

FEB 19 1990

LSC # W-11  
Action \_\_\_\_\_

COVER SHEET: Request for Approval to Use W-Designation

TYPE I. PROFESSOR COMMITMENT

- Professor Dorothy A. Palmer Phone 2615
- Writing Workshop? (If not at IUF, where? when? \_\_\_\_\_)
- Proposal for one W-course (see instructions below)
- Agree to forward syllabi for subsequently offered W-courses?

TYPE II. DEPARTMENTAL COURSE

- Department Contact Person \_\_\_\_\_ Phone \_\_\_\_\_
- Course Number/Title \_\_\_\_\_
- Statement concerning departmental responsibility
- Proposal for this W-course (see instructions below)

TYPE III. SPECIFIC COURSE AND SPECIFIC PROFESSOR(S)

- Professor(s) \_\_\_\_\_ Phone \_\_\_\_\_
- Course Number/Title \_\_\_\_\_
- Proposal for this W-course (see instructions below)

SIGNATURES:

Professor(s) Dorothy Palmer

Department Chairperson Richard F. Heigler

College Dean Rachel George

Director of Liberal Studies Chad DeHill 3-1-90

COMPONENTS OF A PROPOSAL FOR A WRITING-INTENSIVE COURSE:

I. "Writing Summary"--one or two pages explaining how writing is used in the course. First, explain any distinctive characteristics of the content or students which would help the Liberal Studies Committee understand your summary. Second, list and explain the types of writing activities; be especially careful to explain (1) what each writing activity is intended to accomplish as well as the (2) amount of writing, (3) frequency and number of assignments, and (4) whether there are opportunities for revision. If the activity is to be graded, indicate (5) evaluation standards and (6) percentage contribution to the student's final grade.

II. Copy of the course syllabus.

III. Samples of assignment sheets, instructions, or criteria concerning writing that are given to students.

Provide 12 copies to the Liberal Studies Committee.  
Please number all pages.

## PS 370 PUBLIC ADMINISTRATION

BOOKS: Modern Public Administration, 7th Edition, Felix Nigro  
Cases in Public Administration, 4th Edition, Golembiewski

COURSE OBJECTIVES: To expose students to "real world" situations in the public sector, dealing with concrete situations together with the conflicting theoretical bases upon which specific cases and decisions are made.

	<u>NIGRO</u> <u>CHAPTERS</u>	<u>CASE</u> <u>BOOK</u>
<b>PART I</b>		
<u>Study of Public Administration</u>		
1. Relationship of Public Administration to the Political Process	Nigro, 1,2	
2. Ethical Environment of Public Administration	Nigro, 3	53 (pp331-33)
3. Administration and politics	Nigro, 4	40 (pp.273-79)
<u>T E S T</u>		
<b>PART II</b>		
<u>The Administrative Organization</u>		
4. Organization Theory	Nigro, 6	34 (242-46)
5. Line and Staff Relations		45 (pp301-03)
		21 (pp155-57)
6. Centralization and Decentralization	Nigro, 7	28 (pp195-200)
<b>PART III</b>		
<u>Basic Problems of Management</u> (Part I)		
7. Decisionmaking (Class Exercise: Decision Making)	Nigro, 8	
8. Managing under Fiscal Stress	Nigro, 9	
<u>T E S T</u>		
<u>Basic Problems of Management</u> (Part II)		
9. Communications and Public Relations (Class Exercise: Communications)		
10. Leadership	Nigro, 11	14 (pp107-09)
11. Program Evaluation	Nigro, 10	
<b>PART IV</b>		
<u>Fiscal Administration</u>		
12. Budgeting and Accounting	Nigro, 14	

PART V Personnel Administration

13. Civil Service Personnel Program	Nigro, 12	22 (pp.158-160)
14. Collective Bargaining	Nigro, 13	13 (pp.99-103)

T E S T

Case studies will involve written assignments due on a specific date. You will be graded on your essay and your ability to discuss and defend your position. Five points per day will be deducted for late case studies. There will be no makeups for in-class exercises.

There will be three major tests. Test No. 3 will fall in the final exam schedule. No makeup tests will be given. Students with a medical document or proof of a family tragedy can earn a double grade on the next test.

Final grades are determined by a total cumulation of test scores (60%), case studies (30%) and class exercises (10%). Grades will be assigned on a normal grade curve.

Dorothy Palmer  
Keith Annex 108  
Ext. 2615

OFFICE HOURS  
Tues./Thurs.....8:30-9:30  
Wed./Fri.....8:00-9:00  
Thurs.....1:00-2:00

Writing Summary: P.S. 370 Public Administration

Public Administration is proposed for identification as a "W" course. The course is taught every semester. Most students in the class are juniors and seniors, a few may be sophmores. Most students are political science majors; a few may be from other disciplines. Class size would be limited to 25. The course counts toward a Political Science major or minor.

