidies are carefully coordinated to allow not only for income fluctuations and a certain amount of market depression, but they are also designed to maximize the opportunity for TCC to exercise its option to purchase the development in when the SHARP subsidy terminates in Year 15. At that point, the NDF stream (that has been declining over time) suddenly more than doubles and remains high through the 20th year when its balloon interest payment is due. In addition, at the critical juncture in Year 16, the Second BRA Loan of $10.3 million commences.
presumably to give the non-profit sponsor-turned-owner some room to prepare for the balloon interest payment.

Non-Residential Component

As described in 1.3 Strategies for Development, the terms of government-backed bond issues and tax-exempt financing stipulate that only 10% of the mortgage proceeds can go toward non-residential uses. (Since 1986 this has been further limited to just 5%). This serves to discourage mixed-use, whether retail/commercial space or community service offices and multi-purpose meeting rooms. Of course, a developer is free to seek out private financing for a more extensive mixed-use component, but usually arranging for more than a single underwriter in the mortgage of a MI/MU project is difficult. Consequently, the search for debt financing was the critical step in defining the functional diversity of Tent City and Fillmore Center.

Tent City is fundamentally distinguished from Fillmore Center by the fact that its lending source is public. As the project proposal came together in 1984, it was clear that the Massachusetts Housing Finance Agency (MHFA) was the wisest choice for both the construction loan and permanent financing. MHFA is in the business to support such mixed-income environments: since its inception in 1969, the agency had assisted in the production of over 50,000 apartments of various income levels state-wide. Funds for its loan programs were raised through the sale of bonds to private investors; proceeds were typically loaned to non-profit and limited-profit developers who agreed to create rental housing according to stringent Agency guidelines.

Furthermore, Tent City Corporation's (TCC) goals of income mixing aligned perfectly with those of the MHFA. The Agency typically required 20 to 25% of its units to be affordable to people of low-income and that moderate and middle-income households also be accommodated; TCC envision a community comprised of 25% low-income and 50% moderate-income households, and the balance with no income limitations. In addition, as long as the housing and retail components could stand alone in a project's Pro Forma, mixed-use was regarded by the MHFA as an impor-
tant vehicle by which projects in key areas could enhance local economic vitality.\textsuperscript{10}

Necessary construction and take-out financing was secured at Tent City, then, because there was a "good fit" between the non-profit's proposal and the Agency's mandate. It was a perfect example of clearly articulated community goals coinciding with well-defined, proven public policy. The MHFA initially agreed to lend $28.6 million in a combined construction loan and 30-year mortgage. When Aetna Life Insurance failed to provide a $3 million piece of the financing, the Agency stepped in and upped its commitment of $32 million.\textsuperscript{11}

In addition, the BRA, once hesitant to embrace the idea of a mixed-income community on the site, now came through with a subsidy stream known as the Neighborhood Development Fund (NDF) -- a result of the payback on the Copley Square UDAG. The BRA pledged a $20.7 million non-recourse loan to be made in annual disbursements. This BRA loan actually constitutes a second mortgage on the project. (A Second BRA Loan of $10.3 million will commence at the 18th year -- construction plus 15 years operations -- and is intended to assist Tent City Corporation should it exercise its option to purchase the development in Year 16.) Finally, the MHFA's SHARP subsidy stream is also considered a loan and constitutes the Third Mortgage of the project.\textsuperscript{12} The second and third mortgages allow for payment to be plowed back into the project as long as the affordability requirements are maintained.

The MHFA allowed 10% of the proceeds from the First Mortgage to finance the development of the ground floor retail space. The multi-purpose room and entry lobby qualified as "integral" to the residential component and, under an exception to the bond requirements, were financed out of the proceeds reserved for residential development.\textsuperscript{13}

Table 3, based upon cash flow extrapolated from actual returns for the first 3 years, shows that, at best, the non-residential component amounts to only 8% of the residential rental income, 4% if the public rental subsidies are included as income. It is unlikely that the retail component would ever be able to subsidize the residential component. On the other hand, should the retail component falter, the MHFA, per its policy on MI/MU projects, has required TCC to post a letter of credit (amounting to 4% of the mortgage amount) to insulate the residential component.\textsuperscript{14}
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</thead>
<tbody>
<tr>
<td><strong>INCOME</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Rents(+5% from yr 4)</td>
<td>$1,473,173</td>
<td>$2,343,993</td>
<td>$2,392,229</td>
<td>$2,465,944</td>
<td>$2,589,241</td>
</tr>
<tr>
<td>-vacancy(varies)&amp;bad debts</td>
<td>$152,018</td>
<td>$46,639</td>
<td>$48,954</td>
<td>$51,909</td>
<td>$90,623</td>
</tr>
<tr>
<td>Effective Net Rent</td>
<td>$1,341,155</td>
<td>$2,297,354</td>
<td>$2,343,265</td>
<td>$2,414,035</td>
<td>$2,498,618</td>
</tr>
<tr>
<td>Retail Space Income</td>
<td>$27,034</td>
<td>$182,006</td>
<td>$185,007</td>
<td>$231,372</td>
<td>$237,156</td>
</tr>
<tr>
<td>Parking &amp; Laundry Income</td>
<td>$54,281</td>
<td>$174,471</td>
<td>$167,535</td>
<td>$172,406</td>
<td>$175,854</td>
</tr>
<tr>
<td>other inc.(excess rents, int.)</td>
<td>$142,392</td>
<td>$144,302</td>
<td>$158,206</td>
<td>$149,396</td>
<td>$150,896</td>
</tr>
<tr>
<td><strong>Total Operating Income</strong></td>
<td>$1,564,862</td>
<td>$2,798,133</td>
<td>$2,845,203</td>
<td>$2,957,209</td>
<td>$3,062,524</td>
</tr>
<tr>
<td>SHARP subsidy</td>
<td>$628,206</td>
<td>$803,105</td>
<td>$730,232</td>
<td>$791,376</td>
<td>$766,134</td>
</tr>
<tr>
<td>NDF (UDAG repayment)</td>
<td>$864,577</td>
<td>$875,924</td>
<td>$1,197,315</td>
<td>$1,221,959</td>
<td>$1,170,768</td>
</tr>
<tr>
<td><strong>TOTAL INCOME</strong></td>
<td>$3,057,744</td>
<td>$4,477,162</td>
<td>$4,772,750</td>
<td>$4,970,544</td>
<td>$4,999,426</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration (incl. mgt.)</td>
<td>$259,475</td>
<td>$378,626</td>
<td>$351,990</td>
<td>$391,876</td>
<td>$411,260</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$199,825</td>
<td>$367,516</td>
<td>$330,803</td>
<td>$355,000</td>
<td>$372,750</td>
</tr>
<tr>
<td>Maintenance</td>
<td>$160,342</td>
<td>$315,842</td>
<td>$331,724</td>
<td>$390,000</td>
<td>$409,500</td>
</tr>
<tr>
<td>Taxes &amp; Insurance</td>
<td>$130,410</td>
<td>$188,498</td>
<td>$186,789</td>
<td>$207,864</td>
<td>$209,943</td>
</tr>
<tr>
<td>Parking Lease/Laundry</td>
<td>$98,128</td>
<td>$125,760</td>
<td>$21,538</td>
<td>$23,476</td>
<td>$25,589</td>
</tr>
<tr>
<td><strong>TOTAL COSTS OF OPERATIONS</strong></td>
<td>$768,180</td>
<td>$1,270,242</td>
<td>$1,224,844</td>
<td>$1,368,016</td>
<td>$1,429,042</td>
</tr>
<tr>
<td><strong>BEFORE TAX CASH FLOW</strong></td>
<td>($248,311)</td>
<td>($165,157)</td>
<td>($294,076)</td>
<td>($295,864)</td>
<td>($192,999)</td>
</tr>
</tbody>
</table>

* based upon extrapolating actual returns and debt service 1988-1990
Fillmore Center, by contrast, features a lending patchwork of private institutions. In shopping for a lender in 1984-85, developer Donald Tishman could find no local banks interested in his major proposal for the Western Addition. While the SFRA agreed to issue a $95 million mortgage revenue bond for the development, Tishman had to go to Citicorp in New York to secure a construction loan. At the completion of construction, originally scheduled at 48 months from the time of the bond issuance, the bond would become a 30-year First Mortgage backed by Fannie Mae.15

In addition to Citicorp, four other banks -- again, none of them local -- hold an interest in the project's First Mortgage: Bank of Nova Scotia, Dai Ichi Congo Bank, Sanwa Bank, and Sumitomo Trust. Through the course of construction delays, three changes of ownership, and three refinancings, 14 more banks have become involved in the project in additional loans totalling $71 million. (Only two of these additional lending institutions, Security Pacific and Home Savings, are local.) These new bank groups bring the total number of privately-held mortgages to five.16

Whereas the public patchwork of Tent City is characterized by a coordinated strategy, the private patchwork at Fillmore Center is more disparate, members being brought in at various phases of the project's difficult history -- sometimes at the insistence of earlier lenders. Without the support of the large local banks, FCA has had to court a myriad of outside institutions, many of them foreign. The developer recalls taking Japanese bankers on a walk through the Western Addition hoping to convince them of the saliency of the development -- and of the surrounding area.17

Unfamiliar with the context, banks from outside the area became increasingly wary as news of cost overruns became apparent. Moreover, as many of these banks were making unprecedented commitments to real estate development, they were concerned that the returns for the MI/MU project compare favorably with market-rate developments. But socially beneficial dimensions of MI/MU projects do no necessarily enhance the profitability of such investments -- from the perspective of the private lender the mixing of race and income groups actually adds to the risks.

