THE LIMITS OF LOCALISM
Progressive Housing Policies in Boston, 1984-1989

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The progressive housing policies of populist Boston Mayor Raymond Flynn are described and analyzed in this article. Flynn's progressive housing policies are contrasted with those of his liberal predecessor, Kevin White. Boston's housing crisis and policies are described. The authors argue that Flynn's progressive housing policies have resulted in better housing conditions for Boston's poor and working-class citizenry, advocacy of progressive housing policies, empowerment of tenant and neighborhood organizations, and development of a nationally recognized model of nonprofit housing. Nevertheless, the authors argue that no city government by itself can solve a city's housing problems equitably without much greater federal assistance than is provided currently.

During the 1980s American cities were confronted with worsening housing problems when the federal government greatly reduced its responsibility for addressing low-income housing issues (National League of Cities 1989). Reagan's conservative policy was to reduce federal involvement and expenditures for lower-income housing and to delegate responsibility for this problem to state and local government (Hays 1985). The results included a decline in home ownership, drastic cutbacks in federally subsidized lower-income housing production and rehabilitation programs, a shortage of housing for the poor, and increased homelessness. In the past, state and local governments have been heavily dependent upon federal housing subsidies to support lower-income housing programs. In the recent era of federal fiscal austerity and major cutbacks in federal domestic social programs, few city governments have attempted to develop their own comprehensive housing policies aimed at resolving the housing crisis at the municipal level.
In contrast to most other major American cities, Boston stands out as a progressive city in housing policy under populist Mayor Raymond L. Flynn, who was elected in 1983 and reelected overwhelmingly in 1987, despite serious political opposition and limited funding. In this article we explore the question of the extent to which a progressive municipality can address housing affordability equitably in the face of conservative federal housing policies. The record of the Flynn administration will be contrasted with that of his liberal predecessor, Kevin White, who served as Boston’s mayor from 1967 to 1983.

What do we mean by a progressive housing policy? In his study of five cities, Clavel (1986, 10-12) identified four elements of progressive municipal housing policies: expanded public regulation of private property, promotion of alternatives to the private market, advocacy for the interests of poorer city residents, and increased citizen participation, especially at the neighborhood level. Our criteria for evaluating the Flynn administration’s progressive housing policies, following Clavel, are, (1) Has its policies improved housing conditions for Boston’s poor and working-class residents? (2) Have neighborhood and housing activist groups been empowered to participate actively in decision-making in housing? (3) Has the administration developed structural changes to promote nonprofit lower-income housing? (4) Have municipal leaders actively advocated progressive housing policies at the local, state, and federal levels?

Flynn’s policies are an example of urban populism, in which a local political regime has sought to promote the interests of working-class and poor citizens and their neighborhoods while continuing to promote urban growth. Elkin (1987) has characterized this as the effort to organize the urban citizenry to better regulate the “commercial republic” to promote the public interest. The extent to which a populist municipal regime can implement such a policy while maintaining a sustained economic growth through mostly private investment has generated great debate. Peterson (1981) has argued that city governments have limited influence on economic development and must generally support the private market if they are to remain competitive. We argue that Flynn’s policies demonstrate that at least in a strong local development climate, urban populism can promote more democratic housing and development policies successfully.

THE WHITE REGIME

Kevin White was first elected mayor of Boston in 1967 in a divisive campaign in which he defeated Ed Logue, Boston’s urban-renewal czar, and Louise Day Hicks, head of the Boston School Committee and foe of deSEGREGATION. White began as a protean, pro-neighborhood urban populist with reforms that included “little city halls” and rent control (Ferman 1985; Mollenkopf 1983). By the mid-1970s, White, who had been a liberal Democrat, had become much more conservative. He dropped his neighborhood-oriented policies. He introduced vacancy decontrol, which effectively ended rent control, and supported unbridled new downtown development, winning him the backing of the real estate industry (Weinberg 1981).

Boston had experienced a steady economic decline from 1950 through the 1970s. The city’s population dropped from a high of 801,000 in 1950 to 563,000 in 1980. As manufacturing and blue-collar employment fell, the city’s tax base declined, and public services declined along with it. Those concerned with reversing Boston’s economic decline advocated a transformation of the central city and its downtown area into a commercial center (Meyerson and Banfield 1966). The urban-renewal strategy in Boston during the 1960s was designed to achieve this goal and to attract the middle class to live in Boston. By the late 1970s, the successful effects of this strategy had begun to unfold as a boom in development began. However, although downtown Boston prospered, many of the city’s neighborhoods deteriorated, and poverty and unemployment were widespread.

The 1980 passage of Proposition 2½ in Massachusetts and the election of President Ronald Reagan meant hard times for Boston. The constitutional ceiling on real property taxes meant a one-third reduction in the city’s revenue from this source. Among U.S. cities, Boston is the most reliant upon property taxes. About half of the land in Boston is exempt from taxation, largely because of institutional and governmental ownership, and tax exemption was provided as an incentive for about half of the new development between 1975 and 1981.

In 1981, 19% of the city’s employees were laid off. Federal aid to Boston ($167.4 million in 1981) declined by 36% in 1982 (Slavet 1985). In the midst of this fiscal crisis, White turned to the Vault, Boston’s corporate leadership (Boston Urban Study Group 1983; Dreier 1983), for assistance in obtaining state authorization for new local taxes and in reducing city services.

Particularly in his fourth (and last) term, White became identified with downtown development. In contrast to his initial image as a reformer, White relied heavily upon the private market and growth to promote the development of the city. He did not attempt to redistribute the benefits of this growth to Boston’s disadvantaged people and neighborhoods but instead relied upon the trickle down approach to economic growth. In fact, he eliminated such regulatory policies as rent control that were designed to prevent hardship...
caused by the rise of housing costs in the private market. White ended his initial efforts at broadening citizen participation in government. White’s changed policies and the city’s revitalized economy set the stage for a revival of populist politics in Boston in 1983. Beset by corruption charges against his administration, the fiscal crisis, and a neighborhood backlash against his reduction of city services and employees, White decided not to run again in 1983.