I attended the IUP Writing Workshop, Spring, 1989.

Types of Writing in this class include:

1. Writing to stimulate thought or clarify positions.

After listening to a lecture or a discussion of a issue, students will be asked to summarize in writing major points or take a position on an issue discussed. In some instances half of the class will be assigned to present a pro essay and the other half a con essay. This writing will enable the student to see and present both sides of an issue. A random sample of these essays will be read to the class and subjected to criticism. These essays will not be graded.

2. Writing for Evaluation.

There are three major examinations, coequal in weight. Approximately half of each exam consists of multiple choice questions. The other half consists of two essay questions, that are interpretive and apply theoretical material from lectures and the text to specific situations. The exams are written during the class period. In grading the essays the greatest emphasis is placed on an ability to express ideas effectively. These essays count as forty percent of each test. The combined total of test scores will be 60 per cent of the final grade.

3. Case Study Writing.

The essays are prepared outside of class (two pages each). The emphasis here is on student response to a brief case study provided in a separate case study book, Cases In Public Management. Essays are evaluated on the student's ability to make sound administrative decisions with supporting material presented in a persuasive manner. The combined grade for the case studies is thirty per cent. Individual case studies are graded on a scale of 1-10.

#### 4. Class Simulations.

Four class exercises are held during the semester. Each student prepares a paper setting forth her individual decision in reaction to each simulation. Next she meets as part of a six person group that drafts a joint decision. Finally, the student produces an individual reevaluation of the group decision, based on her original proposal. These reevaluations count as ten per cent of the student's final grade based on a scale of 1-10.

#### SAMPLES

1. Writing to stimulate thought or clarify positions.
  - a. How do an administrator's values impinge on his decisions in executing an environmental program.
  - b. Pennsylvania should implement a user fee to provide for a better highway system in the western part of the state. Agree or disagree.
  - c. What conflict exists between traditional public Administrators and the "new public administrators?"

#### Essays for Examinations

1. How did politics impinge on the final decision on the Cape Hatteras seashore beach issue?
2. How has collective bargaining changed the civil service merit system?

#### Case Studies

After reading the case study "Conflict on the Human Services Coordination Team", summarize the major conflict at issue and prepare an essay addressing the following: You are Jerry. A welcome emergency long-distance call gets you off the spot for a few moments. You steal a few more moments to reflect on the meeting.

So far, the discussion had ventilated some issues, and things are beginning to get hot. As Jerry, where would you like to see the discussion go from here? How do you think you have handled the conflict so far, and what would you have done differently? What do you think you have done well about directing the discussion?

You tick off some of the issues. Is Arthur racist? Do you think he understands the black community? Do you think there is such a thing? Should Frances be evaluated or otherwise treated differently from the other members of the field staff?

You also are aware of the differences of opinion and values between Arthur and Frances. Which are proper subjects for management concern? Should you try to help find a way toward a resolution of their conflict that helps each better understand the other's goals and needs and still is consistent with the agency's mission and community needs?

With this kind of thought in mind, what is your opening intervention to be when you reenter the conference room? How do you expect Frances will respond? Arthur?

This assignment should be typed. Length: two pages. Please use standard English and spelling. Write sentences rather than phrases or listing items.

Simulation: Decision Making.

Now that your team has completed the exercise and agreed on a team decision compare your individual decision with that of team's decision. Is the team's decision better? In what ways is it superior? In this exercise were you a leader or a follower? Why?

Write a two-page paper covering these questions. Papers will be graded from 1-10.

form of organization also allows people at higher levels to set broad goals and hold subordinates responsible for meeting them.

No wonder that corporations and not-for-profit institutions are organized along roughly the same lines. Bureaucracies may be looser or tighter, with few or many layers of review, informal or strict reporting requirements, and more or less participation from below in setting goals. But the basic principles of specialization, coordination, and accountability remain the same.

Public bureaucracies are different from other hierarchies in one important respect, however. Accountability is not solely upward toward higher levels of executive authority. Public servants are accountable to the public, and the public (or its elected representatives) may intercede at *any* level, demanding all sorts of things, some of which may be inconsistent with one another. For example, the head of the state trucking association (a group of trucking companies) objects to the fees and weight limits proposed by the Division of Trucking, in a hearing organized by the Division's director. At the same hearing, a citizen's group dedicated to safer roads demands that trucks be held to even higher standards and pay higher fees. Elderly citizens who have been denied driver's licenses because of their poor eyesight, meanwhile, have lobbied state legislators, who in turn ask the head of the Bureau of Motor Vehicles to explain in writing why the sight requirement must be so high. And the Department of Transportation's efforts to improve the quality of its personnel notwithstanding, a disgruntled former employee of the Department persuades his local representative to the state legislature that he was improperly dismissed, prompting the representative to fire off a letter to the Secretary of Transportation, threatening to raise the matter at the next oversight hearing unless the employee is promptly reinstated.