The estimated operating budget for the completed Fillmore Center illustrates the debilitating effect of having to involve so many lenders in the project. As Table 4 shows, even in a best case scenario (ie: a rental occu-
Table 4
FILLMORE CENTER
ESTIMATED OPERATING BUDGET*

<table>
<thead>
<tr>
<th>INCOME</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Residential Income</td>
<td>$16,000,000</td>
</tr>
<tr>
<td>• Retail/Commercial Income (incl. Health Club)</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Total Income</td>
<td>$18,000,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Administration (incl. management)</td>
<td></td>
</tr>
<tr>
<td>• Operating Expenses</td>
<td></td>
</tr>
<tr>
<td>• Maintenance</td>
<td></td>
</tr>
<tr>
<td>• Taxes &amp; Insurance</td>
<td></td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$6,000,000</td>
</tr>
</tbody>
</table>

| NET OPERATING INCOME          | $12,000,000 |
| DEBT SERVICE (five mortgages) | $20,000,000 |
| CASH FLOW/DEFICIT**           | -$8,000,000 |

* source: estimated based upon extrapolation of rent projections and interview with T. Numainville, Chief Financial Officer, FCA;
** estimated for at least the first ten years of operations.

pancy over 95% and fully-leased retail space), the project will lose as much as $8,000,000 per year due to the high cost of its loans. Overburdened by debt, the developer projects that it may be as long as 12 years before the project breaks even.¹⁸

Like Tent City, funding for the mixed-use component at Fillmore Center was limited to 10% of the initial bond issue and 5% of the post-1986 bond known as Issue "F" (and described in the following section). This funding allowed for 73,000 square feet of retail/commercial space including the two day school sites. But unlike Tent City, Fillmore Center was unable to take advantage of exceptions allowing residential money to be used where such uses serve residents directly and are functionally integrated with the housing. In the case of the Community Center, because it is
located across the street from the development it could not qualify. The Health Club might have qualified had the developers not opened it up to outside membership.\(^{19}\)

In struggling to work out its massive debt, and with its retail component contributing at best only 10% as much as its rental income, Fillmore Center's viability in the early years will depend upon an extremely high occupancy rate.

**Risks of Private Investment**

Finally, with the dramatic decline in federally subsidized housing, developers seeking funding for low-income housing have been turning to state and local programs. But while such programs often help make the construction of low-income projects feasible, it is generally not enough to provide a deep and lasting rental subsidy. For this developers have had to rely on partnerships with private investors in the form of equity syndication. Here the tax losses of a low-income housing project are sold to private individuals or corporations to offset their other income. But the costs and risks to the low-income housing developer can be significant.

Originally, Tishman had expected to raise some $20 million in equity for Fillmore Center through a syndication in 1986. When the Tax Reform Act of that year effectively precluded this strategy, Tishman convinced the SFRA to allow him to structure the equity in the form of additional debt. Dean Whitter Reynolds was credited with devising a tax-exempt, non-rated "junk" bond that could function as a Second Mortgage on the project. Known as Issue "F", the $33 million bond scheme was hailed by industry analysts as "a triumph of innovation".\(^{20}\)

Nevertheless, at Citicorp's insistence, Tishman also had to find a source of genuine equity. He struck a deal with Integrated Resources, Inc., of New York, an established syndicator. Initially Integrated Resources had agreed to raise $11 million in equity that, after fees and commissions, would yield $7.5 million for Fillmore Center. In the end, only $5.5 million was provided.\(^{21}\) Though Integrated Resources became the managing general partner of Fillmore Center, by the Fall of 1988 its high-risk trad-
ing practices came under fire in the course of a Securities and Exchange Commission investigation of several well-known Wall Street investment brokerage houses. A year later, anticipating failure, the SFRA insisted ties with the syndicator be severed. By February 1990, Integrated Resources had filed for Chapter 11 bankruptcy protection.

Soon after, Integrated Resources sold 1.05% to the three individuals who became Fillmore Center Associates (FCA). In so doing, "Integrated Syndicated Partners" released its rights and liability as managing general partner to FCA, though the project is still 96.5%-owned by the Integrated Resources private investors. (The balance, or 1.7%, is owned by Don Tishman, the original developer cut out earlier when Integrated Resources managed the second refinancing.)

In addition to the high costs of the equity syndication, it is in the best interest of the private investors at Fillmore Center to sell the project at the end of the 10-year affordability term. Whether market-rate rentals or converted to condominiums, the goal of the equity partners is to make a healthy return on their investment. The interests of low-and-moderate income tenants are temporal despite the SFRA's stipulation that the affordable units be offered at a 20% discount.

Tent City was coming on line at about the same time as Fillmore Center. In early 1985, an equity syndication offering was made and was one-third subscribed when the uncertainty surrounding the congressional debate over national tax reform threatened the expected tax shelter benefits of the project. The offering was withdrawn. Yet at the beginning of December, 1986, the equity syndication offering was made again -- this time under the terms of the new Tax Reform Act's transition rules. A "relief period" of 7 years was available whereby investors could take advantage of tax losses and at the same time depreciate the project according to the accelerated schedule of the old law. The $10 million offering, which called for 100 limited partner investors to invest $100,000 each over 7 years sold out in two weeks.

Proceeds from the $10 million syndication helped the project pay its development and management fees, make payments on the first mortgage, and pay for certain construction costs. Investors can take advantage of the project's tax losses, have a stake in any extraordinary retail income, and, at
the end of the 15-year term, are entitled to the appreciation in the 67 market-rate units.26

TCC retains the option to purchase the development after 15 years at the higher of either A) the then-appraised Fair Market Value of the 202 Low and Moderate Income Units plus the Fair Market Value of the unrestricted 67 Market Rate units; or B) $58,000,000 (the outstanding debt on the affordable units) plus the Fair Market Value of the 67 unrestricted Market Rate units -- but less the outstanding debt of $63,300,000 it would be able to assume. Thus, while private investors provided the equity essential to the development of the project, they remain subordinate to TCC, the managing general partner. Even if TCC did not exercise its option to purchase the development, terms of the MHFA mortgage and BRA ground lease would prevent a private owner from converting the project to market-rate rental or condominiums).27

Nonetheless, creative financing schemes meant to involve private investors in the development of low-income housing are considered dubious by many affordable housing advocates. They cite the inefficiency resulting from the difference between the cost of the tax credit to the federal government (in terms of forgone revenues) and the amount of actual equity raised from the sale of the tax credit. In addition, as the Integrated Resources equity syndication at Fillmore Center (and to a lesser extent Tent City's syndication offering) shows, a large amount of gross equity raised from the sale of the tax credit actually goes to pay syndication costs -- it is never invested in housing. Moreover, the costs and creative energy involved in arranging a patchwork financing scheme involving 5 or more separate financing sources (at Fillmore Center, over 25) are very high and often not explicitly reflected in development pro formas.28

As a catalyst for the development of low-income housing, the low-income tax credit has been predicated on scenarios of low construction costs coupled with rising income level. This may have been true in the southwest up until recently, but it is exactly opposite of the need exhibited in central cities. Instead of focusing on the pressing housing needs of the low-to-moderate income inner city population, new tax credit requirements focus on saving the federal government money. Public/private partnerships have been encouraged by federal policy not so much because they
"are inherently more efficient or sensitive to client needs, but because they are vehicles for both limiting federal expenditures and leveraging federal funds." \(^{29}\)

The fact is that in the wake of the federal retreat, the growing demand for rental housing for low-to-moderate income households is outstripping the capabilities of state and local entities. Community-based non-profit organizations, while solely able to offer the low-income tax credit, face serious risks which ultimately can jeopardize the organizations themselves. A restored federal presence in the financing and development of affordable housing need not pre-empt state and local efforts, but can actually reinforce them and provide direction while also attracting private capital and expertise. National programs such as the Enterprise Foundation, the Local Initiative Support Corporation (LISC), and the new National Equity Fund (created by LISC), provide excellent examples of how private and public resources can be joined to support locally-based affordable housing initiatives.