THE ELECTION OF FLYNN IN 1983

In the nonpartisan election, seven candidates vied to replace White as mayor. The two winners were both progressives—City Councilor Raymond Flynn and State Representative Mel King. Flynn, a former state representative, came from the Irish working-class neighborhood of South Boston. He ran on a proneighborhood platform and made housing a key issue. Flynn supported tenants’ rights legislation (including rent control), a proposal to link downtown and neighborhood development by charging commercial developers fees to support below-market housing, and increased neighborhood participation in developmental decision making. King, the first black candidate to proceed to a mayoral runoff election in Boston, had more radical views about housing and neighborhood issues. Flynn defeated King decisively by a 2-1 margin in the November 1983 election, and he assumed office in January 1984.

Flynn took office having promised to balance more equitably the benefits of downtown growth and development and the interests of neighborhoods. The theme of his neighborhood-based campaign was economic justice. In making this his platform, Flynn became one of the few urban populist, progressive candidates who have challenged traditional growth-machine politics. Flynn focused on issues of economic inequality. According to Swanson (1988, 123),

Urban populist mayors seek to redefine the agenda of city politics. First, they seek to displace ethnic and racial divisions with economic division: the haves versus the have-nots. Second, once the terrain is shifted to economics, populist politicians seek to shift the issue from one of growth to one of distribution. In the absence of federal initiatives, populist politicians attempt to devise local solutions to the problems of uneven development.

Flynn’s policies contrast sharply to those of Kevin White, who embraced the growth-machine model of urban politics.

The development of growth-machine policies at the local level has a long history (Logan and Molotch 1987). Inherent in the growth-machine model of politics is the assumption that the benefits of growth in the private sector (for example, downtown development aimed at white-collar employment, tourism, and upper-income housing) will trickle down to the lower-income population. In this view, redistributive policies are considered irrational and objectionable because they involve increased regulation and taxation of business, which will provide a disincentive to business and will result in the failure to attract the middle class to the central city. It is assumed that progressive municipal regimes will be at a competitive disadvantage (Peterson 1981).

Upon assuming office, Flynn faced many problems. He inherited a $40 million operating deficit from White. As a populist candidate who was not supported by Boston’s growth coalition, which was symbolized by the Vault (Dreier 1983), Flynn had either to reassure the business, development, and real estate interests that he was not antibusiness or to develop a strategy to neutralize their opposition. Flynn had to be careful to avoid the fate of other populist municipal officials whose administrations had been weakened or defeated by local growth coalitions. For example, Cleve and Mayor Dennis Kucinich was driven from office in 1979 after completing only one term: the city had been forced into default by local banks, and Kucinich barely had survived a recall election (Logan and Molotch 1987; Swanson 1985, 1988).

BOSTON’S HOUSING CRISIS

Flynn inherited a very serious housing crisis. Boston’s economic and population growth fueled a strong housing market that threatened to displace many of the city’s poor and working-class residents. By 1983 Boston already had experienced several years of sustained real estate appreciation, which had led to gentrification. This trend, symbolized by a wave of condominium conversions and rising rents, began in the late 1970s in neighborhoods closest to the downtown area, but by the early 1980s, it had spread to outlying white and minority working-class neighborhoods.

Boston increasingly was attractive touppies and empty nesters who competed with poor and working-class residents for scarce housing (Ganz 1985). Because 70% of the residents were renters (about evenly divided among private multifamily buildings, public/subsidized housing, and owner-occupied two- and three-deckers), they were particularly vulnerable to dis-
placement from rising housing values. Even many white, middle-class homeowners, who typically benefit from rising housing values, began to worry that despite the appreciation of their own homes, Boston’s hot housing market would prevent their children from being able to stay in their neighborhoods.

Indicators of Boston’s housing crisis included the following:

- Home prices more than doubled between 1975 and 1983, from an average of $25,000 to $55,800 for a single-family home. According to the National Association of Realtors (1985), the Boston metropolitan area ranked seventh nationwide in average single-family home prices in 1983; by 1985 it ranked first.
- Rents in the private rental market rose dramatically. Between 1977 and 1981 rents rose 48%, whereas renters’ incomes rose only 35%. By the first quarter of 1984 the median monthly rent was $528—a 16% increase in one year. Rents' average household income ($12,000 in 1980) was only 60% of owner-occupants' household income. By 1980 almost half (48%) of Boston renter paid over one-quarter of their income for rent (Achtemberg 1984). The percentage of Boston renters paying over half their income for rent rose from 11% to 21% between 1980 and 1985. The rental vacancy rate was only 2.5% in the fall of 1983.

- Condominium conversion in Boston began in the late 1970s. In 1975, Boston had only 1,568 condominiums among its approximately 240,000 housing units. By 1983 the number had reached 14,377—most of which had been apartments. Only one-fifth of Boston renters could afford the typical condominium, for which the average price in 1983 was $62,375 (Boston Redevelopment Authority 1987).
- In 1980, after years of mismanagement, the Boston Housing Authority (BHA) was placed in court-ordered receivership. More than 4,500 of its 16,500 public-housing units were vacant—many of them vandalized. Boset-by rampant crime and daily chaos, the BHA’s bureaucracy was so troubled that it failed to spend the federal and state funds it had received to modernize deteriorating projects. The city’s low-income housing shortage was so severe that despite this dismal situation, 7,000 families were on the BHA’s waiting list in 1982.
- In addition to the BHA’s units, Boston had approximately 23,000 units of federal- and state-subsidized rental housing. A substantial portion (at least 4,000 units) of the developments subsidized by the Department of Housing and Urban Development (HUD), however, was troubled—either foreclosed and owned by HUD or at risk of foreclosures. The policy of the Reagan administration was to auction off troubled projects to the highest bidder. An even larger problem was the potential expiration of rent subsidies and use restrictions in most HUD-subsidized projects.
- By 1983 homelessness had become a visible problem in Boston. In a census by the city’s Emergency Shelter Commission (1983), the homeless population was estimated at 2,700. This figure included only the visible homeless.
- Boston’s low-income neighborhoods were littered with abandoned buildings that were both havens for crime and fire hazards. Most of these were in formerly white (now minority) neighborhoods. This problem was the result of several factors: the exodus of whites from these neighborhoods during and since the 1960s; bank redlining and realtor blockshousing; and city assessing practices (prior to Proposition 2½) that placed unfair property tax burdens on property owners in these areas. Neither the city government nor any other group had an accurate count of the number (or location) of abandoned buildings or units. The city government did not even know how many buildings were owned by the city through foreclosure or how many owners owed back taxes. In 1985 the Flynn administration undertook a survey and counted approximately 3,000 units in 800 buildings (Boston Neighborhood Development and Employment Agency 1988).
- Although Boston had only one-fifth of the metropolitan area’s population (3 million), it had almost half of the area’s subsidized housing and low-income population. Many suburban communities resisted low-income housing through large-lot “snob zoning,” which put additional pressure on Boston’s housing market.