- Multiple directions of accountability for achieving sometimes inconsistent goals create dilemmas for public officials. To whom are they accountable and for what? Consider the dilemma facing Miles Mahoney.

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#### SAMPLE CASE STUDY

### Park Plaza

Miles Mahoney spread out the morning edition of the *Boston Globe*, Wednesday, November 29, 1972. The headline at the top of page 3 caught his eye: "Park Plaza plan revised; Sargent supports it."

Mahoney's eyes raced through the paragraphs:

Governor Francis W. Sargent said yesterday that new plans submitted to the state could

lead to the construction of the controversial \$266 million Park Plaza project in downtown Boston.

Expressing guarded optimism at a State House press conference, Sargent said the plans submitted yesterday by the Boston Redevelopment Authority to the Massachusetts Department of Community Affairs (DCA) "meet the

This case was prepared by Associate Professor Colin S. Diver for use in the Public Management Program at the Boston University School of Management. It is intended to serve as a basis for class discussion, not to illustrate either effective or ineffective handling of a managerial situation.

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concerns" he had when the original plan was turned down by the state last June.

A few paragraphs later, Mahoney's glance was arrested:

Sargent also said that while he didn't want to prejudge DCA Comr. Miles Mahoney's final decision on the revised plan, "Park Plaza is now, in my view, finally on the road to reality."

As Mahoney turned to look out the window of his office on the fourteenth floor of the State Office Building, a mixed expression of disbelief and anger crossed his lean features. Turning to the telephone on his desk, he quickly dialed four familiar digits. "Hello? This is Miles Mahoney. Is Al Kramer there? . . . OK. Ask him to call me when he gets in. Thanks."

As he turned from the telephone, his eyes rested on the heavy Georgian facade of the State House, a few hundred yards up the hill, looming somehow like a fortress, impenetrable.

## MILES MAHONEY

Miles Mahoney had served his political apprenticeship in Philadelphia. After obtaining a masters degree in community organization, he was hired by the city's Human Relations Commission as a housing specialist. Then he was appointed to a position in the Philadelphia Redevelopment Authority, as "area director" with responsibility to oversee the execution of a large residential-industrial urban renewal project. He later became director of the city's Neighborhood Renewal Program, a federally financed program of housing rehabilitation and housing code enforcement. In 1969, he was appointed chief executive officer of the Philadelphia Housing Authority, the agency responsible for operation, building, and leasing public housing for the city's poor. During Mahoney's tenure, the housing policies of the authority were often sharply criticized by conservatives in the city, led by Police Commissioner Frank Rizzo, who, in 1971, ran successfully for mayor. Shortly after Rizzo was elected, the housing authority board (including two Rizzo appointees) fired Mahoney. As Mahoney recalled:

His disposing of me and what he called the "commies" in the housing program was a campaign promise which he fulfilled within two months of his election. He disclaimed having

had anything to do with it—said it was a decision of the housing authority's board—the chairman of the board. Publicly the mayor had always disclaimed doing it, because legally he had no authority to do it. But the functional reasons were that he was—the same old stuff—looking for contracts, looking for jobs. . . . perhaps the major thing—the thing that became a major campaign issue—was our program to build public housing in the still all-white sections of the city. There was a major project called "Whitman" there, which he, as police commissioner, assisted in getting killed by refusing to enforce an injunction we got against the citizenry from tearing down the buildings as they were being built. He openly refused to enforce the injunction. The city ended up having to pay the developer \$350,000 for breach of contract.

After his removal from the Philadelphia Housing Authority, Miles Mahoney began looking for a job. Boston was a natural place to look. Not only was he well known and respected by the professional "housing" community in Boston, but it happened that two of the most important housing jobs in the state were open: executive director of the Boston Housing Authority (BHA) and commissioner of the Massachusetts Department of Community Affairs (DCA). In addition, the mayor of Boston, Kevin H. White, was thinking of creating a new senior staff position of "development coordinator" to coordinate the city's fragmented housing and development functions.

Mahoney interviewed for all three positions. He was offered the position of BHA director by the authority's five-member board, three of whom had known and respected Mahoney for several years. He was not offered the development coordinator position. He was not told why, but wondered whether it had anything to do with his closeness to the three-member majority of the BHA board with whom Mayor White had had a long and extremely bitter feud.