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1 SFRA, "Memorandum: Authorizing Execution of the Agreement for Disposition of Land for Private Development", (also known as the Land Disposition Agreement), from Wilbur W. Hamilton, Executive Director -- SFRA; November 15, 1985; p. 1.
2 SFRA, Land Disposition Agreement; November 15, 1985; Exhibit 3.
3 Firehock, Robert; San Francisco Redevelopment Agency Counsel; (interview March, 1991).
7 Posner, p. 10.
8 Posner, p. 11.
10 Frawley, Brian M.; Senior Policy Coordinator -- MHFA; (interview April, 1991).
11 Posner, Joshua; Director of Housing Development -- The Community Builders; (interview December, 1990).
13 Creedon, Francis P.; Operations/Budget Officer -- MHFA; (interview March, 1991).
15 Numainville, Thomas; Chief Financial Officer -- Fillmore Center Associates; (interview March, 1991).
17 Davis, Robert G.; Vice President -- Fillmore Center Associates; (interview January, 1991).
22 Wall Street Journal, "Activity at Two More Firms Questioned as Business Week Trading Case Widens"; August, 1, 1988;p. 2.
26 TCC, the equity syndication Offering Memo, December 1986.
27 TCC, the equity syndication Offering Memo, December 1986.
28 Stegman, Michael, "Creative Financing Is A Dirty Word" (unpublished article, revised April 15, 1990), p. 22.
4.4 PROPERTY MANAGEMENT ANALYSIS

In some respects, the tenant selection process and management of Tent City and Fillmore Center are similar. With regard to marketing and income recertification, however, there are important distinctions which will be identified. And though each development includes some degree of tenant participation today, neither Tent City nor Fillmore Center features the kind of tenant involvement in management meant to transfer responsibilities to the residents.

The premise of this analysis is that MI/MU developments are distinct from traditional market-rate or public housing projects. As functionally complex environments which propose to integrate people of diverse economic and racial backgrounds, mixed-income/mixed-use developments require a special kind of tenant. In more homogeneous, isolated environments tenants might be less willing or less able to work toward integration. But because a key measure of success in the MI/MU development is the degree to which neighbors interact and build connections, residents of such projects must do more than simply meet an income requirement. There is a distinction to be drawn between eligibility and suitability: those who are most suitable to the MI/MU context are cognizant of the special challenges of income mixing and committed to participating in the building of community.

This analysis will concentrate on four aspects of the case studies' property management: Tenant Marketing & Selection; The Mixed-Use Component; Maintenance & Security; and Tenant Participation. Respective policies, practices, or plans of Tent City and Fillmore Center will be compared and contrasted. The analysis will conclude on the subject of collective ownership.

Before beginning the analysis, a brief description of the management arms of each development is in order. Property Management at Tent City is provided by The Community Builders (TCB) on a 3-year negotiated contract basis. Begun as a two-person community-based organization in the South End in 1964, today TCB has a staff of over 170 and has created over 6,000 homes as well as workplaces for low-to-moderate income families,
the elderly, and the handicapped. In addition to residential development services including assembling financing, TCB provides property management and legal services for community-base non-profit organizations. TCB acted as the development consultant to Tent City beginning in 1984.1 At Tent City, TCB's management team consists of three people: the manager, an assistant manager, and an administrative assistant.2

At Fillmore Center, the developer, Fillmore Center Associates (FCA), provides on-site management. The management team was assembled to manage Fillmore Center only -- FCA owns and manages no other properties. FCA management is comprised of a director, 6 leasing agents, and two administrators. One administrator concentrates on paperwork required by the redevelopment authority; the other, a "move-in" coordinator, is responsible for seeing that units are prepared for the arrival of new tenants.3

Both Tent City and Fillmore Center have employed outside leasing agents to lease the projects' retail/commercial space. There are two reasons for this. First, the non-residential component requires special expertise to market effectively; on-site staff concentrate on managing residential tenant selection, rental income, and overall project maintenance. Secondly, and most importantly, the income stream from the lease space is typically separated from that of the residential component as required by the terms of the projects' bond financing. In neither project was the lease space conceived for direct tenant involvement (ie: in an ownership role). While functionally integrated with the housing, the retail/commercial component is considered by management in each case as being subordinate to the housing.

**Tenant Marketing & Selection**

The history of assisted housing in this country has been profoundly influenced by the struggle between national objectives and local discretion. Perhaps no where has this struggle been more pronounced than in the tenant selection process of public housing. The challenges of finding housing for the neediest at the local level has sometimes run counter to the federal objective of achieving broad objectives such as racial desegrega-
Resolving two conflicting goals of regulatory justice has typically fallen on local bureaucrats: *equity* (treating like cases alike on the basis of clear rules) and *responsiveness* (making exceptions for persons whose needs require the stretching of the rules). On the one hand, rule-oriented bureaucracies have been seen as inhuman, faceless, and unresponsive; on the other hand, sometimes too much local discretion has caused some applicants to be treated unfairly -- thus undermining policy goals.\(^5\)

Similarly, the challenge in mixed-income housing is to resolve the broad inclusionary provisions of government regulatory and financial incentives with the challenge of addressing local need. In the tenant selection process, project managers play the pivotal role in striking a balance between *responsiveness* (to the goals of fostering a sense of community) on the one hand and *equity* (impartiality with regard to income criteria) on the other. Within legal limits, the discretion of these managers is crucial to creating a tenant mix that can indeed result in the building of community.

Both Tent City and Fillmore Center have strategies for attracting market-rate renters that are distinct from techniques used to find people of moderate- or low-income. Opening in a strong economy, Tent City found listing available market-rate units in the *Boston Globe* to be expedient. In addition, word-of-mouth played an important role in initial rent-up. With the recent downturn in the regional economy, renting of at least two vacated market-rate units has involved a local leasing agent.\(^6\)

For Tent City's low-income units, for which holders of federal Section 8 and state Chapter 707 certificates are eligible, the Boston Housing Authority maintains a waiting list from which Tent City management draws. For the 50% moderate-income tier, Tent City maintains its own waiting list; now numbering over 300 applicants, the waiting list has been closed. While units are available for the elderly and the physically handicapped, Tent City has not had to aggressively market these units. In cases where there has been a turnover in such units, TCB has gone to the Housing Authority with a specific request, or has tried to fill a unit by contacting handicap support groups or outreach programs.\(^7\)

The information packet presented to prospective tenants is explicit
about how the development began and what it aspires to be:

In 1968, a diverse group of South End residents set up tents on an overgrown parking lot in a dramatic protest against the City of Boston's failure to replace dozens of brick townhouses demolished years earlier under Urban Renewal. The residents called their camp site TENT CITY....If you want to experience the best of Boston, we invite you to become a resident of TENT CITY and share the satisfaction of living in a community that cares.8

All prospective Tent City tenants are interviewed on site. For low-income applicants, the selection process entails a review of one's rental history and credit rating (if possible); TCB does not make home visits of the low-income tenants. Incomes for all low- and moderate-income tenants must be recertified annually as required by the MHFA and BRA rental subsidies.9

As mentioned in the case study, it has come as a surprise to TCB and the TCC board that so many college students would be attracted to Tent City. It is estimated that over 30 college students live at the development and pay market-rate rents. While some of the 4-bedroom townhouses are occupied by students, there has been no talk of reserving such units for families (many of whom are low-income). Not only is such a policy legally dubious, but it would also run counter to the TCC board's goal of maintaining income stratification across the various unit types.10

At Fillmore Center, marketing of the market-rate units consists of listing available apartments in the San Francisco Chronicle and San Francisco Examiner. Other techniques -- such as listings in magazines and mailers -- have typically not been successful, though to encourage full rent-up, FCA has a policy whereby any resident whose referral brings in a new tenant, will receive $100.11 The SFRA expressed concern at one point that Fillmore Center marketing was misleading. Promotional brochures trumpeted the development's many amenities and conveniences, while using only Caucasian models. One such brochure, entitled "Blueprint for the Good Life", describes the project's attributes:

Welcome to San Francisco's newest neighborhood....And in this
neighborhood renting a video, shopping for gourmet treats, even picking up your dry cleaning, is as easy as running down stairs. We designed it that way because we understand the needs of your lifestyle.... It's good to know that even concierge and maid service are available should you want them. And we've added other amenities you generally find at the most expensive buildings, like parking and triple point security -- in the garage, at the elevators and at your apartment. Your peace of mind is important.\textsuperscript{12}

Today, FCA claims an affirmative marketing strategy -- in addition to using multi-racial models in brochures, apartments are listed in Black periodicals and 50\% of the leasing staff is African American.\textsuperscript{13}

As for the 20\% low-to-moderate income units, FCA maintains its own waiting list. Concerns about Fillmore Center have centered around the fact that Section 8 certificate holders were not considered eligible by management. Thresholds less than 80\% of area median income were regarded by the developers as "very low income" and therefore not part of the original objectives of the bond program.

