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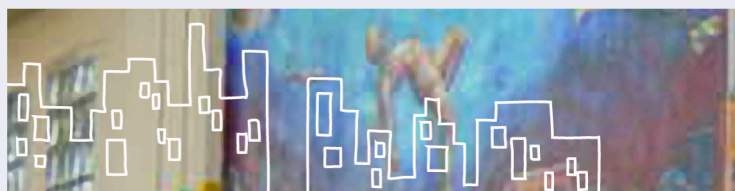
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**From Public Housing to Regulated Public Environments:
The Redevelopment of San Francisco's Public Housing**

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Contemporary approaches to concentrated poverty assume intractable ghettos and a dying urban core. In the meantime, welfare reform and gentrification have given rise to new systems of poverty management and new spatial arrangements of poverty within U.S. metropolitan areas. The public housing revitalization program known as HOPE VI (Housing Opportunities for People Everywhere) provides an opportunity to explore these developments. In the ideal, HOPE VI solves the problem of dense, isolated, crime-ridden projects that house only the most poor by replacing them with new communities that are more attractive, more integrated with their surroundings, and more mixed—both in terms of income and race. This paper argues that HOPE VI is a program of urban redevelopment and poverty management that is firmly rooted in the ideology and goals of welfare reform. Using San Francisco as a case study, it examines the institutional and spatial changes embedded in the city’s HOPE VI process. San Francisco offers a model of progressive HOPE VI, one which prioritizes resident participation, minimizes the loss of affordable housing units, and mediates public/private partnerships through the use of non-profit developers. Despite this progressive approach, the “transformation” of public housing promised by HOPE VI is not the transformation of a severely distressed property to a functional one or the transformation of an area characterized by concentrated poverty to one with a wider range of incomes. Rather, it is the transformation of public housing into a new post-welfare institution, what the author calls a regulated public environment.

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Introduction¹

Contemporary approaches to concentrated poverty assume intractable ghettos and a dying urban core. In the meantime, welfare reform and gentrification have given rise to new systems of poverty management and new spatial arrangements of poverty within U.S. metropolitan areas. This new sorting of poor people and poor places is flexible, dynamic, and context-specific. It includes physical changes in the urban form, new networks of institutional relationships, and a reconfiguration of social formations within poor communities. It constitutes a new geography of poverty and opportunity in America's urban areas.

The public housing revitalization program known as HOPE VI (Housing Opportunities for People Everywhere) provides an opportunity to explore these developments. HOPE VI is run by the U.S. Department of Housing and Urban Development (HUD). It was first enacted in 1992, placing it within the larger framework of welfare reform in the U.S. Through this program, local housing authorities apply for grants to demolish and/or renovate public housing developments. The properties are rebuilt with better design and with lower concentrations of poverty; and housing programs are expanded to include social services that support resident self-sufficiency. Although HUD provides the funding, the administration of the project is local and partnerships with the private sector are an essential part of a successful renovation. In the ideal, HOPE VI solves the problem of dense, isolated, crime-ridden projects that house only the most poor by

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replacing them with new communities that are more attractive, more integrated with their surroundings, and more mixed—both in terms of income and race.

Somewhat surprisingly given the program's profound physical implications, most of the scholarly literature on HOPE VI focuses exclusively on the outcomes for the public housing residents impacted by the program. Has HOPE VI improved their quality of life? Are they living in better housing? Has their family income increased? Have they been able to remain in contact with friends and family? While these questions are important, they capture very little of how HOPE VI actually transforms public housing. HOPE VI provides local public housing authorities with the resources to tear down and replace public housing structures. It makes public land available for private redevelopment. It necessitates public/private partnerships and an increased role for local governments. It encourages the privatization of public housing authority functions, such as property management. It disperses public housing residents. It prioritizes projects that replace developments for very low-income households with mixed-income developments. In this way, HOPE VI is much more about the facilitation of local housing markets, the reform of public sector institutions, and the spatial management of poverty than it is about physical improvement of public housing communities or the social improvement of public housing residents.