At the state level, he met with several of Governor Sargent's top advisors, including his chief secretary, Jack Flannery, and his chief policy advisor, Albert Kramer. The discussions focused on Mahoney's past record and his views on housing policy. Mahoney was direct and outspoken in both defending his record at the Philadelphia Housing Authority and advocating an aggressive role for the state in housing development. Mahoney also met briefly with Governor Sargent and was impressed. Sargent, a Republi-



can, had a reputation as a progressive, activist governor, with a particularly strong interest in the environment, public transportation and social services. Mahoney's encounter with the governor and his staff seemed to confirm the image.

When the governor offered Mahoney the position of commissioner of DCA, he accepted. The announcement was made on April 25, 1972. Mahoney took office on May 4.

### THE DEPARTMENT OF COMMUNITY AFFAIRS

The Massachusetts Department of Community Affairs was created in 1968 under a reorganization that combined parts of three separate state agencies into a single department reporting directly to the governor. The reorganization gave the new department a very broad mandate to provide services to the 351 cities and towns in Massachusetts and consolidated the state's already extensive authority to supervise local housing and urban renewal activities. This authority included the power to appoint one of the five members of every local housing authority and redevelopment authority; to provide technical assistance to housing and redevelopment authorities; to approve all subsidized housing projects and urban renewal projects undertaken by local authorities; to review the plans of local and regional planning bodies; and to provide services, such as rental assistance and day care, for public housing tenants. At the time of his appointment, Miles Mahoney viewed the DCA enabling statute as "the best in the country. It made it possible to integrate urban renewal, housing, social services, and planning."

If the agency's charter impressed Mahoney, its past performance did not. DCA had a reputation for passivity. Although it had performed some useful services for the state's smaller cities and towns, it was not regarded as exercising effective supervision over their housing and renewal activities. In particular, it had shown no stomach for policing the activities of the state's largest renewal agency, the Boston Redevelopment Authority (BRA). During fifteen years of enormous redevelopment activity in Boston, often punctuated by bitter controversy, the BRA had never been seriously challenged by DCA. Mahoney recalled:

There was a view that DCA was a patsy for the BRA. The department was scared to death of the authority, with all its architects and engineers and lawyers.

In addition to its timidity, the department was

drafting, haphazardly attacking what Mahoney called a "big and sprawling set of responsibilities" without clear priorities or policy direction.

After assuming the position of commissioner in May, Mahoney set about to strengthen both the capacity and the self-image of his agency. His first month was spent "trying to make some early-up organizational changes to make the agency more administrable." He began to assemble a small team of bright, aggressive associates as his personal staff. One of these, who was to play an important role in the Park Plaza controversy, was his executive assistant, Harry Spence, a young lawyer with a commitment to housing and social programs. At the end of his first month in office, when he was still very much preoccupied with "internal" administrative matters, Mahoney was confronted by an "external" issue that he couldn't ignore.

### PARK PLAZA

Since the early 1960s, the city of Boston had been attempting to redevelop its commercial and retail downtown district. Although portions of the district were renewed by private investment, by 1970 there remained several major decaying or underutilized areas. One of the most prominent of these areas was located on the periphery of Boston's two large, adjacent downtown parks: the Boston Common and the Public Garden. This area centered around a confusing intersection of major streets, called Park Square. The area was characterized by small buildings crowded together on irregular lots, housing small retail and entertainment activities on the street level, and offices—many of them vacant—above the street level. There were several large vacant lots, created by the demolition of buildings and used as parking lots. The two major blocks at the northern end of the area, known locally as the "Combat Zone," housed the center of the city's thriving pornography industry—a neon jungle of girlie bars, burlesque houses, and "adult" bookstores and movie houses, colorfully garnished with streetwalkers of every persuasion.

The Park Square district lay precisely at the intersection of the two major commercial axes of downtown Boston. To the west lay the Copley Square-Back Bay district featuring converted townhouses, older office buildings and several new office towers. To the northeast lay the downtown commercial and financial district, housed in a mix of older office buildings and several new office towers. "Behind" Park Square (to the east and south) lay Chinatown (a residential-commercial-institutional urban

renewal area) and Bay Village (an island of quaint brick townhouses).

Park Square, in other words, contained some of the potentially most attractive and valuable real estate in the city. And its low density, irregularity, general unsightliness, impossible traffic patterns and troublesome "entertainment" uses made it a prime target for redevelopment. The planners at the BRA felt that the area could not be redeveloped by private action alone. The large number of very small lots and crazy street patterns made it virtually impossible for a private developer to assemble a large enough parcel of land to carry out an economically feasible development.

This was, of course, a typical problem to which the federal-state "urban renewal program" had been addressed. The urban renewal program enabled a local renewal agency to assemble a large redevelopment parcel by taking the land within that parcel by eminent domain. After taking the land, paying the owners, relocating the tenants, clearing the structures and improving or relocating utilities and streets, the local renewal agency would then sell the land to one or more private developers, usually at a price considerably lower than the cost of assembling the land. This reduction in price ("write-down") was thought necessary to induce private development in a marginal urban area. The "net cost" of traditional urban renewal projects (the amount of the "write-down") came from public funds. The federal government contributed two-thirds of the net cost of an approved project. In Massachusetts, the state contributed one-sixth, and the city or town, the other one-sixth.