At this writing, as the San Francisco Board of Supervisors considers approving an additional $24 million bond issue to cover the latest project cost overruns, the debate over Section 8 eligibility has resumed. The developers maintain they are philosophically opposed to such a move: "It's contrary to good planning. There are too many good subsidy units around [Fillmore Center]. The original planners envisioned a shallow subsidy in order to attract the middle class."\textsuperscript{14} Nonetheless, community pressure and SFRA leverage are intent upon revising the earlier policy.

FCA management conducts interviews of prospective tenants at the on-site leasing office, though for low-to-moderate income prospects, it was decided recently that home visits might be required as well. In addition to rent paying history, asset limits must be verified as per SFRA's requirements. Incomes are verified for low-to-moderate and "affordable" (less than 150\% of median) prospective tenants only at the time of application -- not yearly. So if, for example, a low income tenant's income were to increase beyond 80\% of median income, that unit would effectively be lost from the low-to-moderate income tier until the tenant changes units or moves out altogether.\textsuperscript{15}
Non-Residential Component

Given some of the special marketing requirements of managing the rental component, one might expect that the retail/commercial component of a mixed-income environment would also have some special characteristics. For instance, because the residents are not made up of one economic group, and in fact may be diverse ethnically, it might seem reasonable to expect different businesses would cater to different tastes. Management, in other words, would do more than simply display a "For Lease" sign, but might actively recruit types of business that serve the needs or desires of specific groups of people.

Or, to the extent that mixed-income/mixed-use developments are intended to provide opportunities for neighborhood entrepreneurs and serve as focal points of community economic development, it might be reasonable to expect management to encourage minority- or women-owned business enterprises. In one recent development in Oakland's Chinatown, the local community development corporation established a priority for the project's ground floor retail: space would be made available for local merchants in areas as small as 400 square feet (ie: a 20' x 20' space). Such flexibility is intended to provide small business enterprises with "incubator" space in which to get started.16

To a certain extent, the experience at both Tent City and Fillmore Center reflects a consciousness of such concerns, but, in practice, it seems the priority of simply finding a rent-paying business has been the more significant determinant of the projects' mixed-use character. Lease-up, in short, has been guided by the "wisdom" of the marketplace rather than by idealistic notions of community economic development.

At Tent City goals for the non-residential component were alluded to generally in the Fundamental Principals for Development. It was actually in the debate among TCC board members during the project's design phase that specific plans for the retail/commercial space were shaped. It had been hoped that South End minority- and women-owned businesses could locate at Tent City.

The board did not think it took a "rocket scientist" to see the need for
a convenience store on the site, and indeed, the minority-owned market became the first business to open at Tent City. The board later signed the dry cleaners and eyeglass center, also minority-owned. But meeting these goals was more the result of a wait-and-see attitude than an aggressive marketing strategy. Eventually the bank ATM lobby and the non-minority owned clothier/cafe took up the prime corner along the Southwest Corridor and Dartmouth Street because no other viable minority business proposals were received.

At Fillmore Center, as of this writing, about one-quarter of the 73,000 square foot retail/commercial space is leased up. Uses to date include the two Montessori School sites, the concierge, flower shop, dry cleaner, and the women's clothing store. New prospects include a newsstand, travel agency, a delicatessen, a restaurant, and an insurance company. Like Tent City, the developers of Fillmore Center intend to promote minority- or female-owned businesses. Overall, FCA has a goal that between 25% and 30% of all the businesses will be minority owned. (Of the 20,000 square feet leased so far, approximately 75% of the businesses are minority- or women-owned.)

Because proportionally the retail/commercial component of Fillmore Center is larger than that at Tent City, the notion that management might play a direct role in attracting businesses that appeal to various resident or neighborhood groups is more relevant. To be sure, certain services have been attracted to live up to the promotions of "creature comforts" referred to in the development's promotional brochures. Presumably, in addition to the concierge service and dry cleaners, the newsstand, delicatessen, and travel agency are meant to appeal primarily to the well-paid urban professionals the developers hope to entice.

The Safeway shopping center across the street, features, among other small establishments, a family discount shoe store and fried chicken franchise. Recently, Webster Tower signed a video rental store and a family restaurant. The Fillmore Center developer has indicated that they are trying to sign a "ribs" restaurant -- presumably to meet a demand that could be provided by both the new development and the existing neighborhood. It remains to be seen how new businesses along Fillmore Street will do, but it is clear that to survive they will have to appeal to more than just the residents of Fillmore Center. Shoppers from surrounding neighborhoods who
drive to the Safeway Shopping Center will have to venture beyond the shopping center to Fillmore Street in order to patronize the new businesses.

Maintenance & Security

Good management promotes sound maintenance practice which ensures resident satisfaction, resulting in fewer vacancies and a lower turnover rate. This, in turn, allows more money to go into debt service and operating expenses, which, to complete this reinforcing cycle, lead to sound maintenance practice. Both cases under consideration here demonstrate a commitment to this policy. Tent City has a full-time, non-union maintenance force of seven, including two women, and one on-site person. Others are hired on a contract basis to handle large maintenance and repair jobs. At Fillmore Center, a full-time maintenance crew of 11 includes a chief engineer, 4 journey-men engineers, and 6 janitors. As part of an agreement the developer made with the city and the local labor council for project approval, the Fillmore Center maintenance crew is unionized.

If maintenance entails so many different levels of skill, one wonders if, as part of assuming some management responsibility, the residents of Tent City and Fillmore Center might begin to take a role in project upkeep. One might expect that unskilled and semi-skilled jobs would be an ideal source of employment or even job training for capable low-income tenants -- and would go far in promoting a sense of responsibility and pride among community residents. Current policy at both developments do not allow this. At Fillmore Center, the agreement to go with outside union labor is a barrier to residents. Similarly at Tent City, while not union, members of the current maintenance crew are not from the South End. TCB has a policy of not hiring residents or neighbors, maintaining that such a precedent would open management to charges of favoritism.

In terms of security, Fillmore Center has a non-union force of 12 guards who are spread out over 3 shifts per day every day of the week. Two of the guards patrol the 9-acre site at all times and a central security control point consists of a series of television screens by which the development is monitored at all times. At Tent City, the main lobby off of
Dartmouth Street features 24-hour desk coverage: a concierge by day, a guard at night. In addition, at night a second guard roams the development. As with maintenance, neither Tent City nor Fillmore Center envisions any role for tenants in the developments' security. For example, it is unlikely a tenant surveillance force will materialize given that there is no mechanism by which tenants of these two projects might begin to assume some responsibility for resident safety. To date, ideas such as a Parent Watch program or a Vandalism/Graffiti committee have not been discussed -- perhaps primarily due to the fact that no incidents have given rise to such discussion.

Tenant Participation

The history of tenant participation in public housing suggests there are many forms tenant organizations can take: Social, Service, Security, Internal Resident Representation, and External Resident Representation. Sometimes, social and service organizations develop spontaneously around the mutual interests a group of residents have in hobbies or church, in keeping residents informed via a newsletter, or in monitoring security by voluntarily posting floor captains.

There are many reasons why the formulation of such groups might be encouraged by the project manager:

- to consolidate grievances and residents' requests;
- to provide a forum for dealing with small problems before they become big;
- to become a vehicle of communication between the tenants and management;
- to promote the sense of community among residents;
- to assist in city and neighborhood planning by articulating needs for additional or improved facilities such as schools, traffic lights, or recreation areas;
- to be a positive force in combating undesirable influences;
- to provide a stabilizing influence in the neighborhood;
- to create an impetus for organizing the support for resident projects
such as cooperative day care;
• to encourage residents to assume greater responsibility for the care and use of the property.24

As compelling as some of these reasons may be, neither Tent City nor Fillmore Center has clearly articulated the objective of formulating a tenant group. Instead, they seem to have begun under the assumption that such organizations are probably a good idea, but with a certain ambivalence about just what they can accomplish. Perhaps this is reflective of the uncertainty surrounding the degree of discretion management can exercise legally in the selection of tenants.