HOUSING POLITICS

CONSTITUENCIES

Like most local governments, the local government in Boston had very limited powers and resources at its disposal to address this crisis—primarily regulatory powers, some discretionary funds, and control of public property. But the ability of the Flynn administration to utilize these tools was shaped by a number of political and administrative factors.

In Boston, as in most cities, the constituencies for housing policies include a number of variant elements with very different stakes. The relative political influence of these groups helps shape the “room for maneuver” within local government.

Within the broader business community, the real estate industry, in particular, has an important stake in city policy. It has benefited from the “new Boston” downtown building boom and the resulting skyrocketing land and housing values. Landlords, developers, management firms, and brokers exercise considerable political influence. Through the Greater Boston Real Estate Board (GBREB), they oppose measures that threaten to reduce real estate development. The GBREB opposed the general thrust of Flynn’s housing platform, and its members donated heavily to his opponents. Although Flynn won the mayor’s race, the real estate industry’s influence was apparent through the newly elected city council. Only 4 of the 13 members of the city council were endorsed by tenant groups.
Housing activists represent another political constituency. They favor regulatory and development policies that support the preservation and production of low- and moderate-income housing. Compared with their counterparts in other cities, Boston's housing advocates are numerous and sophisticated. Flynn, as a candidate and as mayor, was able to win the support of their constituency largely on the basis of his housing policy platform and programs.

Housing activists include tenant groups, advocates and providers for the homeless, community development corporations (CDCs), social service agencies, church-based groups, and senior citizen organizations. Unlike the real estate industry, the housing activists are not united within one organization and tend to join forces on an ad hoc basis. The Massachusetts Tenant Organization (MTO) represents tenants in private and state-subsidized apartments, and public-housing tenants have their own group. In general, tenant groups refrained from direct involvement in electoral politics. It was not until 1981, when MTO formed a political action committee to endorse and campaign for city council candidates, that private-housing tenants engaged directly in city-wide electoral politics.

Neighborhood associations, as varied as Boston's neighborhoods, are a third constituency. Their geographic turf ranges from blocks with a few hundred residents to large neighborhoods with 20,000 residents. These voluntary organizations tend to be dominated by homeowners. They emerged to pressure city government for improved municipal services.

Housing and development issues were not the major concerns of neighborhood associations throughout the early 1980s. In general, neighborhood associations opposed rent control and public and subsidized housing, which they viewed as contributing to neighborhood decline and housing abandonment. The real estate and development boom put housing issues on their agenda. In general, they sought a greater voice in reviewing housing developments proposed for their neighborhoods. Some simply opposed any new developments, particularly those involving low-income or special-needs housing (for example, housing for the mentally ill). In low-income neighborhoods, the plight of abandoned buildings and vacant land became issues.

In the past, neighborhood groups tended to voice their concerns on an ad hoc, project-by-project basis, typically by appearing at hearings of the Zoning Board of Appeals to support or oppose variances for new developments. Their influence was based primarily on their informal ties to local politicians, many of whom emerged from these voluntary neighborhood groups. Neighborhood associations had not formed any citywide umbrella group to represent their concerns.

THE CITY HALL BUREAUCRACY

As newly elected mayor, Flynn did not have a firm grip on the city hall bureaucracy, particularly in the area of housing and development. Flynn had an ambitious agenda, but the bureaucratic structure he inherited was not equipped to carry it out. Flynn inherited a bureaucracy in which at least 10 departments were involved in the development, regulation, or management of housing and no previous overall coordination had been attempted. The Citizens Housing and Planning Association (CHPA), a watchdog and advocacy group, warned that the new mayor would "inherit a chaotic jumble of institutions, incoherent of structure, and confused of purpose" (CHPA 1983).

The Boston Redevelopment Authority (BRA) is the key municipal agency responsible for housing and redevelopment. The BRA was controlled by a five-member board that had been appointed by Mayor White, and the members' terms were not coterminous with Flynn's. Although the BRA board agreed to hire Flynn's choice for director, its legal and political independence led to compromises.

Under White, the BRA had abandoned neighborhood planning and had focused almost exclusively on downtown development. The BRA was in court-ordered receivership. The rent board was understaffed. The inspectional services department was under federal investigation for corruption. The agencies lacked elementary information. The city's zoning code was 25 years old and did not reflect new development pressures; thus almost every development required a variance. The city agencies that owned land and buildings did not control the Community Development Block Grant (CDBG) funds that could be used for rehabilitation or write-downs for new construction. No clear guidelines had been established to indicate how agencies should relate to neighborhood groups.

Flynn was reluctant to endorse CHPA's proposal for a far-reaching reorganization, fearing that it would paralyze the development process for several years. Instead of dramatically reorganizing during his first term, Flynn moved cautiously to gain greater control over the city hall housing and development bureaucracy, to impose policy and administrative coordination, to establish clear policies for relating to neighborhood organizations, to consolidate agencies with redundant functions, and to reform departments plagued with corruption and mismanagement.

