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# Making a Twenty-First Century Neighborhood

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Since the late 1980s, San Francisco's South of Market, historically an industrial and port area, has been changing. In the blocks closest to the waterfront and downtown financial center, this change has been characterized by large-scale commercial and residential development, typical of the so-called post-industrial evolution that many cities are experiencing.

Just beyond this area a more complex, diverse community is emerging — one that includes people of different incomes, ethnicities, occupations and lifestyles while showing few signs of gentrification. This change, characterized by small-scale infill and renovation projects and a fine-grained mix of uses, is being fostered, in part, by the area's remarkably adaptable street patterns and building types.

From the 1950s through 1970s, this area was designated to be redeveloped by outside-in government forces into an extension of the city's financial district, but that plan collapsed under political opposition and financial difficulties. Today a different combination of revitalizing forces is at work — changes in corporate structure, new approaches to government regula tion and new channels for developing property and delivering services.

Network of CDCs

Federal government

ommon

Foundations

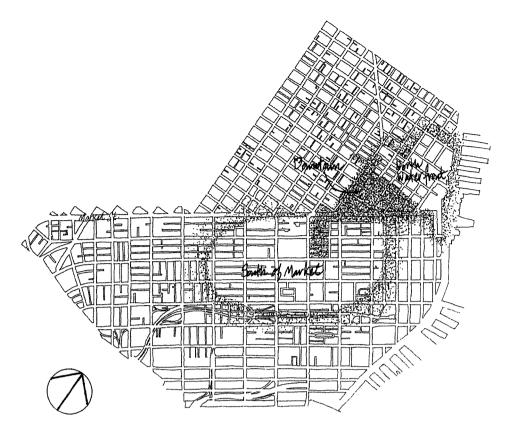
Ironically, the roles are now reversed; the area is being revitalized from the inside out by a network of neighborhood-based builders, developers and service providers, who have invited public agencies to assist them.

South of Market offers lessons about how cities can nurture cosmopolitan neighborhoods while avoiding gentrification and lengthy, expensive redevelopment. Its story is especially timely in the wake of increasingly polarized settlement patterns throughout the U.S., the downturn of largescale, speculative real estate development and the decline of areas that surround downtowns. Its experience has broad applicability, especially to medium-sized and large cities that have administrative downtowns and successful networks of community-based nonprofit service organziations.

Historically, South of Market hosted manufacturing, light industry and infrastructure serving San Francisco's port. Long blocks, wide streets and flat land made the area ideal for this purpose: buildable parcels could be large and unhindered by the city's rolling terrain; goods could flow easily to and from the port. Products could be made and stored here, then shipped elsewhere in the nation and the world. Above: The web of relationships among landowners, local community development groups, government and foundations that is shaping the South of Market today.

Background: New live-work housing.

(Photos and graphics by Cheryl Parker)



South of Market is near San Francisco's waterfront and downtown. Financial, retail and tourist districts and the civic center are just across Market Street.

In the early 1960s South of Market's port-related activities started to become obscelescent, and business leaders proposed ambitious urban renewal plans for the area that sought to bolster San Francisco into a headquarters city. The redevelopment agency, federally backed and very powerful, razed neighborhoods and proposed superblock plans for high-rise office buildings, a stadium, convention center and hotels.

The intent of this large, fortress-like project, called Yerba Buena Center, was not only to accommodate white-collar office workers but also to initiate gentrification in nearby neighborhoods. Yerba Buena's development character would be foreign to the area's existing urban form, reflecting the new uses, the scale of the project and the desire to establish a visual symbol of progress.

But citizen protests about relocation stalled the project for years, and local and federal actions fundamentally altered its nature; financing ultimately collapsed in the the late 1980s real estate recession. Yerba Buena is now a cultural and entertainment district that includes a convention center, hotel and cluster of museums along with housing (some of it affordable housing developed under court order by nonprofits) at the edges.

Today, the area near Yerba Buena is changing quickly: half the property was sold between 1988 and 1993 (450 buildings in a twenty-block area).<sup>1</sup> Yet, this turnover has not resulted in widespread gentrification, displacement or large-scale projects. Rather, development has been incremental, through renovation or infill construction. The neighborhood's mix of housing, small business and light industry offers an attractive setting for people with a range of work situations and lifestyles.

The uses introduced by this new activity are diverse: business consultants, furniture-makers, printers, clothing manufacturers, photo-supply businesses, auto-body repair shops, architects, artists, florists, restaurants, cafes, art exhibit spaces, movie and television studios and so on. Some of these businesses serve downtown corporations, others are self-contained designer-manufacturers and others serve the emerging local community. Many of these businesses are reinhabiting older warehouses or lofts, suggesting that the infrastructure of a prior industrial era has been easily adapted to the needs of this emerging, diversified economy.