This appears to be the case at Fillmore Center. As recently as January, 1991, the developer said there was no plans to form a tenant council. Any and all community-based organizations would be situated in the Community Center across the street from the project. But perhaps partly due to recent SFRA influence, a result its new involvement with the project surrounding the issues of Section 8 eligibility and an additional bond, FCA now talks of coordinating a neighborhood council among Fillmore Center, nearby Marcus Garvey Cooperative Apartments, Yerba Buena West, and the Police Department. This neighborhood council, in an embryonic state at the moment, would be comprised of 3 tenants from each of the three residential developments in addition to police representatives -- and is envisioned by FCA as a means of enhancing "community relations".25

When asked whether there are now plans to establish a tenant organization within Fillmore Center itself, the developer says such a plan is under consideration -- but only in so far as such an organization might be a vehicle for settling social grievances or voicing resident concerns. FCA does not see a resident organization assuming any management responsibilities: as a private development, Fillmore Center is not going to become a "self-governing" development.26

At Tent City, by contrast, a tenant organization was envisioned for just that purpose as the project proposal was honed in 1984. The TCC president at the time recalls that the goal was established whereby residents would take an increasing role in the management of the development and
one day be able to exercise an option to purchase the project in a limited equity cooperative arrangement. In fact, three years after the project was to have begun, the residents were to have formed the majority of the TCC board, traditionally comprised of 18 members of the South End community.27

But in the two and a half years since the project's completion, residents of Tent City have not gained any representation on the TCC board. Instead, the board provided a full-time person to act as a Tenant Coordinator. This person was given very little direction in her role and, largely of her own initiative, began the Tenant Council and started a monthly newsletter. The 15-member Council has had 3 chairpersons in its two year history. It meets monthly to plan social events or handle disputes and, of late, the members of the group have been very divided over the purpose of the Council. The Tenant Coordinator claims the group is unaware of their potential strength.28

Meanwhile, while the initial cooperative apartment idea went by the wayside, the TCC claims equity syndication proceeds over the course of the first seven years amounting to a few million dollars will be put in a holding account. This money will appreciate in value such that by the termination of the SHARP subsidy in Year 15, a 20% cash downpayment will be available for TCC's purchase of the development from the limited investors.29 But unless tenants begin to play a larger management role in the course of the next decade, this purchase will probably not involve them directly and the chance of them having a true equity stake in the development -- originally the ultimate goal -- will have been missed.

Conclusion

In the United States the housing collective has not enjoyed wide acceptance. Given the increase in home ownership opportunities for millions of Americans in the years after World War II -- by virtue of government mortgage insurance and the income tax deduction -- the single family house has been the dominant ideal of ownership and independence. But with rising real estate prices and construction costs in the past two decades, the limited equity cooperative has emerged as a viable, if infrequently insti-
tuted, form of ownership. Here, tenants do not necessarily own an individual dwelling unit as much as a piece of the whole: their monthly payments are no longer rent but equity, allowing them a controlling stake in the overall development. As opposed to the tradition of dependency encouraged in public housing of the past, housing cooperatives foster independence and responsibility.

Community-based non-profit organizations that create development arms frequently have the goal of cooperative ownership in mind. The very meagerness of resources for low income housing in the 1980s has compelled these groups to adopt a resourceful, self-reliant posture where they concentrate on one project at a time. The Tent City Corporation aspired to create a self-managed, cooperative housing development on the site of community protest. But with the building now complete, the mechanism by which this cooperative arrangement might be accomplished, the Tenant Council, lacks the same vision and inertia that guided the Tent City Task Force earlier.

Fillmore Center, meanwhile, purports to be nothing like a cooperative. In fact, the mixed-income component of this development is ephemeral -- it is little more than a vehicle for the provision of market rate housing in San Francisco. It may, indeed, disappear from the rental housing market altogether in a decade if it is converted to condominiums.

Mixed-income/mixed-use developments should aspire to something more. The goal of integrating different economic and racial groups distinguishes such projects from typical market-oriented projects. As functionally complex, economically-integrated environments, MI/MU developments can be regarded as microcosms of the equitable city ideal. Tenants of such developments are unlike other renters in that they are vested with the responsibility of making such tentative integration efforts work. In their selection, and through their participation, the tenants of MI/MU developments must be prepared to take on the responsibilities for building a cohesive, self-reliant community.

2 Gallagher, Susan; Assistant Property Manager, Tent City; (interview February, 1991).

3 Davis, Robert G.; Vice President -- Fillmore Center Associates; (interview January, 1991).


5 Pynoos, p. 4.

6 Jacobson, Bob; Executive Director -- Tent City Corporation, (interview December, 1991).


11 Numainville, Thomas; Chief Financial Officer, Fillmore Center Associates; (interview March, 1991).


13 Davis, Robert G.; Vice President -- Fillmore Center Associates; (interview January, 1991).


16 Lauderbach, Thomas; Director of Development -- East Bay Asian Local Development Corporation; (interview January, 1991).


24 NCHM, p. 275.


27 Rush, Bob; Deputy Director Harbor & Waterfront Development -- BRA (formerly TCC President, 1984-86); (interview March, 1991).

28 Seymour, Toni; Tenant Coordinator -- Tent City; (interview February, 1991).

V. CONCLUSION
This final chapter is organized around an assessment of how well the initial proposition of identity, integration, and interaction stands up in light of the analyses of Tent City and Fillmore Center. The conclusions from the analyses of the cases will be cast in the broad framework of MI/MU development: What constitutes a mixed-income/mixed-use development? What constitutes success for such developments? What are the characteristics of design, financing, and management which most significantly contribute to the successful realization of laudable objectives?

Identity

As the case studies demonstrate, the objectives of creating a mixed-income environment can vary considerably. At Tent City, the mixed-income objective was to provide an affordable, sustainable environment for low-to-moderate income people of a neighborhood facing the pressures of displacement by urban renewal and the market-rate conversion of existing housing. Today, a quarter of the units are reserved for people of very low income (less than 50% of city median). Half of the units are reserved for people of moderate income (between 50% and 120% of city median) in a sophisticated graduated tier to ensure a) that not all the units of this tier go to people making 120% of median income, and b) that income fluctuations can be accommodated, allowing people to remain in the development.¹

Tent City's integrity as a mixed-income environment is historically based. The initial protest, the subsequent formation of the task force, and the eventual transformation into a development sponsor -- all have served to identify and articulate a series of significant values within the larger community of the South End. Tent City is most successful in the ways in which it manifests and nurtures these community-based values. The TCC board, while not yet reflective of the project's residents as originally intended, is reflective of the neighborhood; through its history and the mem-

167
ory of its members, the board provides continuity to the early activism. Tent City stands out as a unique mixed-income environment while also reflecting the social diversity and architectural character of the South End.

At the same time, if prevailing market forces have tended to segregate income and racial groups, then Tent City can be seen as a subversion of the market. Large amounts of government assistance were assembled to create a housing environment which, given the institutional constraints of the building and lending industries, the market would not provide. Taking to heart a responsibility to protect "the public interest", policy makers at the MHFA and the BRA have been determined that mixed-income environments should exist to meet the basic needs and rights of low-to-moderate income people not met by the marketplace.

In the case of Fillmore Center, the mixed-income objective was to infuse a market-oriented population into a neighborhood traditionally dependent on housing assistance. One in five of the new units is reserved for people of low income (less than 80% of the regional median). Another 30% is reserved for people making a "moderate" income (though when calculated as high as 150% of regional median it amounts to a market-rate income). The short-term inclusion of low-to-moderate income people is actually more a mechanism for expanding the supply of private rental housing than an attempt to meet the needs of local residents. Without explicit affirmative goals and graduated tiers, applicants in the upper ranges of the income tiers may be selected over the truly low- and moderate-income applicants, in order to preserve the middle class orientation of the development.

Fillmore Center is only nominally a mixed-income development. The objectives of the project were based primarily upon the hopes of the redevelopment agency; there was no set of well-articulated community values. The project comes to the Western Addition ambivalent about its origins, its purpose, and its duration as a mixed-income environment. For those already in the economic mainstream, choosing to live at Fillmore Center amounts to choosing among an array of goods and services: personal discretion is based upon the ability to pay. Here, private rental housing caters to the tastes and values of the middle-class consumer -- for comfort, convenience, and security. The needs of those outside the economic mainstream, however, are not likely to include a concierge or a ja-
The identity of Fillmore Center as a mixed-income environment is inextricably bound up in assumptions about values measured in terms of money.

Fundamentally, identity as a mixed-income environment centers on the issue of "grain". Physically, to the degree that a project responds to its context -- and has a context to respond to -- it can be an expression of the identity of the neighborhood. Socially, the neighborhood's economic and racial diversity can lend clarity to a mixed-income proposal: to the extent that within the neighborhood there is evidence of the very diversity the development aspires to, a project can serve as a focal point of the neighborhood's identity. The finer the grain of the neighborhood, both social and physical, the better the prospects of success for a MI/MU development.

In a neighborhood that is generally homogeneous in terms of class or race, for instance, a MI/MU project might appear as an aberration. Even at the edge of a homogeneous neighborhood, the prospect of such a project integrating with its surroundings by means of its ground floor retail alone is not assured. Fillmore Center seems destined to illustrate how the sudden infusion of a distinct group of people can preclude the acceptance of a project among area residents.

Reflective of the Grain

Distinct from the Grain

By contrast, in a neighborhood or on a seam that is heterogeneous in character, the prospects of a MI/MU development blending in is greater. Tent City may be a dense development concentrating people of diverse background in one location, but the mix is not inconsistent with that of the
district. The project appears more like a microcosm of the neighborhood than an aberration. As such, the ground floor retail stands a better chance of appealing to a greater number of area neighbors where the needs and tastes of the neighbors is consistent with those of the project's residents.