In fact, this paper argues that HOPE VI is not a housing program at all. Rather, it is a program of urban redevelopment and poverty management that is firmly rooted in the ideology and goals of welfare reform. Using San Francisco as a case study, I examine the institutional and spatial changes embedded in the HOPE VI process. I suggest that the "transformation" of public housing promised by HOPE VI is not the transformation of a severely distressed property to a functional one or the transformation of an area characterized by concentrated poverty to one with

a wider range of incomes. Rather, it is the transformation of a public housing to a new type of post welfare institution: what I call a regulated public environment.

Regulated public environments are real world places where poverty is both experienced and contained. They are quasi-private spaces, where private partners distribute and maintain resources supplied by the public sector. They shape the material conditions and opportunities available for recipients, but in exchange set specific behavioral expectations that reflect a larger set of public norms. They occupy a spatial distribution that responds to the needs of land markets within a specific urban context. While one can identify numerous types of places where poverty flourishes or where a poor public needs assistance, regulated public environments receive their distinct characteristics through their relationship with the current system of poverty management. “Regulation” speaks to the political, institutional, and economic context. “Public” includes both the sponsors and the intended beneficiaries of the project. It addresses the questions of who occupies this space, what interest it serves, and who has agency to create change. It connects these efforts to the work of the state. “Environment” combines regulation and public within a particular place and time, resulting in a locally relevant spatial logic.

This paper has three parts. First, I begin with a brief overview of the public housing system in the U.S. and the HOPE VI program. Next, I present the San Francisco case study and describe the San Francisco model of progressive HOPE VI, a model which prioritizes resident participation, minimizes the loss of affordable housing units, and mediates public/private partnerships through the use of non-profit developers. Finally, I describe the city’s five HOPE VI projects and suggest a framework for research that bypasses program goals of improved structures and resident self sufficiency, and instead emphasizes the spatial management of poverty and the reform of public sector institutions. I suggest that research will show that even

with the city's progressive approach, HOPE VI is transforming San Francisco's public housing into regulated public environments.

An Overview of U.S. Public Housing and HOPE VI

Public housing authorities have a unique status as part local, part federal agencies, an unhappy mix of federal regulation and local practice. They are chartered through the states. They are governed by locally appointed commissions, but they receive federal funds and are bound to federal regulation and oversight. The U.S. Department of Housing and Urban Development (HUD) provides federal aid to local housing agencies which in turn manage housing for low-income residents at rents set at 30 percent of the household income. HUD furnishes technical and professional assistance in planning, developing and managing these developments. Within this framework, each local public housing authority responds to local discourses and local understandings of public housing, but within established limits. Public housing regulations are situated between national interests of public policy and the demands of local housing market dynamics.

In the U.S., where there has never been a national commitment to the right for housing, public housing has always remained on the fringes of the welfare state, vulnerable to shifts in ideology and the accompanying shifts in resources. Its multiscalar design facilitates current trends towards decentralization, deregulation, and privatization, which in turn further erode the program's importance at the federal level (Hackworth 2007). HOPE VI and the accompanying public housing reforms use the vehicle of housing to approach ideological objectives such as privatizing social service provision or promoting recipient self-sufficiency and movement into

the private job and housing markets. By redeveloping public housing properties and redistributing residents, they reshape urban space to facilitate the movement of housing and labor (Crump 2003). At the local scale, HOPE VI redevelopment projects facilitate a reconfiguration of public resources and functions, resulting in new relationships between public and private sectors and physical changes in the urban form.

HUD describes HOPE VI as “the engine driving the revitalization of the Nation’s most distressed public housing developments by providing grants and unprecedented flexibility to address the housing and social service needs of their residents” (<http://www.hud.gov/offices/pih/programs/ph/hope6>). Both the innovation behind HOPE VI and its flexibility come from its roots in welfare reform. The decentralized structure requires that local public housing authorities apply to HUD for funding to undertake a particular project that is designed and implemented locally. Regulatory reform has freed agencies from requirements such as the one for one replacement of destroyed units and allowed agencies a wider set of debt options for financing redevelopment and new construction. The technical demands of redevelopment require relationships with a new set of private sector partners whose capacities are more suited to the work at hand than those of public housing agencies. However skillful these new partners, they are more likely to be oriented toward the task of development and the demands of the local market than the protection of social welfare and the provision of low-income housing.