South of Market's existing building types and street pattern also readily accommodate small new residential communities. These "pocket communities" are tucked away throughout this mixed-use area, mostly along alleys. Characteristically, pocket communities are residential clusters no more than a block long that offer a sense of definition, safety and collective ownership. They can be associated with new residents and raised land values, though not always. Just as manufacturers have moved into both existing and new warehouses, pocket communities comprise a range of housing types — existing Victorian row houses or walk-up tenements, new infill live-work loft development and affordable housing built by nonprofit groups.

South of Market has a substantial low-income population. These residents are not concentrated in one large area; they live in separate, smaller communities that are dispersed and distinct from one another. This pattern avoids creating a ghetto of low-income people and it seems to curb full-fledged gentrification; with well-established, low-income communities living in physically separate, well-defined neighborhoods, new neighborhoods can emerge only by filling in left over spaces. An important component of cosmopolitanism, therefore, may be a dispersed pattern of many socioeconomic groups in pocket communities, rather than large concentrations of only one type.

Pocket communities feel safe, a perception that may be related to a sense of ownership. For example, several pocket communities abut Sixth Street, which is perceived to be high in crime. Yet, residents on some of these alleys claim not to have much crime. The residents explain that the regulars who hang out at the entrances to the alleys guard their turf: they are not likely to let outsiders through, nor are they likely to damage their own territory. Perhaps diverse groups can coexist peacefully if each has a sense of ownership of an area and neither desires part of the other's turf.

#### Why the Area is Changing in this Way

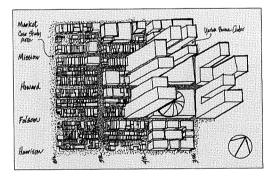
*Restructuring corporations.* Corporations are reorganizing in several ways. Some are creating smaller units and calling on shortlived, intensive, multidisciplinary work teams to design products, which are often tailor-made to respond to rapidly changing customer preferences. Many corporations are shedding middle management, support divisions and clerical staff replacing them with consultants or outside vendors. At the same time, telecommunications technology has enabled many types of workers, whether permanent employees or short-term consultants, to work in a more dispersed way.

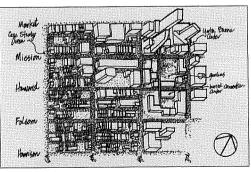
Changes like these have several implications for building design, settlement patterns and urban form. For example, older office buildings (those built from the 1920s through 1970s) with large floorplates are often less desirable for these smaller, reconfigured corporations. Increasingly, they are being left vacant or renovated to suit other uses. (In the case study area, the vacancy rate of office buildings along Market Street that have sold since 1988 is 50 percent.) Loft office buildings have the highest vacancy rate of any properties recently bought. Thus, even though these buildings were designed and used for light industry (such as jewelry and furniture makers), that activity is now attracted to warehouses.<sup>2</sup>

There also has been a proliferation of work-from-home professionals and small business services companies. This may account for some of the pockets of home-based workers in South of Market and increasing demand for live-work spaces.



Redevelopment officials hoped South of Market would continue being developed with buildings like this office tower, near the financial district.





Two proposals for Yerba Buena Center. The bottom drawing depicts the cultural facilities, convention center, hotels and gardens that comprise the redevelopment area and its surroundings.



Above: A single-room-occupancy hotel, typical of the moderate-scale, infill development sponsored by local nonprofits.



Below: Infill housing and a pocket community typical of the South of Market today.



Lastly, companies that tailor-make products must be very accessible to suppliers and clients. It is increasingly common to see concentrations of consultants and suppliers close to central business districts and near major transportation routes in large cities. South of Market suits this need well: it is near the financial district, major regional transit lines and freeways that lead to corporate districts outside the city. Inexpensive land and warehouses easily accommodate their space needs.