Matters of scale, material, and vernacular are essential for a project to be identified with its surroundings. Tent City not only benefits by its distinctive context but its scale is appropriate for infill development in the district. Here the architects managed to respond to the neighborhood and at the same time give the project a special "custom fit" quality. With the Victorian character in the basin of the Western Addition largely demolished, the developers at Fillmore Center had little choice but to produce a new fabric for the neighborhood. But the prospects that a massive infusion of housing might blend into the neighborhood are cast in doubt. The sheer scale of the development sets it apart from its context; rather than relating to the neighborhood, the development appears detached. There is little evidence that Fillmore Center reflects either the nature of the community or the context of the Western Addition.

It is not always easy to identify which seams in the fabric of the city would, in fact, be the most promising for the location of a MI/MU project. A convergence of foot traffic, sidewalk shopping, public transportation, and open space would appear to be ideal prerequisites of the most promising sites. Moreover, as many tenant management organizations have learned, the prospects for success are helped tremendously if the district is generally on the up-swing; it is quite unlikely that a single development is going to reverse an area's decline. But most importantly, where a project is borne of the grain of a district that is physical and social diverse, it is more likely to take root.

Integration

As proposed at the outset, the incorporation of non-residential uses, particularly ground floor retail/commercial space, can bring economic vitality to the sidewalk and also integrate a development into the fabric of the neighborhood. At Tent City, the limited amount of space devoted to retail space is intended appeal to a cross section from the community -- both
within the project and within the neighborhood as a whole. While the retail space must function within the framework of the marketplace, it was not conceived to generate a profit for the development; rather, it is intended to serve the needs of low-to-moderate income residents and provide an opportunity for local entrepreneurs.

At Fillmore Center the retail/commercial space is substantial and is explicitly intended to be a market-oriented catalyst for neighborhood revitalization. Integration is a critical goal of the mixed-use component, but to the degree it is predicated on a new population and new tastes in the area, it is an especially precarious proposition. Given that the majority of the development's residents are of higher income than area neighbors, it remains to be seen how well or how quickly the ground floor retail space will enable the project to fit into the neighborhood. Furthermore, because there is no public rental subsidy at Fillmore Center, the mixed-use component must do more than just carry its own weight: if may ultimately have to absorb some of the development's losses should residential occupancy fall off.

Both cases also illustrate the importance of non-residential components other than retail/commercial space as an integrative device. At Fillmore Center, a health club serves as the project's convocation point, and because other neighborhood residents are invited to join, it can attract area neighbors to the project. At Tent City, the private parking garage for an adjacent shopping center enabled the affordable housing to be built by providing the foundation for the project. In parking at the development, Copley Place shoppers are made aware of Tent City's existence and of the fact that mixed-income environments need not look like the notorious housing projects of the past.

In addition, the incorporation of on-site community facilities can also serve to integrate the developments to their neighborhoods. At Tent City, the multi-purpose room is used not only for tenant council meetings and social functions, but also serves the child care service and tutoring program by day -- and is available to residents and neighbors alike. Fillmore Center provides no space or services within the development. Physically distinct from the project, the community center which Fillmore Center is helping to build is unlikely to result creating a link between the development and its neighbors.
As compelling as the notion of integration may be, the analyses of Tent City and Fillmore Center are consistent in demonstrating the difficulties of incorporating mixed-use in mixed-income development. This is true in three respects. First, because these projects both involve government-backed mortgages and some sort of tax exempt financing, the strict stipulations regarding the use of proceeds for non-residential functions discourages mixed-use. Taking advantage of exceptions to these provisions requires a conviction in the promise of mixed-use that is not often found in lenders and housing developers.

Secondly, for all the affirmative action aspirations a developer might have for retail/commercial space, the experiences of Tent City and Fillmore Center suggest that such goals sometimes must be compromised in order to simply secure a viable business. It is not likely that the developer will be free to compose a retail mix that might ideally suit the needs of both residents and neighbors. Instead, the mix is ultimately at the mercy of the market. Where private entrepreneurs correctly gauge the local demand -- which may or may not coincide with what the housing developer might have hoped -- the mixed-use component might be viable. But where demand is misjudged or simply insufficient, commercial turnover will have a debilitating effect on the development as a whole. Nothing is more detrimental to a MI/MU development than vacant storefronts.

Finally, providing community facilities is no guarantee that residents and neighbors will use them. At Tent City, the multi-purpose room is put to regular use because a full-time Tenant Coordinator arranges the child care, tutoring services, and tenant council meetings. In addition, neighborhood groups are made aware of the room's availability and are encouraged to take advantage of it. Without direct and consistent coordination, the potential for community space to serve an integrative role is lost.

Interaction

The premise of this thesis has been that perhaps together a mixed-income and mixed use component can form a unique, socially diverse environment conducive to building a sense of community. Urban mixed-
income projects are, at the moment, the most ambitious form of residential integration. The residents of these projects are in a unique position to demonstrate that people of different economic and racial backgrounds can live together in harmony. To the extent that design, marketing, and participation provide opportunities for contact among residents and neighbors, MI/MU projects might encourage the development of connections, even friendships, among traditionally segregated people.

In the project management section of the analysis, the significance of tenant participation to the success of MI/MU developments is stressed. Mixed-income environments are distinct from other residential developments in that they propose a common home for people of very different economic and racial backgrounds. Isolation is precisely what the mixed-income environment seeks to avoid; rather, traditional barriers of fear and prejudice are meant to be broken down. Beyond informal neighborly contact, direct tenant involvement in management issues can enhance the residents' proprietary feeling toward the development. The transition to ownership interest in the development represents a significant accomplishment, particularly for people of low-to-moderate income who frequently lack opportunities to exercise control over their circumstances.

Yet it would be wrong to conclude from the analyses that either Tent City or Fillmore Center exhibits the sort of tenant interaction described above. Rather, it is more accurate to conclude that simply combining mixed-income and mixed-use does not, of itself, foster the building of community. For all the faith in identity and integration, interaction is not necessarily the inevitable result.

In the description of Tent City, the divisiveness of the current tenant council illustrates that convening a forum does not mean that everyone will participate -- or that the forum itself will constitute the cornerstone of community. Despite the original intentions, the council currently lacks focus or direction and there are profound doubts as to how the ultimate goal of purchasing the development might include the tenants in any meaningful way. In addition, the frustration of many working parents with the college students is a further indication that forming community is elusive -- at least at the moment.
This is not to say that interaction is not encouraged at Tent City. Architecturally, the project's semi-private inner courts are open to all of the residents and accessible to the project's neighbors. Similarly, as has been described, the multi-purpose room serves a variety of resident functions and is also made available to community-based organizations. In contrast, at Fillmore Center, the orientation is toward security and privacy. Despite its size and the extent of its open space, there are very few opportunities where residents are encouraged to share space or participate together in some activity. Segregated outdoor circulation and recreation areas distance the project from its neighbors. Services and meeting rooms, while provided in part because of the development, are physically removed from it. Moreover, the proposed tenant organization will probably never take on any substantive role in the development's management.

It is easy to claim that the MI/MU environment is not appropriate for everyone and suggest that only those willing to participate be accepted as tenants. But discretion in the tenant selection process is very limited in practical terms. By accepting public money, of the project manager must choose tenants on the basis of equity rather than responsiveness: meeting income requirements supersedes any goals for tenant involvement.

Where the developer/manager does have more discretion, however, is in marketing the project as a mixed-income development. At the Harbor Point development, for example, the developers had initially tried to attract market-rate tenants by highlighting the project's amenities and offering a month's free rent for signing on. But the initially high turnover of market rate units suggested that the mixed-income environment did not sit well with many of those with other options. The developers decided to shift the marketing strategy by explicitly advertising the development as a mixed-income environment -- acknowledging it as a grand social experiment.3

Not only has the occupancy rate of the market-rate units stabilized, but the new tenants are more willing to participate in many of the development's community groups. For instance, in addition to an after-school tutoring session offered by teachers, there is now an evening tutoring team comprised of market rate tenants. In addition to the Harbor Point Community Task Force (part of the original development team), there is now an Outreach Committee, Partnership Committee, and Community Captains
program which offer opportunities for various levels of involvement in the management, security, and social services of the development.4

The potential for such involvement exists at Tent City. Despite the current problems with the Tenant Council, in its emphasis on families, the project can forge a bond with the surrounding community. Informal interaction between Tent City children and their neighbors builds connections that might eventually involve parents. On-site activities such as child care, tutoring, and an art program, family cook-outs and neighborhood block parties, provide structured opportunities to encourage the building of relationships.

Conclusion

Taken as a sum of components, from design and financing to tenant selection and property management, MI/MU development can be a daunting prospect. It is certainly more complicated than conventional one-dimensional projects. In terms of complicated development costs and rental assistance (either as a cross subsidy within the development or as a typical government subsidy), it is more expensive to build. Furthermore, it is clear that simply merging mixed-income with mixed-use is not likely to result in a dynamic, interactive community.