HUD funds provide a starting place for financing projects, but not enough to cover the entire cost of redevelopment. Instead, HUD empowers local agencies to use a range of financial arrangements and debt structures to finance their deals. The resulting project designs are more likely to emphasize the challenges and opportunities of local market conditions than the desire to expand affordable housing opportunities or achieve poverty alleviation. Local public housing

authorities, the long maligned administrators of an often despised federal program, suddenly find themselves in a position to make deals. One industry insider explained it this way: “They are not just housing authorities; they are major players in the urban system” (Interview, May 2007).

So then, HOPE VI transforms public housing, not because it builds better structures or changes the population of residents. HOPE VI places the responsibility for public housing more firmly in the realm of the city, often privatizing key components of the program such as planning, development, and management of the properties. As poor families move back into these new mixed-income communities, they face new requirements for how they live in that space, how their behaviors will be monitored, and how much they work. While tenant advocates may question how many residents have experienced positive changes in their lives as a result of the redevelopment of the public housing in which they live, there is no doubt that many have. Some families now have vouchers that they are using with success in the private market, living in communities of their choosing perhaps for the first time. Some families have moved out of decaying structures and returned to new homes with amenities and services. Even more important for some HOPE VI supporters has been the symbolic change in the public housing of the popular imagination: isolated towers plagued with violence and hopelessness have been replaced by inviting low-rise, mixed-income communities that connect to the surrounding neighborhoods. Public housing authorities, long the sole providers of shelter for America’s lowest income citizens, have moved into the business of deconcentrating poverty and rendering it invisible.

San Francisco's Model of Progressive HOPE VI

Each HOPE VI project is a unique development effort shaped by the local political, institutional, and economic context. Efforts can vary significantly from city to city and even from project to project within the same city, and as a result, it is difficult to generalize about HOPE VI outcomes or to talk about a single HOPE VI approach. However, certain cities have developed distinct models of HOPE VI which could be considered archetypal. Cities such as Chicago, Atlanta, and Seattle are held up as examples and discussed across the country, both within the professional associations serving housing authorities as well as the developer community and the general public. San Francisco offers another such model.

While Chicago is best known for the massive loss of units that has accompanied its redevelopment efforts, the San Francisco Housing Authority remains dedicated to one for one replacement, and the loss of units has been minimal. While Atlanta emphasizes the creation of mixed-income communities where the majority of the units are market rate single family homes, San Francisco achieves mixed income by combining public housing units where families are making 30 percent or less of the area median income with units for families making 30 to 60 percent of the area median income financed using state tax credits. Where the Seattle Housing Authority acts as its own developer for its HOPE VI projects, the San Francisco Housing Authority relies on the expertise of an extremely capable community of non-profit affordable housing developers. San Francisco offers a model of progressive HOPE VI where public housing has public support, resident voices are represented, and public-private partnerships are mediated through the public-orientation of non-profit developers.

The San Francisco Context: When a Housing Crisis Meets Liberal Politics

San Francisco is emblematic of a particular kind of city. It is a city of assets: a global financial center characterized by a booming housing market and resilient economic growth, an regional employment center with a workforce which draws from one of the most highly educated populations in the country, and a highly desirable location with a temperate climate and ample recreational opportunities. Household median annual incomes are above \$80,000, and median home prices are among the highest in the nation.

On the other side of this prosperity is an affordability crisis. The city's growing wealth is matched by a growing income gap, and gentrification is putting enormous pressure on most of the remaining low-income areas. Many San Francisco families cannot afford the market rate rents, and home ownership is outside the realm of possibility for all but the city's most well-off residents. In the fourth quarter of 2006, median home prices in San Francisco rose 12 percent from a year earlier to \$820,482, nearly four times the national median of \$213,000 (Real estate journal.com, 2007). The San Francisco Housing Action Coalition reports that in June 2007, a worker earning minimum wage had to work over 117 hours/week to afford the average two-bedroom apartment. Just 9 percent of households qualify for the average mortgage.