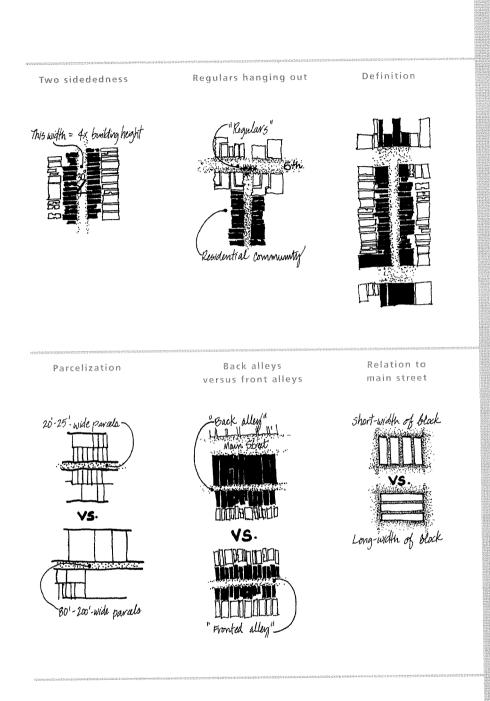
A network of service providers. Community development corporations have been evolving for thirty years. These neighborhood-based groups emerged during the federal social experiments of the 1960s and have now become primary housing developers and service providers for low-income populations in old city centers. In South of Market, there is an umbrella organization that coordinates all community development and service activities and mediates between city agencies and nonprofits. This organization is still evolving, and is akin to a neighborhood government for the needs of a low-income population.

This network is impacting the nature of development in South of Market in two ways. First, since it represents the interests of the existing low-income populations, it has used its considerable political influence to advocate a development approach that maintains the existing affordable context, particularly through mixed-use zoning and small-scale projects.

The incremental, infill approach is partly a result of the lessons learned from early renewal projects: large-scale demolition and redevelopment tend not to create new housing for the people they displace, and they tend to provoke either speculation and decline (if buildings are removed and not replaced) or gentrification (if the new large-scale uses command higher land prices than previous uses) in surrounding neighborhoods. This approach also results from the limited amounts of capital and land available for any one project.

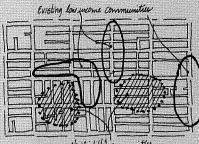
The second impact is related to how community-based nonprofit developers finance projects. Typically they patch together funding from various sources, build housing and then funnel rent proceeds back into maintaining it, providing social services and constructing new housing. However, the housing, services and economic base are almost exclusively for lowincome people. This is largely due to the many regulations associated with outside funding sources, which make mixedincome and mixed-use developments very difficult.

*Mixed-use regulation*. South of Market's "live-work" zoning seeks to control both gentrification and large-scale redevelopment and to reflect more accurately the lifestyles of people in the area. The zoning was created in 1988 by city planners who recognized the economic value of having suppliers and light industry close to downtown. It permits residences next to light



industry, a mix of uses not commonly allowed. It also prohibits office-only uses, which can drive land values so high that light industry or housing are priced out. Live-work regulations, in turn, are fairly restrictive, prohibiting "non-art" work activities (including architecture, accounting, legal services, etc.).<sup>3</sup>

The market response to this ordinance can be seen in the renovation of warehouses and the many new infill live-work developments that are being constructed. The market for this type of space, however, is clearly limited to a certain population as new units are being absorbed slowly but steadily.



New "infill" communities

Location of pocket communities.

#### The Physical Characteristics of Pocket Communities

Street level doorways. Front doors that open at street level create human activity and a sense of density. This is especially true of people in live-work communities, because people are always there. An area can seem busy even if few people live there.

Parcelization. A greater frequency of front doors (which results in part from parcelization) helps create a sense of activity and community. A 20 to 25-foot rhythm is associated with this sense.

Back alleys. Back alleys to businesses in warehouses that front a main street are not likely to become pocket communities.

Two-sidedness. A sense of community can be perceived in a group of as few as four buildings whose front doors face each other across an alley.

Exposure. Alley properties that are exposed to a main thoroughfare are not as likely to develop into a pocket community.

Length and width. Pocket communities are more common on shorter alleys and on alleys that run the short width of the block. Narrower alleys are more likely to develop as pocket communities than wider ones.

Definition. Strongly defined, twosided alleys, that have strong endings are more likely to develop as pocket communities.

Relation to main street. Mid-block alleys that align with mid-block alleys in an adjacent blocks often incorporate the main street as part of the pocket community.



Examples of infill livework space and commercial development.



After the 1989 Loma Prieta earthquake, the area between Fifth, Seventh, Market and Harrison streets was designated as the Earthquake Redevelopment Area. Ironically, this project involves many of the same players as the one in the 1960s. However, the redevelopment agency, rather than proposing large-scale plans for razing neighborhoods and promoting fullfledged gentrification, adopted the zoning as its plan.

The agency is still a powerful change agent, funding smallscale, affordable housing developed by nonprofit groups — the type of small, incremental development the zoning envisions. The city planning department, in turn, advocates policies that both preserve the existing character of the area and guide future development to be of the same scale and architectural quality through conditional use design controls and selected historic preservation district controls.