The degree of Flynn's success or failure in overcoming the obstacles posed by the city's housing politics — the various factions of the housing lobby (real estate industry, housing activists, and neighborhood groups) and the city hall bureaucracy, as well as the city council, the courts, and the media — is
best measured by examining the Flynn administration’s housing policies and their implementation.

HOUSING POLICIES

LINKAGE AND INCLUSIONARY HOUSING

Boston’s strong real estate market and the severe decline of federal housing funds led housing advocates to seek new revenues and techniques for creating affordable housing by extracting additional public benefits from private developers. Linkage (requiring large-scale commercial developers to subsidize affordable housing) and inclusionary housing became two hotly contested mechanisms for achieving this goal (Dreier 1989).

In Boston the debate over linkage became a symbol of the widening gap between downtown development and neighborhood neglect. Linkage was first proposed in Boston in early 1983 by Massachusetts Fair Share (MFS), an Allinsky-style community group based in working-class neighborhoods, and a Boston Globe columnist. Following precedent established in San Francisco, linkage was promoted as a way to mitigate some of the housing market pressure caused by the escalation of jobs in the downtown area and the population boom (Keating 1986). MFS and the Globe’s advocacy led lame-duck Mayor White to appoint a 30-member advisory committee in June 1983 to study the issue and make a recommendation. The committee was weighted with developers and city hall staff and included only two advocates of a strong linkage policy. The GBREP opposed the entire concept of linkage, warning that it would destroy the city’s booming development climate.

During the 1983 mayoral contest, all but one of the seven major contenders endorsed some version of linkage: Flynn and King advocated the strongest versions (Muzzio and Bailey 1986). When in October 1983 it looked like the eventual winner would seek to enact some form of linkage, White’s committee issued its report (Advisory Group 1983). It recommended a linkage policy requiring downtown office developers to pay $5 per square foot over a 12-year period, with the first 100,000 square feet exempted. This formula, in terms of its present value, actually amounted to only $2.40 per square foot. The money was to be placed in the Neighborhood Housing Trust, which would be established to allocate the funds for affordable housing projects. Payments would begin 2 years after the building permit for a project was issued. Flynn, MFS, and other advocates criticized the advisory committee’s recommendation, calling for a full $5-per-square-foot formula instead. Just before Flynn was to take office, White pushed his advisory committee’s proposal through the BRA and the zoning commission.

As mayor, Flynn accepted this compromise linkage formula for a year and a half, waiting to see if the policy would have the negative consequences that the real estate industry had warned it might have. It soon became clear that developers viewed the linkage fee as simply another cost of doing business in Boston’s hot real estate market. With one of the lowest office vacancy rates in the country (8% in mid-1987) and Class A office rents of over $30 per square foot, Boston developers simply passed on the fee to their commercial tenants.

The Boston Linkage Action Coalition wanted a fee increase to $10 per square foot, immediate payment (rather than phased), and abolition of exemptions (Smith 1988). In early 1986, Flynn successfully proposed increasing the linkage fee to $6 per square foot to be paid over a seven-year period beginning upon issuance of a building permit. This, in effect, doubled the existing linkage formula.

By October 1989 more than $76 million in linkage funds had been committed by 41 downtown developers. Flynn created the Neighborhood Housing Trust to allocate the linkage funds based on proposals from developers for low- and moderate-income housing. Priority was given to nonprofit developers. As of October 1989, $28 million had been approved for allocation, primarily for “gap financing” of housing developments, which encompassed about 2,900 units (Brooks 1989; BRA 1989). Nonprofit housing developers received 84% of the allocated linkage funds.

Developers have learned to live with linkage. Trade unions support it as long as the projects provide jobs. Housing activists rely upon it for funding. But linkage has not been without its skeptics. Boston’s preservationist community expressed concern that the Flynn administration could be tempted to approve megaprojects simply for the linkage fees and jobs they provide and to overlook the environmental, design, and other aspects of development with long-term consequences. Although this issue was raised with the development of several major office projects that were approved in Flynn’s first two years, subsequent projects have met with fewer objections from preservationists. Residents of several neighborhoods adjacent to proposed large-scale projects objected to the potential impact that these megaprojects would have on their neighborhoods. Midway through his first term, Flynn initiated a major downtown-development plan to reduce the zoning density of the central business district and adjacent areas (King 1990). Flynn also appointed advisory committees of neighborhood residents to review megaprojects. As
a result, concern that Flynn might "sell the skyline" for linkage and jobs benefits was reduced.

In 1986 housing activists and the Flynn administration began to push for another linked-development policy, inclusionary housing, which would require housing developers to set aside affordable housing units in otherwise market-rate projects. This was triggered by the realization that publicly subsidized housing development was inadequate to meet lower-income housing needs in Boston's expensive market. Inclusionary housing had been pioneered in suburban California and New Jersey (Mallick 1984).

Opposition to inclusionary housing was likely to be even broader than opposition to linkage was. Linkage affected a small number of major developers who were building large downtown office towers. Inclusionary housing, however, would affect a much larger number of more diverse housing developers. Also, it was not at all clear that many neighborhood associations, which in the past had opposed subsidized housing, would support a policy that would bring more low-income housing into their neighborhoods. In July 1986, Flynn submitted an inclusionary housing policy to the BRA that was strongly opposed by the GBREB. It called for private developers to set aside 10% of all housing units (in projects of 10 units or more) for low- and moderate-income residents.

The Flynn administration used its political ties to mobilize support for inclusionary housing not only from housing activists but also from neighborhood associations, the building trade unions, the Dukakis administration, and some developers. Thus Flynn added new players to the growth-with-justice coalition.

City officials began to encourage housing developers to comply voluntarily with the inclusionary zoning guidelines while the policy was being publicly debated. The developers of the largest private project in the city's history reluctantly agreed to comply with the inclusionary housing guidelines as well as to target additional funds for affordable housing in the adjacent South Boston neighborhood. Early 1987 these voluntary agreements had undercut the GBREB's claim that inclusionary housing would harm the housing-development boom.