Exploiting the full potential of MI/MU developments requires a commitment to building resident interaction through affirmative marketing strategies and follow-through in the day-to-day livelihood of the development. Long term goals of tenant management and ownership are impractical if not based on a foundation of modest goals such as participation around social events and children-oriented services. To the extent that a neighborhood context provides the impetus and momentum for such participation, MI/ MU development can demonstrate the saliency of community building.

At the same time, it is appropriate to question the wisdom of focusing economic and racial integration only on inner city neighborhoods. It is reasonable to expect that in suburban locations there are strategic areas of overlap analogous to the seams of the city. Here too the qualities of identity, integration, and interaction are relevant, albeit on a different scale and
density. However, steps toward residential integration, whether in cities or suburbs, have been tentative considering the scope of the problems. The case studies presented here have illuminated the criteria for building successful MI/MU projects. There is no inherent magic in mixing uses and income groups -- the qualification of success lies in the ability of people to recognize the value of economic and racial integration and in the commitment to making this integration work.

* 

1 Posner, Joshua; Director of Housing Development -- The Community Builders; (interview December, 1990).
2 Rumpf, William; Chief of Housing Production & Management -- SFRA; (interview April, 1991).
3 Corcoran, Joseph E.; President -- Corcoran Jennison Companies (Harbor Point co-developer); (interview May, 1991).
4 Corcoran, (interview May, 1991).
American culture has long been marked by acute ambivalence about the meshing of self-reliance and community.

_Habits of the Heart_, Bellah et al, ¹

By means of two recent examples I have tried to shed light on the nature of design, financing, and management central to the success of MI/MU development. Such development can be broadly defined; I have chosen to focus on rental environments in inner city areas at the juncture of economically and racially distinct neighborhoods. First and foremost, the juncture itself offers an important opportunity for people of low-to-moderate income to emerge from relative isolation and join in wider society. Secondly, mixed-use, while not new to cities, takes on a special quality when incorporated into mixed-income housing. Busy ground-floor retail and commercial space, especially small, locally-based stores, not only creates a sense of vitality and security on the sidewalk, they also are critical to a district’s identity. Mixed-use development, in serving the needs and desires of a diverse population, is truly a vehicle by which the development can be integrated into its surroundings.

Other mixed-income programs have been centered around improving home ownership opportunities, often beyond the city limits. By contrast, the tenancy environment in the central city offers a genuine opportunity to reach people in _need_. At the same time, home ownership itself has become increasingly infeasible even for people making a market-rate income, resulting in a greater _demand_ for rental housing. This coincidence of _need_ and _demand_ presents a unique opportunity to create a functionally complex, integrated housing environment today. In the course of this final section, I will attempt to clarify this link between the promise of MI/MU development and the larger issue of equity in our society.
Our Incoherent Goals

While we Americans cherish the idea of freedom and democratic values, we are rarely clear about just what these ideas mean. Frequently we end up trying to explain our values by casting them as negatives. For example: "I don't care what they do as long as they don't bother me." It is often easier for us to articulate just what is wrong with society -- just what we're against -- than to articulate just what we are for.

This paradox is part of our identity as Americans. In our society, for example, success is said to depend on personal choice and achieving success stems directly from one's economic progress. In this system, justice becomes more procedural than truly distributional: we are content, for instance, to let the so-called "free market" define who will live where. If justice is all about establishing a floor below which no one will be allowed to fall, how are the inordinate rewards to a privileged few reconciled with the genuine need of so many others?

For us, freedom commonly means being left alone by others, not being forced to recognize, let alone adopt, the values and lifestyles of others. This interpretation of freedom has disturbing implications for the building of community that I hold out as the promise of MI/MU development. We want to be "free" to live where we want, believe what we want, and "free" to pursue our material goals. Yet despite the race toward economic prosperity, it is almost too simplistic to conclude that for most of us "it is easier to think about how to get what we want than to know exactly what we should want."2

On a fundamental level, are wants are pragmatic. A person of low-to-moderate income may simply want a better apartment in an environment free from the isolation and danger of a public housing project -- and a mixed-income environment can offer this. A person making a market-rate income might enjoy the city and would prefer to live in an older neighborhood with some charm -- and in an attractive apartment that's a good deal. Each person, despite a difference in income, might appreciate not only the convenience of stores and services at the street level, but also the sense of vitality these stores bring to the neighborhood.
But do people moving into Tent City or Fillmore Center necessarily "want" to build a community? Should they have to? I have stated earlier that MI/MU developments are not appropriate for everyone, implying that for one who does not like to participate a MI/MU project is probably not the right place. But under equal opportunity housing policy, one cannot be denied entry solely because he/she does not want to attend Tenant Council meetings every week. For some, "community" may simply be a matter of a "hello" now and then, at minimum a sense of security.

A People of Contrast and Contradiction

We live with a great deal of fear in our society -- mostly of the unknown. Yet with vaunted self-reliance we suppress the unknown, preferring to insulate -- or isolate -- ourselves from it. This is consistent with our heritage. On one hand we have revered individualism from the very start. Confidence and personal motivation are considered essential equipment under the rules of our competitive free enterprise system. Success in our society is all too often equated with economic gain at the expense of others. In our isolation, it is not hard to mistake a lack of money for a lack of personal worth. Hence the presumption of paternalistic role models.

On the other hand, in the more public dimension of our lives we have celebrated "an enduring association of the different". Our republican tradition of civic virtue has been based on the premise that a commitment to the broader public, the illusory "public good", shapes character and establishes a web of trust. This need not be all virtuous and idealistic, however. It is eminently practical to understand that one's personal welfare is dependent on the general welfare -- but general welfare varies by degrees. The neighborhood unit today is not necessarily the mutually-supportive, holistic environment of mythical "small town" America. While communities have been galvanized around fighting off highway expansion, they have also, unfortunately, been known to vehemently resist such integrative efforts as school desegregation and halfway houses for the mentally disturbed.

Does this mean that notions like "neighborly conciliation" are cliche and unrealistic today? I do not think so. Certainly the divisions within our
society are great. The isolation of urban ghettos and wealthy suburbs alike has had the effect of exacerbating the fear between people of different classes and cultures. Without occasions for even tentative interaction, the hope of bridging the gap is unrealistic. The greatest fear of all may be that, in purporting to uphold the values of equity and freedom while unable to reconcile our contradictions, we may lose any hope at all of relating to those who are different than us.

Breaking Down The Barriers

It is heterogeneity that has traditionally defined the American city as a "melting pot". If today the city is less a mix of cultures than it is of classes, it is still, in the words of Charles Abrams, "the melting pot in which ways of life are blended, the training ground of the poor in search of a better life, the crucible in which will be tested our ability to endure the fatigue which democracy exacts."5

The occasions for integration in our society, even after the gains of the Civil Rights Movement a quarter century ago, are not numerous. We have learned that housing alone is not the answer. Changes in education, health care, politics, and the business climate must also occur. But if housing is not the solution, it is at least an appropriate place to begin. If we cannot live together in the immediate sense, we cannot expect to be united as a people, pretending to stand for something we are not.

MI/MU development is certainly not the panacea. It cannot work everywhere; it is not appropriate for everyone. But in the right location, developed according to community-oriented ideals and backed by enlightened public policy, such projects can be important, if tentative, steps toward breaking down the barriers that divide us. Integrated into their contexts, MI/MU developments can provide opportunities for people of diverse economic and racial backgrounds to interact as neighbors rather than as strangers. Such interaction can serve to demonstrate that true community is not organized around our individual differences, but rather around our mutual needs and common interests.

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2 Bellah, p. 21.

3 Bellah, p. 251.

4 Bellah, p. 251.

Appendix
RENT SCHEDULES
&
MEDIAN INCOMES
for
TENT CITY & FILLMORE CENTER
### TENT CITY
MODERATE-INCOME RENT SCHEDULE (1989)

<table>
<thead>
<tr>
<th>Type of Apartment</th>
<th>A (1)</th>
<th>B (2)</th>
<th>C (3)</th>
<th>D (4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>One-Bedroom</td>
<td>$201</td>
<td>$302</td>
<td>$400</td>
<td>$624</td>
</tr>
<tr>
<td>Two-Bedroom</td>
<td>291</td>
<td>421</td>
<td>562</td>
<td>N/A</td>
</tr>
<tr>
<td>Three-Bedroom</td>
<td>333</td>
<td>424</td>
<td>645</td>
<td>N/A</td>
</tr>
<tr>
<td>Four-Bedroom</td>
<td>374</td>
<td>556</td>
<td>744</td>
<td>N/A</td>
</tr>
</tbody>
</table>

(1) for households with incomes between $7,700 (1-person in a 1-BR unit) and $31,000 (eight people in a 4-bedroom unit);
(2) for households with incomes between $11,601 (1-person in a 1-BR) and $41,000 (eight people in a 4-bedroom unit);
(3) for households with incomes between $15,401 (1 person in a 1-BR unit) and $50,200 (eight people in a 4-bedroom unit);
(4) for singles only with incomes between $19,000 and $25,000