A physical environment that enables diversity. South of Market's mix of building types and street patterns make it easily adaptable to new activities, lifestyles and manners of working. The grid of wide, through streets is overlaid with a delicate web of narrow, short alleys, and much of the land is subdivided into small parcels. This framework encourages safe, hidden pocket communities to form, allows for incremental development at a range of scales, preserves affordable opportunities for owning or renting residential or commercial space and contributes to a very human street scale and rhythm. Also, warehouse space is available in many different varieties and locations. Because this building type lacks a close fit to any specific activity, it can readily accommodate a myriad of uses.

#### Making a Twenty-first Century Neighborhood

*Make the network of service providers even more effective.* Lowincome community leaders want a presence of affluence to help make the neighborhood more economically viable by attracting services, businesses and customers. However, they know little about the presence of incoming residents, some of whom are affluent.

The neighborhood is composed, on the one hand, of people who are privately benefiting from their own affluence by having the values of their properties increase, and on the other, a nonprofit network that is constantly struggling to find funding to serve a low income population. These discrepancies may be characteristic of an evolving, cosmopolitan inner-city neighborhood held captive by outdated or still-developing mechanisms for serving the needs of a diverse population.

South of Market's nonprofit developers and service groups have a great potential for serving a more cosmopolitan population. It may be time to revamp the regulations regarding financing for affordable housing and make them more applicable to the mixed-income populations or other types of development.

This network of community developers might launch a pilot program to test new ways of providing services like safety, street maintenance, postal delivery, building inspection and business development. Service providers might become mixed-use themselves, combining postal carrying with building inspection, street maintenance with a neighborhood watch. Perhaps the neighborhood could use a portion of the tax revenues it generates to fund in-house service providers. City agencies would continue to evolve as players to assist the network of neighborhood nonprofits. Such a reorganization of service provision might make the city more efficient at providing other services, such as education, transportation and fire protection.<sup>4</sup>

The nonprofit network might also establish an ongoing source of information that documents the area's local economy, noting both its resources and service needs. This database, in turn, may serve as a means for creating neighborhood-based PROF SSIONNE CLES ICAL

service providers that cater to both businesses and residents. It could also help coordinate space that is for rent with small businesses that are looking for short-term leases. Buildings might be subdivided into small offices and serviced by residents trained to clean and maintain office space.

Planning and design regulation should nurture the market for small-scale development and promote attention to streets as neighborhoods. South of Market's current urban design regulation mandates attention to both architectural and areawide character. Yet, in the comfortable residential pockets that are emerging in alleys, the character of the streets is what establishes a feeling of community. Therefore, urban design regulation should also address the design of streets, particularly their definition as positive spaces (some of these design issues are described in a sidebar to this article).

Leave room for change. South of Market's proximity to the financial district makes it a logical place for extending downtown. This area could accommodate downtown expansion (whatever size new office buildings might be) because few of its large parcels have been developed. However, it would be susceptible to speculation, displacement and redevelopment if high-density office or residential were allowed unchecked.

South of Market should be considered as having economic importance as a whole rather than being valued for the economic potential of its individual parcels. The highest and best uses for the area might not be those that can bid the highest, but those that support the higher-bidding office and residential uses nearby. A cosmopolitan neighborhood (accommodating residences, shops, offices and some industry) can be both comfortable and desirable because it has a continued presence of people day and night. Moreover, it is important to have a critical mass — and variety — of suppliers close to the financial district. A good planning strategy might, therefore, protect and invigorate the market for small-scale development, while reserving some of the available larger properties, "pocket-zoning" them to permit offices (and other high-value uses) and letting the market decide how they develop. This strategy will leave room for the inevitable expansion of the financial district yet protect the area as a comfortable context for suppliers to flourish.

Restructuring

corporations are

cutting out middle management and sup-

port staff and relying on

whom are former employees working from their homes.

consultants - many of

*Encourage dispersed development.* The present patterns of scattered and dispersed communities and of uses that may be in conflict seem to keep gentrification and speculation under control while also making a more lively pedestrian streetscape.

Development is dispersed in several ways. Pocket communities that are similar socio-economically are physically separated from each other, rather than concentrated into one area. Also, the prevalence of commercial and light industrial uses

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A "regular" who keeps watch over one of South of Market's pocket communities.

Innovative mixes of activities are emerging.



between pocket communities seems to control land values. If the area were to become solidly residential, land values would likely rise because nuisances would be gone and because the aura associated with warehouse living is attractive and trendy.