Flynn won the policy debate but lost the legal war. In June 1987 the U.S. Supreme Court decided two cases involving land-use regulation that addressed the issue of "regulatory takings." In effect, these rulings could limit the ability of government to zone land use without adequate compensation for the loss (or "taking") of property rights (Fulton 1987). Rather than risk a legal challenge, the city continued to seek only developers' "voluntary" compliance with the inclusionary housing guidelines. By early 1989, 231 low- and moderate-income housing units and more than $2 million in developer contributions had been produced as a result of this policy.

DISPOSITION OF CITY LAND, BUILDINGS, AND FUNDS

Important resources available to local governments for housing development include the inventory of publicly owned buildings and land as well as discretionary funds (including CDBG funds and, in Boston, linkage fees). Grantsmanship in obtaining competitive state and federal housing subsidies also is a measure of the effectiveness of the city's housing policy.

The Flynn administration inherited a sizable inventory of city-owned properties. The White administration's policies toward these city-owned properties reflected its development priorities. For example, the city government did not aggressively seek to foreclose on tax-delinquent owners of abandoned buildings or vacant land in order to assemble parcels for development, and those properties that were acquired by the city were auctioned off to the highest bidders. Most of these properties were in low-income neighborhoods. When Flynn took office, almost none of the auctioned properties had been transformed into housing.

In the early 1980s the White administration developed a plan for the rehabilitation of closed schools, primarily into housing, without any neighborhood participation. The White administration's track record consisted primarily of turning the surplus schools in upscale neighborhoods into market-rate housing and leaving the abandoned schools in poorer neighborhoods to remain undeveloped.

Mayor Flynn promised to reverse this legacy of neglect and gentrification of city-owned property. Flynn took three important steps to resolve bureaucratic obstacles that he inherited. First, he put an end to the auctioning of city-owned property to the highest bidder. City-owned properties, he declared, would be sold for affordable housing. Development would take place through public competition with neighborhood involvement. Second, Flynn formed a coordinating committee of relevant city departments to develop an inventory of city-owned properties and to establish an information clearinghouse for the public, so they could identify the owners of vacant buildings and lots in their neighborhoods. The labor-intensive project of identifying, mapping, and computerizing this information took more than two years. Finally, Flynn consolidated two city agencies—one responsible for managing city-owned property and the other responsible for allocating CDBG funds for neighborhood development—into one community-development department, the Public Facilities Department (PFD). Although he rejected the
recommendation for a single superagency, he did streamline the administration of development policies.

After the two development agencies (PFD and the IRA) produced an inventory of all city-owned properties (identifying over 3,000 buildable parcels, 747 of which were city-owned), Flynn announced a goal of breaking ground on every parcel of city-owned property by the end of 1991. By the end of 1988 more than 4,000 units of affordable housing had been constructed on city-owned land.

The Flynn administration also used city-owned land to expand the number of homeless shelters, transitional housing for women, lodging houses, and special-needs housing for the mentally ill and alcoholics. In Flynn's first four-year term, the number of beds in such shelters doubled to more than 2,000. The siting of these projects usually met with neighborhood opposition. This experience led Flynn to object to demands from some neighborhood groups that they be given a final veto over the disposition of city property.

How did the Flynn administration achieve these affordable housing objectives on city-owned property? Five factors can be identified.

First, the city government, forgoing revenue, sold the city's property for a nominal amount to reduce development costs. Second, developers were required to build mixed-income projects with the profits from market-rate units, helping to subsidize the below-market units. For example, during 1986-1988, 12 surplus schools, designated as such after Flynn took office, were rehabilitated into 472 housing units, of which more than 60% would house low- and moderate-income persons.

Third, the city aggressively pursued competitive state and federal funds.

The Flynn administration developed a close relationship with the Dukakis administration. Massachusetts has the most comprehensive housing programs of any state government. Boston received a significant share of the state's housing subsidies.

Despite the drastic decline in federal housing funds and despite the fact that Flynn, a Democrat, was a constant critic of the Reagan administration's housing programs, the Flynn administration did well. Flynn was supported by Boston's powerful representation in the U.S. Congress. Whereas the White administration used Urban Development Action Grant (UDAG) funds primarily for commercial projects, the Flynn administration sought UDAGs for housing projects targeted for low-income residents. It also obtained HUD discretionary funding for rental rehabilitation and housing for the homeless.

Fourth, the allocation of the city's discretionary CDBG and linkage funds were prioritized for affordable housing developments on city-owned property. Fifth, priority was given to nonprofit developers. When Flynn took office, Boston already had a fledgling network of CDCs. The Flynn administration made a decision to nurture and expand this network. By late 1987, Boston had more than 30 nonprofit housing groups. During Flynn's first term, more than two-thirds of the housing units approved for development on city-owned property were sold to nonprofit organizations to undertake affordable housing projects.

To expand the capacity of CDCs to undertake large-scale projects, the Boston Housing Partnership (BHP) was formed. The BHP is an outgrowth of a joint effort among business leaders, government officials, and the CDCs. The BHP's role is to help the CDCs improve their development capacity by taking advantage of economies of scale. Its first project was the rehabilitation of 700 vacant or substandard units in 60 buildings, many of them city-owned, into low-income housing. Its second project was the rehabilitation of 938 units foreclosed by HUD. Its third project was the development of limited equity (controlled resale and profit) cooperatives on city-owned land in several neighborhoods.

The BHP is perhaps the most successful public-private community housing partnership in the country (Bratt 1989). Through the BHP, the CDCs rehabilitate, own, and manage the developments. The BHP involves at least 20 sources of financing. The city contributed CDBG and linkage funds to hire staff and acquire properties— including several city-owned buildings — and tax abatements; the state provided tax-exempt mortgage financing and rental subsidies; the federal government provided tax credits for corporate investors and Section 8 rent subsidies for tenants; several local foundations and the national Local Initiatives Support Corporation (LISC) provided funds to hire the core staff; and the United Way contributed funds for CDC staff. The BHP's success led the Flynn administration to draft federal legislation modeled on the BHP (Flynn 1987).