It had naturally occurred to the BRA, therefore, to use the urban renewal program to facilitate the redevelopment of Park Square. A plan to redevelop the entire central business district, including Park Square, was rejected by the federal government in 1965, however, and in the late 1960s it appeared less and less likely that the federal government would fund any new urban renewal projects in Boston. Boston had received a disproportionate amount of urban renewal funds during the early years of the program; and federal priorities were clearly shifting to new areas of the country and, to some extent, to new approaches to urban redevelopment. After failing to secure federal approval for the Central Business District Plan, the BRA then decided to see whether it would be possible to attract one or more private developers to undertake an urban renewal project in which the entire cost of the land assembly would be financed by private investors—that is, with no federal, state, or local financial participation.

On May 31, 1970, Mayor White publicly announced that the city was inviting proposals for rede-

velopment of the Park Square area, which he now officially designated the "Park Plaza Urban Renewal Area." In December of 1970, five companies submitted proposals for redevelopment of all or a portion of Park Plaza. After extensive review of the five proposals, the BRA announced, in March 1971, the award of redevelopment rights to Boston Urban Associates (BUA), a new company whose two principal partners, Mortimer Zuckerman and Edward Linde, each had extensive real estate experience, but which, as a company, had no track record.

The BUA proposal was, to say the least, ambitious. It called for the creation of a "new town in-town," an integrated mixture of residential, retail, office, hotel, and entertainment uses. At an estimated total development cost of \$260 million, BUA's Park Plaza project represented the largest urban renewal project in the city's history.

BUA proposed that Park Plaza be developed in two "stages." According to a "letter of intent" from BUA to BRA, stage I involved the phased redevelopment of the three parcels (designated as A, B, and C) adjacent to the Public Garden and Boston Common. The first step consisted of construction of an 800-1,000 room convention hotel and a 3,000-car parking garage. Subsequent steps called for the construction of three residential towers, containing 1,400 luxury apartment units and 150 units of low-to-moderate income housing for the elderly "if subsidized financing for the same can be secured," 50 townhouse units of luxury housing; a retail arcade containing 500,000 square feet of leasable area; and an office tower and low-rise office building containing 1,050,000 square feet of leasable space. The various buildings were to be built in sequence with the last step (the office tower) to be commenced not later than seven years after the first step was started.

With respect to stage II, covering parcels D and E—that is, the portion of Park Plaza located in the "Combat Zone"—BUA presented no concrete proposal and made no commitment, other than to express its interest and its intention of submitting a proposal as soon as stage I was off the ground.

### CITY COUNCIL HEARINGS

On July 15, 1971, the BRA's governing board passed a resolution authorizing the Park Plaza Urban Renewal Plan, which was submitted to the Boston City Council for its approval, as required by state law. The city council hearings, which began on September 9, 1971, exposed the first real opposition to the project, led by the tenants and owners in the Park Plaza area. A number of environmental groups and neigh-

neighborhood associations also raised questions about the project.

Opponents of the project made a number of charges, including the following:

1. With no track record in real estate development, BUA could not be trusted to undertake what was, in total cost, the largest urban renewal project in Boston history.
2. The plan represented a naked use of public eminent domain and bonding authority to enable a private speculator to make a potentially enormous profit.
3. There was no plan to redevelop the Combat Zone and little likelihood that there ever would be one since no other neighborhood would be willing to rehouse its current occupants.
4. Adverse environmental impacts (shadows, winds, and displacement of the water table) would damage the Public Garden and Boston Common.
5. The project was wholly for private benefit. There were no proposed "public purpose" uses other than a few units of low-income housing whose construction was contingent on uncertain governmental subsidies.
6. The financial plan for the project was weak. Except for the proposed hotel, there were no firm commitments from prime tenants or financial sponsors, and the legality of a proposed tax-exempt bond issue and real estate tax deal was dubious.
7. The city was selling its own land in the project area (the streets to be discontinued) at its "pre-assembly" value of \$3 million, even though it would be worth perhaps \$10 million after land assembly (since, as part of a broad tract, it would be much more usable).

After many often stormy hearings and executive sessions, the council, on December 6, 1971, approved Park Plaza in substantially its original form, by a vote of 7 to 2. During the period city councillors were re-elected—one having been defeated in his bid for re-election and three having left the council to run, unsuccessfully, for mayor against Kevin White, who was re-elected by a lopsided margin. The four lame-duck councillors all voted to approve Park Plaza on December 6.