The present zoning and redevelopment strategies are successful at encouraging a mix of uses and small-scale, infill development within the existing street and lot pattern. This seems appropriate for creating cosmopolitanism and controlling gentrification. A "pocket zoning" strategy might also assist in encouraging a dispersed development pattern.

Promote safety through increased ownership and a sense of place. Pocket communities feel safe, but this sense does not seem to depend on gentrification. It does, however, seem to be correlated with a sense of ownership and a sense of place and definition. "Owning" may be actual (as in purchase of property) or it may be a perception (as in claiming turf). Both forms seem important to making a feeling of community.

Ownership of newly built, privately developed residential properties is increasing. Most are affordable, small scale and

infill. Their newness, highly articulated and colorful nature add a cheerful aesthetic to the area. They create a look of care which, in turn, translates into a feeling of ownership.

The maintenance of these properties will be very important to continuing this sense of ownership. On many new buildings, the materials are inexpensive and the detailing is busy (interestingly, nonprofit housing developers tend to use higher quality materials). Poor maintenance can quickly create an appearance of neglect and disinvestment. Developers should keep this in mind when choosing designers and contractors. Sometimes simple designs with quality materials are more elegant and contribute more handsomely to the making of a cared-for neighborhood than fancy, cheaply executed designs.

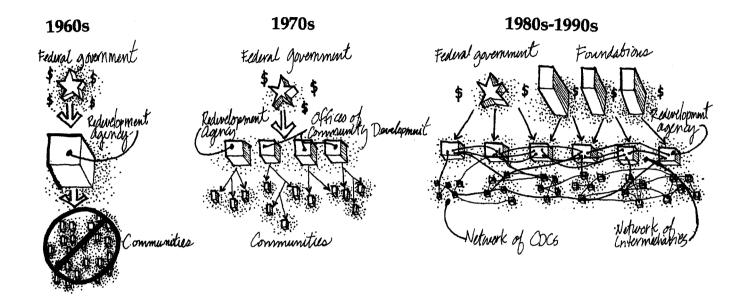
Collective owning of territory is also important for establishing a feeling of safety in an area. It also can help different groups co-exist peacefully, if each group feels responsibility for an area. Areas that feel collectively owned often have a sense of physical definition and a feeling of being peopled. This study identifies many physical characteristics that lead to a sense of definition in a place and that urban design regulation should mandate, such as doorways fronting the street, a high degree of parcelization and narrow streets.

#### **Thoughts About Other Cities**

South of Market is experiencing a phenomenon that is not supposed to be happening. The conventional wisdom tells us that inner cities are becoming unsafe war zones, faced with permanent cycles of poverty and filled with obsolete buildings and infrastructure. It tells us that more people are moving to homogeneous, gated, safe communities beyond suburbia. It tells us that these changes are related, inevitably, to "global restructuring." Is South of Market a fluke, or could the same phenomenon happen elsewhere?

South of Market shows important similarities to other cities. Its development history — the fall of large-scale redevelopment and the rise of small-scale infill development — is typical. Also, many cities have large areas that once provided the infrastructure for manufacturing and industry and now need revitalization. Community development corporation networks are now scattered all over the country. Restructuring corporations are impacting the work lives of many Americans and the structure of many communities.

On the other hand, this area is unusual because it is next to the financial district of San Francisco, a city with economic significance in the global economy. This difference matters because companies in the central business district seem to attract the new population of suppliers and consultants. The



experience in South of Market, therefore, might apply more directly to the inner-city neighborhoods in larger cities that have strong, service-oriented downtowns.

Given the fundamental changes in how people live and work, and given the aging infrastructure in most American cities, it seems critical that more studies such as this one be done for cities of all sizes and types. Our generation of urban designers should first understand the birth of places like South of Market, and then celebrate them through thoughful, innovative inquiry and design.

#### Notes

1. Other than speculation in the 1970s, there has been no evidence of a real market in this area since the 1950s.

2. There is a very clear distinction between what I call "loft office buildings" and "warehouses." The former are office buildings designed to be used by small light industry, like jewelry and furniture makers. They are usually four to six stories in height with large, industrial windows, high ceilings and large open floors. The latter tend to have larger floor plates, higher ceilings and fewer stories, and were once mainly used for storage or manufacturing.

3. These controls acknowledge many types of living and working and, therefore, do not require a formula for the amount of space devoted to either living or working. They are also are highly permissive in terms of parking and open space requirements.

4. A very successful program that already exists matches local residents who are trained in street steam cleaning with commercial areas where businesses have agreed to pay for this service.



Top: The web of relationships among landowners, local community development groups, government and foundations that has shaped South of Market at various times in its history.

Above: Affordable housing developed by a nonprofit group.