TENANTS' RIGHTS: RENT CONTROL AND CONDOMINIUM CONVERSION

Since the mid-1960s, Boston's major housing battleground has been the regulation of rents, evictions, and condominium conversions. It has become the key litmus test for identifying political candidates as "conservative" or "liberal."

Boston enacted a strong rent-control law in 1969 that covered all private rental housing except owner-occupied two- and three-unit buildings. Subsidized and public housing also were exempted. By 1975 political support for strong rent control had eroded; rent control had become a convenient scapegoat for housing abandonment and high property taxes on homeowners.
Mayor White and the city council adopted vacancy decontrol, which permanently removed an apartment from regulation after a tenant left. As a result, by 1983 a vast majority of the once-regulated apartments had been gradually exempted from rent control—from over 100,000 units to under 25,000 units. Only those tenants who had lived in their apartments after 1976 were protected by rent control. While further demonstrated his opposition to rent control by appointing people who were opposed to rent control as members of the five-person rent control board and by understaffing the agency.

In the late 1970s a wave of condominium conversions fueled another round of tenant protest. In 1979 Flynn (then a city councilor) proposed a ban on condominium conversions, a policy that had little support among his colleagues. A compromise was reached that provided tenants with advance notice before they could be evicted for condominium conversion and relocation expenses.

For the 1981 city council race, the city's tenant groups formed a political action committee in support of pro-tenant candidates. They endorsed a six-person tenant ticket for the nine council seats, all elected at large citywide. Only two of their candidates won, but one of them—Flynn—received more votes than any other candidate.

The tenant mobilization pressured the new council to strengthen the tenant-protection laws slightly. It changed the vacancy-decontrol law to a rent-grievance system; tenants in decontrolled apartments (units previously covered by rent control) could initiate a grievance if annual rent increases exceeded 15%. 'Tenants could be evicted only for "just cause."'

Flynn was endorsed by MTO when he ran for mayor. A cornerstone of his platform was an overhaul of the tenant-protection laws, a return to full rent control, and either a ban on evictions for condominium conversion or a ban on conversion itself. Shortly after assuming office, the Flynn administration introduced comprehensive tenant-protection legislation.

In October 1984 the city council rejected Flynn's plan. In its place, the council substituted a stronger rent-grievance system, banned condominium evictions for low-income and elderly tenants, extended (up to three years) the notice period for other tenants facing condominium conversion, and increased moving expenses (from $750 to $1,000) for tenants displaced by conversions.

The compromise measure accurately reflected the balance of political forces at that time. The 1983 city council elections inaugurated a new system wherein nine members represented geographic districts and four were elected at large. Only three of the nine council districts had strong tenant organizations. Only one of the at-large councilors supported Flynn's plan, reflecting the power of the real estate lobby in the city council.

In mid-1985, Flynn convinced the city council to give the rent board the authority to regulate condominium conversions by requiring landlords to obtain a permit before a conversion could take place. However, the GBREB successfully challenged Flynn's policy in court. Then, in 1986, Flynn and tenant activists successfully pushed the city council to enact a condominium conversion eviction ban. Flynn filed legislation in the state legislature to give Boston the authority to enact the condominium permit law overturned by the supreme judicial court. It was enacted in early 1987. In summer 1988, with a slightly more progressive council in place, the city council enacted a permit system, giving the rent board the authority to regulate condominium conversions. Ironically, by 1989 there was an oversupply of condominium units owned by investors because of past speculative conversions.

The Flynn administration also supported state legislation to place HUD-subsidized developments under rent control if the owners exercised their option to prepay the federally subsidized mortgage. Without such protections, up to 10,000 subsidized units in Boston could eventually be at risk if owners were to prepay in order to take advantage of Boston's strong housing market and convert to condominiums. When the state legislature failed to act, the local government in Boston passed its own legislation. Boston was the first city in which such a regulatory policy was enacted. It may encourage owners to sell to tenants at a discount.

In his first five years in office, Flynn substantially improved the city's tenants' rights laws. Rather than the dramatic sweeping change he sought in his first year in office, however, the improvements came incrementally.

The tenants' rights laws involve government regulation of private property. Opposition from landlords and GBREB and support from tenant groups was expected. Although Flynn was unable to enlist the Vault and major employers to support his tenants' rights agenda, he helped shift the balance of political forces by enlist the support of labor unions, religious leaders, and some neighborhood association leaders who previously had been neutral on the issue.

**THE IMPACT OF FLYNN'S POLICIES**

The resources available to local government to solve housing problems are very limited. During a period of drastic federal housing cutbacks, local
governments lack the revenue base to address adequately the housing needs of their low- and moderate-income residents. For a variety of political, fiscal, and administrative reasons, when federal largess is withdrawn, most city governments, liberal and conservative, have not developed comprehensive and sustained alternatives.

The Flynn administration has been an exception to this rule. Perhaps more than the local administration in any other major American city, Flynn’s administration in Boston has actively addressed the city’s housing crisis. Using existing tools and resources—and seeking to invent and create new ones—Flynn’s administration has made an aggressive effort to develop a housing policy that seeks both to protect and to produce housing for poor and working-class residents. These efforts have met political resistance, legal challenge, and bureaucratic obstacles, but they nevertheless reflect a strong commitment to serve the needs of Boston’s poor and working class.

As a skillful politician, Flynn has been able to promote this agenda and remain extremely popular. Through his populist appeal and policies, he has been able to broaden and redefine the growth coalition. He has been able to accommodate the development community (if not landlords), the business community, and the construction trade unions by promoting managed growth and balanced development. Flynn has walked a tightrope between confrontation and compromise with the powerful business and development community while promoting a progressive housing agenda that has helped unite minority, ethnic, and neighborhood groups around common interests.