On December 22, 1971, Mayor White approved the city council resolution; and on January 13, 1972, the BRA submitted the Park Plaza plan and supporting documentation to DCA.

## DCA HEARINGS

The state urban renewal law requires that an urban renewal plan be approved in writing by the Department of Community Affairs before it may be undertaken. The department is required to hold a public hearing on the plan if so requested by certain specified persons or groups, including a group of "twenty-five or more taxable inhabitants" of the city. The Park Plaza tenants and owners, among whom were "twenty-five or more taxable inhabitants" of Boston, duly requested a public hearing. After two months of dispute over the ground rules for the hearing, DCA scheduled a public hearing for April 11, 1972. In three days of hearings, most of the same arguments were made as had been made before the city council. The hearings received little attention from the media or the public.

The responsibility for review and analysis of the Park Plaza submission within DCA had fallen to its Urban Renewal Bureau from the very start. The chief of the bureau, Edward Mangini, and several of his staff had been in the bureau for many years. They had reviewed and recommended approval of dozens of conventional federally aided urban renewal projects. But they, like virtually everyone else involved, had never seen anything quite like Park Plaza. And they didn't like what they saw. "Mangini," in Harry Spence's words, "just thought it was rotten. He just said it's lousy."

The urban renewal law required DCA to make six affirmative "findings" in order to approve an urban renewal project:

1. it could not be accomplished by private enterprise alone;
2. it was consistent with the sound needs of the locality;
3. the financial plan was sound;
4. the project area was blighted;
5. the plan was "sufficiently complete";
6. there was an acceptable plan for relocating tenants and owners.

After detailed review of the voluminous documentation and hearing transcripts, the Urban Renewal Bureau staff concluded that only the first of the six findings could be made. Underlying many of the objections and perceived deficiencies were two factors which the staff saw as particularly fatal:

1. there was no "plan" for the "Combat Zone" (parcels D and E); and

2. the financial underpinnings of the project, and particularly its proposed developer, were insubstantial.

## THE COMBAT ZONE ISSUE

Although the official "Park Plaza Urban Renewal Plan" specified "land use and building requirements" for all five parcels, it was clear from the beginning that neither the BRA, the city, nor the developer (the BUA) had yet made any firm commitment to undertake redevelopment activities in the Combat Zone parcels. The "cooperation agreement" between the city and the BRA, whereby the city promised to make certain improvements (new street, etc.) in the project area, made no mention of parcels D and E other than the following:

As soon as construction begins on A-1 [the hotel], the Authority will immediately advertise for redevelopment of parcels D and E. Unless the Authority shall select a developer for parcels D and E within three years from the date of approval of the Plan, parcels D and E shall no longer be considered part of the Park Plaza area.

The BRA, however, repeatedly asserted its "firm commitment" to redevelop parcels D and E.

It was strenuously argued by the BRA that the specifications in the "Plan" and the "firm commitment" were sufficient to satisfy the "completeness" test (finding #5). The authority argued that in conventional urban renewal, specific redevelopment plans (building configuration and occupancy) for individual parcels were never finalized at the plan-approval (DCA) stage. It was often many years before a developer was selected. Given the vast size of the Park Plaza project and the long duration of development activities, it was economically unfeasible to make commitments to develop D and E at such an early stage, the BRA contended.

The DCA staff was not persuaded. In their view, the Combat Zone was the portion of Park Plaza *most* warranting redevelopment—and indeed perhaps the *only* part of the project area sufficiently blighted to justify using urban renewal powers. By far the majority of substandard buildings in the project area were located in parcels D and E. Parcels D and E, with 49 of the 120 buildings in the project area, had 44 of the 73 buildings classified by the BRA as "blighting," including 22 of the 37 buildings clas-

sified as "structurally substandard." Under longstanding federal and state urban renewal regulations, an area could be considered "blighted"—finding #4—only if at least 20 percent of its buildings were "structurally substandard" and at least 50 percent of its buildings were "blighting." The "blighting" classification included "structurally substandard" buildings, as well as buildings with less serious but nevertheless blighting deficiencies. The "blight" criterion also required a finding that the blighting and structurally substandard buildings were distributed throughout the project area. In addition, parcels D and E housed nearly all of the most troublesome "entertainment" activities in the project area. Given the fact that parcels D and E were the most suited to urban redevelopment activities, the DCA staff found it ironic that they were the only parcels for which no concrete plans existed.