### CITY OF BOSTON MEDIAN INCOME
(1990) *

<table>
<thead>
<tr>
<th>FAMILY SIZE</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$31,250</td>
<td>$35,700</td>
<td>$40,200</td>
<td>$44,600</td>
</tr>
</tbody>
</table>

_for the sake of comparison:_ Boston Area Median Income (1990) **

<table>
<thead>
<tr>
<th>FAMILY SIZE</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$32,400</td>
<td>$37,000</td>
<td>$41,700</td>
<td>$46,300</td>
</tr>
</tbody>
</table>

* derived from HUD’s Primary Metropolitan Statistical Area designation: 2/16/90
** also determined by HUD for each major metropolitan area of the country (1990)
## FILLMORE CENTER
MODERATE-INCOME RENT SCHEDULE (1990)

### Moderate-Income Apartments (334)

<table>
<thead>
<tr>
<th>Type of Apartment</th>
<th>Rent</th>
</tr>
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<tbody>
<tr>
<td>Studio</td>
<td>$1,196</td>
</tr>
<tr>
<td>One-Bedroom</td>
<td>1,369</td>
</tr>
<tr>
<td>Two-Bedroom</td>
<td>1,624</td>
</tr>
<tr>
<td>Three-Bedroom</td>
<td>1,871</td>
</tr>
</tbody>
</table>

1. Rent based on 30% of maximum income, $47,850, for a one-person household and $54,750 for a two-person household;
2. Rent based on 30% of maximum income, $47,850, for a one-person household and $54,750 for a two-person household;
3. Rent based on 30% of maximum income, $54,750, for a two-person household and $68,400 for a four-person household;
4. Rent based on 30% of maximum income, $68,400, for a four-person household and $76,950 for a six-person household.

## SAN FRANCISCO AREA MEDIAN INCOME
(1990) *

<table>
<thead>
<tr>
<th>FAMILY SIZE</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$31,900</td>
<td>$36,500</td>
<td>$41,000</td>
<td>$45,600</td>
</tr>
</tbody>
</table>

* derived from HUD's Standard Metropolitan Statistical Area designation: 2/16/90
References
BIBLIOGRAPHY


DMJM, Fillmore Center Project Description, 1990.


FCA, "Exhibit F: Project Construction Budget", (Pro Forma Sources & Uses Table); July 16, 1987.


FCA, Fillmore Center Project Description, 1990.

FCA, "The Fillmore Neighbor", (Fillmore Center Newsletter); July/August 1990.


MacDonald, Donald, FAIA, "Village In The City: Mixed-Use" (unpublished article, 1990), MacDonald is the architect of Frank G. Mar Community Housing, Oakland.


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MIT, "Tent City Report 1978" (School of Architecture and Planning, MIT); (studio leaders: Philip Herr, Julian Beinart, Rod Freebairn-Smith), 1978.


San Francisco Department of City Planning, "Draft of Inclusionary Housing Guidelines", (Exhibit A: Guidelines for the Application of San Francisco's Inclusionary Affordable Housing Policy, p.8); November 21, 1990.

SFRA, "Memorandum: Authorizing Execution of the Agreement for Disposition of Land for Private Development", (also known as the Land Disposition Agreement), from Wilbur W. Hamilton, Executive Director -- SFRA; November 15, 1985.


SFRA, "Redevelopment Agency Seeks Fillmore Center Developer", press release for Monday, June 1, 1970.


TCB, Corporate Brochure, 1990.

TCB, "Tent City Operating Budget for 1989".


TCC, "The Fundamental Principles for Development" (originally drafted by the Tent City Task Force in 1974; revised 1978).


INTERVIEWS*
*(conducted by author in person and/or by telephone)

Bott, Daniel; Fillmore Center Leasing Agent; (interview January, 1991).

Cook, June; Tent City resident (interview February, 1991).

Corcoran, Joseph E.; President -- Corcoran Jennison Companies (Harbor Point co-developer); (interview May, 1991).

Creedon, Francis F.; Operations/Budget Officer, MHFA; (interview March, 1991).

Davis, Robert G.; Vice President -- Fillmore Center Associates; (interview January, 1991).

Firehock, Bob; Agency Counsel -- SFRA; (interview March, 1991).

Frawley, Brian M.; Senior Policy Coordinator -- MHFA; (interview April, 1991).

Gallagher, Susan; Assistant Property Manager -- Tent City; (interview February, 1991).

Jacobson, Bob; Executive Director -- Tent City Corporation; (interview December, 1991).

Joffrion, Wade -- Project Manager; and Kim Day -- Project Manager for Fillmore Center Project; Daniel, Mann, Johnson, & Mendenhall -- Architects; (interview January, 1991).

Kane, Michael; original member Tent City Task Force; current member Tent City Corporation Board; (interview December, 1990).

King, Mel; Adjunct Professor and Director of Community Fellows Program, Department of Urban Studies & Planning, MIT; co-founder Tent City Task Force; (interview November, 1990).

Kruckemeyer, Ken; co-founder Tent City Task Force and former President TCC; (interview May, 1991).

Lauderbach, Thomas; Director of Development -- East Bay Asian Local Development Corporation; (interview January, 1991).

Marotta, Gary; Owner -- Street Clothiers/Back Door Cafe; (interview February, 1991).

Numainville, Thomas; Chief Financial Officer -- Fillmore Center Associates; (interview March, 1991).

Posner, Joshua; Director of Housing Development -- The Community Builders; (interview December, 1990).
Poston, Paul; member TCC board and former Chair of Tent City Development Corporation -- 1989-90; (interview December, 1990).

Rawn, William; Architect of Back of the Hill Development and other award-winning mixed-income housing developments in the Boston area; (interview April, 1991).

Rhett, Byron -- Project Director: Hunters Point/India Basin/Western Addition Projects; and Shirley Wysinger -- Assistant Project Coordinator; (interview January, 1991).

Rumpf, William; Chief of Housing Production & Management -- SFRA; (interview April, 1991).

Rush, Bob; Deputy Director Harbor & Waterfront Development -- BRA (formerly TCC President, 1984-86); (interview March, 1991).

Seymour, Toni; Tenant Coordinator -- Tent City; (interview February, 1991).

Sullivan, Susan; Tent City resident (interview February, 1991).

Suttle, Gene; Senior Deputy Executive Director -- SFRA; (formerly Western Addition A-2 Project Director); (interview January, 1991).

Szeto, Richard; Managing Partner -- Western Commercial Partnership (developers of Webster Tower Project); (interview January, 1991).

Tolin, Tina; Tent City resident (interview February, 1991).


Wooding, Geoffrey; Associate/Project Manager of Tent City; Goody, Clancy & Associates -- Architects; (interview February, 1991).
SOURCES for GRAPHICS*

*(photographs and sketches by author except as noted)*

CHAPTER 1.4

Perspective of City of Tomorrow

Photograph of Back of the Hill Development

Section of Frank G. Mar Community Housing
MacDonald, Donald, FAIA, "Village In The City: Mixed-Use" (unpublished article, 1990), MacDonald is the architect of Frank G. Mar Community Housing, Oakland.

Old and New Site Plans/Aerial Rendering

CHAPTER 2.2

Table 1
*Tent City Census Information, 1970 & 1980*; source: U.S. Census; figures compiled by author in census tracts indicated;

Table 2
*Fillmore Center Census Information, 1970 & 1980*; source U.S.Census; figures compiled by author in census tracts indicated.

CHAPTER 3.1

Photograph on Columbus Avenue
Goody, Clancy & Associates; project information, 1989.

Site Plan
Section

Tent City Project Summary
based upon TCC and Goody, Clancy project information, 1989.

CHAPTER 3.2

Photograph on Fillmore Street
DMJM -- architects; project information, 1990.

Site Plan
DMJM -- architects; project information, 1986.

Elevation
DMJM -- architects, project information, 1986.

Fillmore Center Project Summary
based upon FCA and DMJM project information, 1990.

CHAPTER 4.2

Photograph of Tent City arched entry

Photograph on Dartmouth Street
Kay, Jane Holtz, "Low-Cost Housing: Tent City, Boston",

CHAPTER 4.3

Table 1:
Tent City: Summary of Development Pro Forma; Posner, Joshua,
"Tent City: Creative Financing for Affordable Housing", Urban Land,
November, 1989; and interviews with Josh Posner -- Director of Housing Development (The Community Builders).

Table 2:
Fillmore Center: Development Pro Forma; Fillmore Center Associates Sources & Uses (as of December, 1990); and from interview with Tom Numainville, Chief Financial Officer, FCA.

Table 3:
Author’s analyses of cash flow projections and actual returns in
first three years of operations -- provided by The Community Builders;

Table 4:
Author's estimation based on projected rental and commercial income and interview with Tom Numainville, FCA.

Appendix

Tent City: (1989)
Moderate Income Rent Schedule/City of Boston Median Income

Fillmore Center: (1990)
Moderate Income Rent Schedule/S.F. Regional Median Income