It is possible to find other cities with some of the same policies as those carried out by the Flynn administration (Nenno 1986). In no other city, however, has an attempt been made to pull together all these, and other, policies into a comprehensive program. Thus the efforts in Boston to develop a progressive housing approach despite Reagan’s austerity policies reveal a great deal about the potential, and the limits, of local housing policy.

What criteria should be used to evaluate a progressive local housing policy? We suggest the following four standards.

**BETTER HOUSING CONDITIONS**

Are Boston’s poor and working-class residents better housed than they would have been had the free, unregulated market been allowed to operate without local government’s intervention? Clearly, the policies that we have outlined have improved the housing conditions for Boston’s residents (Clay 1988). Renters are more secure and pay less than they would have if the tenants’ rights law had not been strengthened. The supply of affordable housing has been expanded, providing greater choice. Public-housing residents increasingly live in better conditions.

At the same time, however, the city government lacks the legal tools and financial resources to stem the tide of gentrification. Private market forces have pushed housing prices in the unregulated sector beyond what most Boston residents can afford. The inventory of HUD-subsidized housing is at risk and local government lacks the resources to fill the federal subsidy gap. The waiting list for public housing has doubled, which reflects a growing desperation among the very poor. City resources (even with the state’s support) are not adequate to build enough new low-income housing to accommodate this demand (Stavet 1988).

In these terms, the Flynn administration’s efforts have served as a holding action to slow down the tide of gentrification brought on by market forces. The administration also has used market forces—the city’s strong economic climate—to extract concessions from the private sector (through voluntary partnerships and involuntary regulations). Otherwise, the benefits of economic growth would not trickle down to the poor and working class. To add to the benefits of these housing policies, the Flynn administration’s other programs—such as the Boston Jobs policy and the Boston compact between employers and the public schools—help residents gain access to jobs that improve their opportunities in the housing market (Dreier 1989).

On balance, however, the city’s legal and economic resources simply are too limited to stem the forces of the private labor and housing markets that create a wide gap between available incomes and housing prices. The housing conditions for Boston’s poor and working-class residents are better than they would have been without the Flynn administration’s policies, but, overall, housing prices have increased faster than the incomes of these groups.

**EMPOWERMENT**

Although Kevin White rhetorically supported decentralized government, he never gave power to Boston’s neighborhoods. In contrast, a cornerstone of Flynn’s populism was the empowerment of neighborhoods. He created neighborhood councils (NCS) to work with the city on the development of city-owned property and to review all proposed development projects. He also created planning and zoning advisory committees (PZACs) to assist in the modernization of the city’s zoning code.

The best example of Flynn’s policy is the Dudley Street Neighborhood Initiative (DSNI), a foundation-funded group in the poorest section of Roxbury, Boston’s largest minority area. The city supported DSNI’s plan to
redevelop 30 acres of vacant land—half of it city owned—through a community land trust. The city delegated the power of eminent domain to the DSNI to enhance its development power, the first time that such an action was taken in the United States. The neighborhood will develop the plan and participate in its implementation over a five-year period through a CDC.

The Flynn administration’s effort to empower neighborhood groups met with some initial skepticism and resistance. Existing neighborhood leaders worried that the NCs and the PZACs would supplant them as power brokers in the city hall. But, in a number of cases, the Flynn-appointed NCs and PZACs opposed the administration’s development efforts. The most contentious issue was Flynn’s unwillingness to grant them veto power over development decisions. Flynn argued that such vetoes potentially could conflict with the administration’s responsibility to site low-income housing, homeless shelters, and group homes for the mentally ill. In most situations, however, the administration allowed the NCs, PZACs, and other community groups sufficient input in the development review that the veto issue never came to a head. In 1989, Flynn opposed a campaign for virtually absolute community control of development while offering to increase neighborhood influence on the zoning board of appeals.

The Flynn administration also provided funding for housing activist groups. Not only CDNs but also tenant groups in public housing and in private housing (the MTO) received funds to carry out their organizational agendas. Occasionally, they differed with the Flynn administration, usually over tactics and strategy, not policy. MTO was a major ally for tenants’ rights legislation. MPS was the catalyst for the Linkage Action Coalition’s support for stronger linkage and for inclusionary housing policies. The CDNs received funding to carry out low-income housing developments, but they also supported the administration’s other housing policies. Flynn’s support of DSNI reflects an unprecedented delegation of power to a neighborhood organization.

The most controversial issue between Flynn’s administration and Boston neighborhood groups was the attempt of the Greater Roxbury Incorporation Project (GRIP) to create a separate municipality called Mandela. Flynn strongly opposed what he called a racially divisive proposal, and the proposal was defeated overwhelmingly in 1986 and 1987 referenda.

**ADVOCACY**

Does the local government accept the need to “live within its limits” during a period of austerity, or does it challenge those limits by advocating for greater resources at the state and federal levels? In Boston, the Flynn administration changed the composition and the rules of the growth coalition. Flynn became a prominent force in state and national housing politics, lobbying for new policies and greater resources for the poor—especially for low-income housing.

In 1989, in an unusual example of a city government acting affirmatively to enforce the Community Reinvestment Act (CRA), which was designed to spur lender investment in poorer neighborhoods, the Flynn administration initiated a redlining study (Finn 1989) that ultimately confirmed racial discrimination in mortgage lending in Boston. It then created a municipal linked-deposit program, which leveraged city funds to reward those lenders committed to invest in Boston’s poorer neighborhoods, and established a Community Banking Commission to oversee CRA compliance. Using these tools and working with the community organization, the Flynn administration pressured the banks to develop a $400 million community-reinvestment plan, including new branches, a below-market mortgage pool, and other programs targeted to low-income and minority areas.

At the state level, Flynn was the only major elected official to endorse and rally support for the “right-to-housing” campaign—an initiative opposed by both the Dukakis administration and the real estate industry. A coalition of religious, housing, and human service organizations, led by the Massachusetts Coalition for the Homeless, initiated a campaign to put a right-to-housing amendment to the state constitution before the voters through a referendum. Flynn also endorsed and testified on behalf of state legislation, supported by housing activists but opposed by the real estate industry, to impose rent control and condominium conversion restrictions on housing for which HUD subsidies were expiring.