Focusing on BRA's analogy to conventional urban renewal, the DCA staff felt that the analogy broke down in at least two key respects. Although specific developers are rarely identified at the time of plan approval, a conventional renewal plan at least identifies every parcel to be acquired and specifies a financing and relocation plan for each. In the Park Plaza submission there were no financial or relocation plans for parcels D and E whatsoever. Secondly, there are more safeguards in conventional renewal, since the renewal authority must secure federal and state approval for the funding of each redevelopment activity actually undertaken within an approval plan. This gives the public the safeguard of continuing supervision of the project, even after the initial approval. Where there is no federal or state funding, as in Park Plaza, there is no further supervision because there are no further approvals required. DCA gets "one bite at the apple" only.

## THE FINANCIAL PLAN

The Park Plaza plan contemplated that the acquisition of land, relocation of occupants and clearance of buildings would all be performed by the BRA, as the local renewal agency having statutory power of eminent domain and relocation responsibility. The cash to defray these expenses would come either from bonds issued by the BRA or directly from private investors lined up by BUA. It was anticipated that BRA bonds would be used, in particular, to assemble the land to be used for residential and parking developments. The reason for this is that under federal tax law it appeared that the interest on governmental bonds issued for such a purpose would be tax ex-



empt, and that therefore the bonds could be sold at an interest rate considerably lower than interest payable on private bonds (about three percentage points less). The federal tax law had been recently amended, however, and all parties agreed that a satisfactory legal opinion and quite possibly a formal ruling from the Internal Revenue Service would be required before proceeding with a bond issue.

Wherever BRA bonds were to be used, the developer agreed that it would make all payments of principal and interest out of proceeds from the development. In other words, no public funds would be required to pay off the bonds. In respect to all other properties, the entire funding would come from private investors.

Land would be acquired in stages. The letter of intent stipulated that the BRA was not to acquire any property until it had "satisfactory assurance" that the total cost of acquiring the property and associated demolition and relocation costs were "available" to the BRA. Recognizing that staged acquisition and development might impose hardships on owners or tenants of property due for acquisition in later stages, the developer agreed to put up deposits of money to be used by the BRA for "early acquisition and relocation" where necessary to relieve such hardship. BUA had deposited \$100,000 already and promised to increase it by \$400,000 when BRA and BUA executed a "Master Land Disposition Agreement," permitting land acquisition to begin. When construction was completed on stages 1 and 2, the deposit was to be increased to \$1 million, and then finally reduced to \$500,000 when stage 5 was under way.

In support of its ability to attract the private investment necessary to make the project feasible, BUA offered the following evidence:

1. letters from three financial underwriters expressing an "interest" in underwriting the proposed bond issue, subject, in the words of one typical letter, "to all economic, financial, legal, and tax matters being resolved to all parties' mutual satisfaction";
2. a letter from the president of Western International Hotels Company, expressing its commitment to lease and operate the proposed hotel and to invest \$5 million in furnishings and equipment;
3. 1970 market surveys by economic consulting companies, projecting a market demand for luxury apartments, office and retail space sufficient to occupy the proposed development at profitable rental levels; and
4. the commitment by the city of Boston to invest \$6.8 million in public improvements in the area (including a relocated street).

All of this left the DCA staff singularly unimpressed. Part of the difficulty, again, was the utter lack of any cost estimate or financing projections for parcels D and E. But the bulk of the problem related to the project's complete dependence upon private funding, in general, and the identity of the BRA's preselected developer, in particular. In conventional publicly assisted urban renewal, the soundness of the financial plan was rarely a very difficult issue. No property could be acquired without federal and state funding approval. The consequence of such approval was a guarantee that all of the "front-end" site assembly costs (acquisition, relocation, demolition, and site preparation) would be met out of the proceeds of bonds issued by the renewal authority and backed by public funding commitments. Although the actual cost of erecting structures on the cleared site would be borne by developers using private funding (except in the case of a public facility or subsidized housing), it was felt that the land-cost "write-down" could be adjusted to make the development financially feasible. Also since the federal and state governments had to approve the public subsidy for each individual development within an approved urban renewal plan, the appropriate approving agency could examine the financial feasibility of a particular activity when the funding was requested to commence the acquisition.

In Park Plaza, however, there was to be no write-down, no front-end commitment of public funds. Except for a relatively small contribution of land by the city, the entire cost of site assembly as well as construction, and all the attendant risks, were to be borne by private investors. The identity of those investors, and the strength of their financial underpinnings, thus became of primary importance to DCA. And what they saw disturbed them. Boston Urban Associates was a partnership with no assets other than those of its two principal partners, Mortimer Zuckerman and Edward Linde. Their personal assets, Zuckerman reported, "exceeded \$6 million." They intended, he said, to establish "joint ventures" to own the properties. Zuckerman and Linde would be the managing partners of each joint venture, which would also have the participation of unnamed additional investors. In addition, financing, presumably by mortgage, would be obtained from major financial institutions such as insurance companies—again unspecified.