A progressive model of HOPE VI would not be possible in a city without a progressive political culture. In his book, *Left Coast City: Progressive Politics in San Francisco, 1975-1991*, political scientist Richard DeLeon describes San Francisco as “the Capital of Progressivism,” exclaiming, “San Francisco is an agitated city, a city of fissions and fusions, a breeder of change and new urban meanings. It is the spawning ground of social movements, policy innovations, and closely watched experiments in urban populism and local economic democracy” (1992: 2). This innovation and agitation reflects a city where liberal values are the norm and where dissent

is expected. Here, candidates from the leftist outsider Green party stand a better chance of winning elections than do Republicans; politically charged issues such as same-sex marriage and medical marijuana are embraced by the city's residents and its political leaders; and residents are quick to march against war and injustice, which includes gentrification and the lack of affordable housing for low-income people.

Much of the political process in San Francisco involves extensive public meetings and opportunities for public comment. These might be in the form of public commission meetings with formal comment periods, collaborative neighborhood planning meetings, mayoral taskforces or advisory boards, or rallies outside city hall. Through these processes, stakeholders such as public housing residents, who might be excluded elsewhere, often manage to find a voice through the support of well-established community organizers and advocacy organizations such as ACORN, the San Francisco Organizing Project, the Council of Community Housing Organizations, and the Housing Rights Coalition. The city's housing movement has roots which date back to efforts to fight the displacement of low-income families in the 1960s and rent control campaigns of the 1970s (Hartman, 2002). It is staffed by seasoned veterans who understand the city's political environment and know how to keep their concerns in the forefront of any discussion about development.

Finally, San Francisco is a stronghold of the Democratic political party with deep ties to powerful lawmakers at the national level (e.g., Speaker of the House Nancy Pelosi, who represents California's Eight District, which includes most of San Francisco). For some insiders familiar with HOPE VI in San Francisco, these ties have had everything to do with the city's ability to secure five HOPE VI grants, even during times when the local housing authority struggled to maintain a passing grade with HUD. One San Francisco Housing Authority insider

explains, “There is an important relationship to politics. From 1992 through 1997, we had a Democratic president. Congresswoman Nancy Pelosi was also instrumental as was Mayor Willie Brown. Politics really played out” (Interview, September 2006).

San Francisco’s Non-profit Developers: Development in the Public Interest

While public housing authorities in other communities have taken on the role of developer, the San Francisco Housing Authority has worked with outside developers for all but their first HOPE VI project. The city has a well-established community of developers, both non-profit and for-profit, that focuses on affordable housing. While the presence of affordable housing developers in San Francisco is not unique, the capacity of this group is. They have built and currently manage thousands of units of housing. Says one observer of housing policy in San Francisco,

The Bay Area has the strongest infrastructure for affordable housing development in the U.S. The Bay Area non-profits are able to produce an extraordinary amount of housing. Here we have large regional developers who are located in the city, like Bridge and Mercy Housing. We also have [Community Development Corporations] like Bernal Neighborhood Development Corporation, Tenderloin Neighborhood Development Corporation, Citizen’s Housing, Community Housing Partnership. They are really savvy. They are very capable of pulling off large, complex projects (Interview, June 2007).

This community has the necessary capacity to pull off both the redevelopment of public housing and the development of mixed-income housing. The presence of multiple firms in the region creates competition and forces developers to keep their skills sharp. In a booming real estate market like San Francisco, non-profit developers must be skilled at the development process, but also at fostering and maintaining the same types of relationships with decision-makers that are often associated with for-profit developers.

The non-profit development community, in terms of San Francisco, has more than 20,000 units of non-profit affordable housing. This is in part because developers here have worked effectively with the City to get state money. They are politically skilled, savvy, and competitive. There are also folks in the private sector who are interested in public housing and affordable housing and these new models [of public housing redevelopment] (Interview, June 2007).

The San Francisco Housing Authority (SFHA) seems content with this arrangement.

While the Authority has struggled with its relationship with HUD, often falling into the ranks of low-performing agencies, it has successfully completed five HOPE VI projects. The agency seems clear on its role in these endeavors. One SFHA official explains, “The industry puts business before philosophy. We are providers of public housing to low-income people. Sometimes we lose our mission and get caught up in what is sexy. We think we are developers, not social service providers” (Interview, September 2006). The San Francisco model is one of public/private partnership and developer-driven projects. The housing authority owns the land, sets the tone, and helps facilitate the process with residents, but the developer runs the project, makes the deals, and collects the developer fees.