At the national level, Flynn became the recognized spokesman for the nation’s local officials on housing and poverty issues. Soon after taking office, Flynn became active in the U.S. Conference of Mayors and the National League of Cities, two groups whose political effectiveness had waned significantly during the Reagan administration. Along with Mitch Snyder and the National Coalition for the Homeless, Flynn became one of the leading advocates for what became the 1987 McKinney Act, the first federal legislation during the Reagan era to fund services for the homeless. Flynn’s staff drafted the Community Housing Partnership Act, modeled on the BHP, to provide federal funds to nonprofit housing developers (Dreier 1987). The bill was incorporated in the omnibus housing bill that was pending in the U.S. House of Representatives as of August 1990.
Flynn's credibility as an advocate for affordable housing was based on the perception that under his leadership, Boston was on the forefront of housing policy. As the mayor of the nation's twentieth largest city, he has carved out a niche for himself as a populist spokesperson for the urban poor, for federal aid to cities, and for progressive housing policies.

**MODELS**

Local government lacks the resources to solve all the housing needs of its constituents, but it can develop policies and programs that can become models for federal housing programs. It can show that new, innovative concepts are feasible and can be replicated elsewhere if given adequate support.

The Flynn administration's most lasting legacy in this regard is its support for the nonprofit (or "social") housing sector. Boston is considered the most successful city in nurturing a network of sophisticated CDCs, ironically, the support for BHP by many of Boston's top business leaders has provided enormous credibility for a nonprofit approach to housing development that challenges the underpinnings of a market-driven housing system. Not only do Boston's nonprofit groups build, rehabilitate, and manage housing, but they insulate their developments from Boston's speculative housing market by imposing rent limits and resale controls on their housing.

There are, of course, limits to what Boston's nonprofit groups can achieve, even with substantial city government, state government, private foundation, and business support. There are not enough resources to address the housing needs of all Boston's low- and moderate-income residents adequately. Despite the government subsidies, these projects still require highly leveraged private financing. The capacity of Boston's nonprofit groups is still uneven, particularly in the management of the housing they develop. These, however, are problems that can be overcome with time and adequate funding. By promoting the nonprofit sector and its approach to housing, the Flynn administration has nurtured a housing-delivery system that will outlast Flynn's mayoralty as well as serve as a model for other cities and for federal housing policy.

**PROGRESSIVE MUNICIPAL HOUSING POLICY:
THE LESSON OF BOSTON**

The case of Boston under populist Mayor Ray Flynn illustrates that a progressive municipal government can institute a redistributive housing policy aimed at offsetting and regulating market forces to provide better below-market-rate housing for its poor and working-class citizens. This is the reverse of what occurs in most American cities, including Boston under the administration of liberal Mayor Kevin White when, in his administration's later stages, deregulation and the promotion of market forces were promoted. White's policies exacerbated the housing crisis of Boston's less well-off citizens. Populist Flynn's policies helped to alleviate that crisis.

This conclusion counters Peterson's (1981) claim that city governments cannot successfully engage in and sustain redistributive social policies that would discourage private investment. In the case of Boston under Flynn, Boston's economic transformation into one of the leading markets in the United States for private development and investment meant that its locational advantage allowed a reform mayor to institute progressive policies without the fear that they would provoke a serious threat to his political future. In addition, Flynn did not take an antigrowth stance but, rather, sought balanced growth and economic justice. He built a broadened growth coalition that supported development that included neighborhood-based development and neighborhood participation in planning and development. This allowed the city government to intervene actively through administrative, regulatory, tax, and subsidy policies to promote equitable, rather than uneven, development and affordable housing in Boston's working-class and poor neighborhoods.

However, no single city government alone is capable of solving a city's housing crisis, at least if it is of the magnitude of Boston's in the late twentieth century. Despite its own innovations, contributions from the private sector, and strong support from a liberal state administration, Flynn's regime has been able to make continued, but only modest, progress in meeting Boston's affordable housing needs.

Because of fiscal constraints, local governments—which progressive, liberal, or conservative—cannot realistically be expected on their own to solve the nation's housing problems. Nor can they expect to receive sufficient aid from state governments to offset the loss of housing assistance from the federal government. During the Reagan administration, HUD's budget was reduced from $33 billion in 1981 to $8 billion in 1988. The production of new subsidized housing fell dramatically as Reagan's HUD tried to eliminate federal housing-production programs in favor of short-term housing vouchers. HUD also championed the privatization of federally subsidized housing. Although Reagan's administration did not succeed in its stated goal of removing the federal government from housing, it did cripple federal housing programs and did all it could to address the burgeoning problem of
homeness that is partially a result of its anti-low-income-housing policies (Hartman 1986).

What is required is a combination of progressive local housing policies and the reestablishment of a serious federal commitment to affordable housing (Angotti 1986). That federal commitment must go beyond the market-based policies of past administrations, liberal and conservative alike. There must be a recognition of affordable housing as an entitlement (Davidoff 1983; Institute for Policy Studies Working Group on Housing 1989). Although the landmark 1949 and 1968 national housing legislation rhetorically supported this concept, there has never been a commitment by the executive or legislative branches to provide sufficient funding to fulfill the stated national goal of decent, affordable housing and a nondiscriminatory market (Dolbear 1983).

Unless the federal government is fully committed to a major housing program, cities will continue to suffer from housing shortages, displacement, racial discrimination, uneven development, and homelessness. In March 1988 the congressionally convened National Housing Task Force recommended that the federal government at least once again provide modest support for new housing for low- and moderate-income Americans, especially first-time home buyers (National Housing Task Force 1988; Suchman 1988). This falls far short of what is needed. Only a major reordering of federal spending priorities and resolution of federal budgetary deficits could produce truly adequate resources for the federal aid necessary for local governments in progressive cities like Flynn’s Boston to address their affordable housing problems successfully in an equitable way.

NOTE

REFERENCES


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