San Francisco’s Five HOPE VI Projects

SFHA has received five HOPE VI grants dating back to the first round of grants in 1993, which means that San Francisco ranks fifth in total number of grants received. The city’s awards total \$118.5 million. The city has leveraged an additional \$186 million in private and public funds, bringing the combined revitalization funding for San Francisco’s HOPE VI sites to \$304.5 million. While many agencies have struggled to complete their HOPE VI developments, all five of SFHA’s projects have been built and are fully occupied. With its political connections and

highly skilled non-profit development partners, the city has been effective in receiving and implementing HOPE VI grants.

Consistent with San Francisco's model of Progressive HOPE VI, each site minimizes a loss of units. When the new development has fewer units than the original site, this is somewhat offset by an increase in the number of bedrooms per unit. Tenant associations were active players in each of the projects, often serving as the relocation specialists who advised residents throughout the relocation process. In one case, opposition from the tenant association was enough to stop the project all together. The earliest rounds of HOPE VI funding encouraged the destruction of public housing towers and decreases in density, which became the primary tools for deconcentrating poverty. As a result, the first two projects remained entirely public housing, even after redevelopment, although they did lose units. Later projects were built as mixed-income communities, but still stayed 100% affordable housing. SFHA chose to interpret mixed income as bringing together both very low-income and low-income families. Between the addition of affordable tax credit units at some sites and the new housing vouchers that SFHA was granted to help house families during relocation, the City of San Francisco experienced a net gain in affordable units.

Below is a brief description of each of the HOPE VI projects in San Francisco:

1.) Bernal Dwellings and 2.) Plaza East. HUD awarded SFHA its first HOPE VI grant in 1993.

This project includes two development sites: Plaza East and Bernal Dwellings. These towers were built in the 1950s, when such design was the apex of modernism, despite the fact that very little of the city's residential housing stock is above three stories. Bernal Dwellings was actually a last minute addition to this HOPE VI request. Another development, Potrero Hill, had been part

of the original plan. However, resident resistance was so strong that SFHA dropped it from the proposal, replacing it with Bernal Dwellings. Both project sites are located at the outer edge of gentrifying neighborhoods where they now act as a buffer between low-income areas and areas that are already well into the gentrification process. Plaza East is also within visual range of City Hall. The two projects combined originally had 484 units, mostly small one-bedroom units. They were replaced with 353 low rise town houses with 1, 2, 3, or 4 bedroom units. Only 54 bedrooms were lost as a result of redevelopment because the new units are larger than their predecessors. The total HOPE VI grant for these sites was \$50.1 million and SFHA leveraged an additional \$32 million. The redeveloped sites opened to residents in 2001.

3.) Hayes Valley. HUD awarded SFHA a HOPE VI grant for this site in 1995. Of San Francisco's five HOPE VI sites, Hayes Valley had the worst conditions both in terms of the physical structures and the quality of life for residents. Built in 1962, it was known as "Death Valley" because of its graffiti-covered walls, broken glass and the sea of drugs that flowed across its courtyard. The balconies which served as the external hallways on this three story building were falling away from the face of the structure, creating a significant hazard for resident safety. Neighborhood residents sued the San Francisco Housing Authority in 1990, saying it was responsible for muggings, shootings and other crimes that took place near the development. They lost in appeals court, but the suit put heavy pressure on SFHA to try to find some solutions. This site is also within visual range of City Hall and the surrounding area has become a trendy neighborhood with boutique shops and restaurants. The original 294 one-bedroom units were replaced with 195 low rise town houses with 1, 2, 3, or 4 bedrooms. The total cost for redevelopment was \$42.5 million, with a \$22 million federal HOPE VI grant. The first half of

the redeveloped site opened to residents in 1998, and the second half in 1999. This project was included in HUD's baseline study of eight HOPE VI sites from across the country. Researchers noticed that this site in San Francisco's Hayes Valley had a much higher rate of return than the other HOPE VI sites and attributed this difference to the city's extremely tight and expensive housing market.

4.) North Beach. When asked about how North Beach was chosen as a HOPE VI site, one city staff person replied, "It might not have been one of the Housing Authority's top priorities, but it was definitely one of the city's." Built in 1952, the North Beach development was located near some of San Francisco's biggest tourist destinations, including Fisherman's Wharf and the cable car turnaround. The site consisted of 13 concrete buildings with 229 walk-up units, and it filled two city blocks. By the time it was being considered for redevelopment in the 1990s, earthquakes had weakened the structures and both sewer and plumbing systems were substandard. HUD awarded SFHA a \$20 million HOPE VI grant for this site in 1996 and an additional \$3.2 million HOPE VI demolition grant in 2001. The project required an additional \$82.1 million to complete. The State of California awarded the Authority \$55 million in tax credits for the North Beach site, the largest award in California's history. The Mayor's Office of Housing contributed at least \$10 million. The revitalization plan called for 341 units including 229 public housing units (a one-for-one replacement for the units that were demolished) and 112 tax credit subsidized rental apartments for families with incomes below 50 percent of the city median income. The final development also included a parking garage for 323 cars and commercial and retail space surrounding the cable car turnaround area with Trader Joes as the anchor tenant. The site reopened in 2005.

5.) Valencia Gardens. In 1943, SFHA built Valencia Gardens under the U.S. Housing Authority's slum clearance program. By the time SFHA applied for HOPE VI funds to redevelop the site, the Mission neighborhood, where Valencia Gardens was located, had already become a focal point for local debates surrounding gentrification. This historically Irish then Latino neighborhood was minutes from downtown and serviced by two different stops on BART, the Bay Area Rapid Transit train system. The neighborhood had become a destination for nightlife and its largely Victorian housing stock was highly desirable. The total cost for redevelopment of the site was \$71.7 million, including a \$23.2 HOPE VI grant. SFHA was awarded the grant in 1997. Demolition began in 2002 and the site was reopened in 2006. The new development replaced the original 246 units with 260 new units including 218 family flats and 42 one-bedroom senior apartments. Project funders include: the U.S. Department of Housing and Urban Development; California Department of Housing and Community Development; the San Francisco Housing Authority; the San Francisco Redevelopment Agency; Citibank Community Development; Federal Home Loan Bank; and tax credit equity from Alliant Capital Ltd. (Business Wire, 2005).

A Research Agenda: Investigating Regulated Public Environments

The HOPE VI program's most profound implications come from its ability to change the spatial management of poverty and forge new institutional bonds between the public and private sectors. It is through this process that public housing becomes something new. Public housing continues to provide shelter for poor households, but it also becomes a regulated public environment, serving a larger need within the urban context to facilitate land transactions while

maintaining social order and controlling poor people. Earlier in this paper, I defined regulated public environments as real world places where poverty is both experienced and contained. Other aspects of regulated public environments include a quasi-private orientation where public goods are supplied by the public sector but distributed and maintained through private sector partners; the enforcement of a set of behavioral expectations for recipients that reflect a larger set of public norms; and a spatial distribution that responds to the needs of local land markets. In this section, I suggest that understanding the dynamics behind a local system of regulated public environments requires four dimensions of analysis: the relationships and agreements between public and private sector partners, the redistribution of public resources, systems of inclusion and exclusion, and the spatial distribution of poverty spaces.

Public/Private Partnerships

Some of the questions to be investigated regarding the relationships and agreements between public and private sector partners in HOPE VI include: What private sector firms are involved in these redevelopment projects? What are their roles? How extensive is their involvement? Does it cross multiple projects? What is each organization's interest in public housing? Is public housing part of a larger development project? Where is the source of development expertise coming from? Financial expertise? Relationship building? Planning processes? Who is taking responsibility for resident involvement? How is risk accounted for and mediated? How have the functions of the local public housing authority changed as a result of redevelopment? What city agencies deal with public housing? How are they connected to public housing redevelopment? How will their responsibilities change with the new properties? How has the mayor been involved in the redevelopment effort? How does the effort fit (or not) with

mayoral priorities? In what ways does the Mayor's Office become involved when the project hits bumps along the way? How is the city planning to meet the demand for affordable housing in the future?

HOPE VI encourages local housing authorities to strengthen their private-sector relationships and develop local capacity and resources for addressing their needs. While housing authorities must comply with certain federal limitations and priorities, they are afforded a great amount of flexibility in how they approach each project. Furthermore, later generations of the program require that housing authorities use the federal funds to leverage additional monies for each project. Both in terms of building the necessary relationships and leveraging resources, SFHA has been ahead of the curve. SFHA describes its model this way, "New Partnerships are encouraged with private entities to create mixed-finance and mixed-income public and affordable housing that is radically different from traditional public housing 'projects.' SFHA administers the program and can use the grants in conjunction with modernization funds or other HUD funds, as well as municipal and State contribution, public and private loans, and low-income tax credit equity" (SFHA, <http://www.sfha.org/hope/development.htm>).

Because HOPE VI localizes public housing redevelopment, local government plays a more active role in the implementation of these projects than it typically would with public housing. Each of San Francisco's five HOPE VI projects had strong mayoral support, and at least one grant application involved personal meetings at HUD headquarters between the mayor and the Department Secretary. Initial research reveals that in San Francisco, public housing falls under the jurisdiction of five different city agencies: the San Francisco Housing Authority, the Redevelopment Agency, the Mayor's Office of Housing, the Mayor's Office of Community Development, and the San Francisco Department of Health and Human Services. While each

agency has different sources of funding and a unique set of responsibilities, there can be overlap and at times competition between agencies. The Mayor's Office of Housing and SFHA come particularly close in their endeavors, and the potential conflict between the two agencies has typically been decided by the quality of staff and the proximity of the agency to the mayor. The Mayor's Office of Housing wins on both counts. SFHA has long been seen as a dumping ground for "favor appointments" and the agency has been under receivership or dealing with scandal for most of the last ten years. The Mayor's Office, on the other hand, has funds, relationships with developers, and the ability to push the mayor's agenda forward. This office also helps determine how the city's tax credit dollars are allocated, and as a result, plays a very important role in the city's HOPE VI efforts.

Redistribution of Public Resources

Some of the questions to be investigated regarding public housing redevelopment and the distribution of public resources include: How has the final count of public housing units changed? What levels of affordability are included in the new development? How are prices set for market rate units? Is public land sold as part of the redevelopment process? If so, who buys the land? Who receives the benefits from the sale? Who collects the developer fees? What is the rate of return for private investors? Who benefits from profits generated by the development? What is the spatial distribution of existing affordable housing developments? How has that been changed by redevelopment? How is redevelopment changing surrounding land values? How is it changing the local housing market?

HOPE VI does more than redevelop severely distressed public housing units. It puts public land back into the private market. A SFHA official put it this way, "This is about the

highest and best use of the land.” Public funds are redistributed to private hands through developer fees and investor and developer profit. When single family homes are included in the development, public land is often sold outright with the new structure. Through HOPE VI, public housing authorities have reframed their charge: rather than custodians of poor people or even providers of poor housing, they are managers of valuable and often sought after public land:

SFHA provides a model of public housing's future—a dynamic system fueled by both public and private financing and management, and energized by partnerships embracing every segment of the community. The SFHA mixed-finance development process provides a vision of public housing's future. Faced with the need to compete in the private real estate market while protecting the public interest, SFHA is rapidly adopting new and improved industry standards in operations and management, upgrading their staff, and above all, learning to lead complex, comprehensive redevelopment partnerships. The economic development generated by the SFHA's model has been able to transform sources of community blight into engines of community renewal. One of SFHA's main goals is to replicate this form across the city's public housing sites (SFHA website, “HOPE VI Transformations” page, <http://www.sfha.org/hope/transformation.htm>).

In San Francisco, the recognition of a crisis in affordability has not led to a cry for more public housing, but instead to a cry for more redevelopment of public housing and more local projects to replace poor communities with ones that are mixed income. This is in part because of the dominant American belief that the private market is the most appropriate vehicle through which to provide housing. As one local developer explained, “The market should take care of these things whenever possible. I know that is controversial because some developers are just out to make as much money as possible, without concern for the residents, but I believe in the free market. HUD is dysfunctional” (Interview, October 2007). In San Francisco, the continued focus on developing mixed-income communities comes at least in part from financial realities. *San Francisco Chronicle* reporter Heather Knight (2006) explains, “City officials and housing activists say it's important to have residents of varying income levels living within each

development so the rent the wealthier residents pay can help cover the operating costs of the complex; the mix also provides an element of economic diversity... though critics say that could gentrify the area and push current residents out.” As a result, the public housing subsidy has been expanded from one that benefits exclusively the most poor to one that benefits very low-income households, moderate income households, and households that can afford to purchase market rate units.

Systems for Inclusion and Exclusion

Some of the questions to be investigated regarding the systems of inclusion and exclusion that result from public housing redevelopment include: How is eligibility determined for the redeveloped housing? What are the screening procedures for prospective tenants? How are utilities handled? How many households are turned away for each household that is accepted? What are the conditions included in lease agreements? Are all households subject to the same set of rules? What are the disciplinary procedures? How strictly are they enforced? What are the eviction rates? How are common spaces regulated? What is the security presence? What supportive services are available for residents? How many households are on the public housing waiting list? What other options exist for affordable housing in the city? How do the requirements for tenancy and the lease agreements differ between redeveloped public housing and other public housing?

In his book, *From the Puritans to the Projects*, Lawrence Vale (2000) develops the idea of the public neighbor, a person within a community who is unable to meet his or her own material needs and must depend on the largess of community leaders or other local institutions for assistance and survival. It is not an evaluative term, but rather a descriptive one which

“simultaneously encodes both social obligation and spatial proximity.” Vale places the foci for analysis at the place of public, not of housing, and argues that public housing is a programmed failure. Certain groups were never seen as worthy neighbors. Because they could not fulfill the norms of their public sponsors, these public beneficiaries became unworthy of public concern.

As public housing management is passed from housing authorities to private companies, public housing residents move from public neighbor to private dependent. Their proximity becomes a cause for concern. Developers must consider design elements such as shared elevators or stair wells, open space, and parking. The ability to attract higher income residents is first and foremost. In theory, how one pays rent is shifted to the background and made into a private issue. In practice, public housing tenants are often subject to extensive behavioral requirements that may include drug testing, restrictions of visitors, uses of public space, housekeeping, and quiet hours. At each of San Francisco’s five HOPE VI projects, management of the redeveloped sites has been contracted out to a private company. Potential residents are subject to HUD income limits as well as background checks, credit checks, and home visits prior to being offered a unit. Managers report that four applicants are screened for every one that is accepted.

Spatial Distribution of Poverty Spaces

Some of the questions to be investigated regarding the spatial distribution of poverty that accompanies HOPE VI redevelopment include: How does a spatial analysis of concentrated poverty look at the census tract level? At the block level? How have the concentrations of poverty changed in the redevelopment neighborhood? In the City? Where did residents relocate to? Where did they end up? What is revealed by a spatial analysis of affordable housing in the city? What is the difference in the access to services for redeveloped properties versus the access

to services for undeveloped properties? What are the land values surrounding each of the different types of sites? How are the land values changing?

In San Francisco, the public housing that has been redeveloped to date has not been the oldest or the housing in the worst condition. North Beach, Hayes Valley, and Plaza East were all situated in locations with political or economic significance, and all five were in neighborhoods that were either already well into the gentrification process or were on the threshold. Perhaps with the exception of North Beach, none of the neighborhoods had an opposition to public housing, and at every site, the neighborhood was excited to have the projects improved.

In 2002, SFHA conducted a comprehensive assessment of the conditions of its public housing stock and identified eight projects in dire need of redevelopment. These developments are the oldest in the city. Most date back to the 1940s when they were built as temporary war time housing. These sites occupy much larger sites, up to 50 acres, and are built at very low densities. The large tracks of land and the low densities at these sites present a significant development opportunity, and the cost of housing has become so high that these neighborhoods are suddenly of interest to middle class families living in rental housing elsewhere in the city. The redistribution of poverty within San Francisco is likely to continue into the future.

Conclusion

Housing, no matter how carefully constructed or cleverly designed, does not provide employment, an education, or healthcare. What housing does provide is access to each of these resources as well as a place to be in community. Housing is shelter and security. It is not employment. It is not nutrition. It is not healthcare. Yet it makes each of these things possible.

The HOPE VI program's goals of deconcentrating poverty, improving public housing design, and connecting poor families to supportive services are goals that concern managing poverty, placing it in the city, and shaping the access and opportunities available to both poor people and poor communities. Any analysis of the redevelopment of public housing must consider both the spatial implications and the accompanying institutional reform in order to understand both the effectiveness of current interventions and the possibilities for interventions in the future.

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