Harry Spence reflects the prevailing view in DCA:

Who the hell was Zuckerman? Did [he] really have the money to be able to carry this thing off? There was a sense that Zuckerman was a mighty weak reed to be hanging such an enormous project on. You had a broker, not someone who could ride out a tough construction period.

If you had the Prudential Insurance Company, you don't worry about those things. They can cover it. The John Hancock can go on with their thing forever. But when you've got a guy who basically has very shallow resources, do you commit thirty-five acres of the city to him?

In particular, DCA was concerned about the financing of the alter stages of the plan. The development seemed clearly arranged so as to give BUA the "cream" first (the low-cost, high-return portions of the development) with little assurance that it would proceed with subsequent stages. DCA feared that, if the early stages were successful, BUA might "skim the cream" and walk away, and if they were not successful, BUA would not be able to attract capital for the rest.

Another concern of the DCA staff was the issue of real estate taxation. One paragraph of the letter of intent from BUA made the entire project dependent upon "a satisfactory understanding with the City" concerning the level of future real estate taxes. This referred to the widespread practice in Massachusetts whereby the city tax assessors would agree to tax prospective commercial developments at a stated percentage of gross rentals. Such tax agreements, while questionably legal, were claimed to be indispensable to provide the predictability needed to attract major private investment. The trouble with Park Plaza, the DCA analysts felt, was that while BUA's market studies projected a gross annual rental income of \$45 million, the city assessor predicted tax revenues of \$4.5 million. This effective ten percent rate was less than half the usual rate in tax agreements.

## THE DISAPPROVAL

Mangini and his staff drafted a long memorandum to Mahoney, outlining their objections to the plan. Mahoney reviewed the memorandum and discussed it with the staff. Park Plaza had received very little attention from the new commissioner up to that point. The staff recommendation seemed sound. He met with the BRA to discuss DCA's objections, but the meeting did nothing to dispel his doubts or meet his objections. The BRA seemed unwilling either to make changes or to offer significant new informa-

tion. Mahoney felt he had no choice. The project appeared to be so fundamentally flawed that further discussion was pointless. He would disapprove the project.

Late in May, Mahoney called Jack Flannery, Governor Sargent's chief secretary, and told him that he was about to make an important and controversial decision—to turn down Park Plaza. Flannery told him to come up and discuss it with the governor's staff first. On May 31, Mahoney met with Kramer, Flannery, and several other members of the governor's staff. Mahoney explained the statutory requirements and DCA's objections to the Park Plaza plan. With little disagreement or apparent concern for the implications, the governor's staff concurred. Then the inevitable question: How do we announce it? "Kill it as fast as you can," was Flannery's advice. "Don't give them any warning. If you do, they'll go straight to the press." It was agreed. Mahoney would issue his decision as soon as possible. Flannery would advise the governor. As Mahoney picked up his papers to leave the meeting, Flannery, in his patented laconic style, quipped: "Miles, you have no idea how heavy some of those people are who are gonna fall on you."

During the next week the DCA staff prepared a draft of the written statement of reasons for disapproval, as required by the statute. Mahoney called a press conference for the late afternoon of June 9. He put the finishing touches on the letter of disapproval and delivered it in person to BRA Director Robert Kenney an hour before the press conference. Kenney was bitterly disappointed and, though aware of Mahoney's objections, surprised at the suddenness and apparent finality of the decision.

Mahoney then went before the press conference and announced his disapproval of the Park Plaza Urban Renewal Project.

## THE REACTION

The bombshell exploded. On June 13, Mayor White angrily denounced the decision, charging that it was the result of a political "conspiracy" by the Sargent administration. He accused Mahoney of seeking retribution for having been rejected as an applicant for a job on the mayor's staff. White demanded a meeting with Governor Sargent.

The meeting was held on the next day. Mahoney was called into the meeting for a short period:

I met with him briefly, just to have the governor have me explain directly to White why the thing was rejected and then have White ask me,

would I reverse the decision, and for me to say, "No." That was the purpose of my being there.

Sargent seemed, as usual, very pleasant, anxious to please, perhaps embarrassed at the mayor's obvious anger. But he remained firm, summarily dismissing the "conspiracy" charge and insisting that the Park Plaza plan was "illegal." But he did make the concession that a second submission would be welcome if it dealt with the defects cited in the state's disapproval. White left the meeting "disappointed." Apparently taking little solace from Sargent's resubmission suggestion, he vowed to pursue unspecified "political" avenues.

In the next few days the chorus of opposition to Mahoney's decision swelled. In a rare display of unanimity, the three Boston daily newspapers attacked the decision and called for the city to press for a reversal. Lead editorials characterized the action as "brash presumption," "capricious and arbitrary," and "lint-picking negativism." Representatives of the building trade unions met with the mayor and promised to launch an all-out drive to save Park Plaza. The Boston business community echoed the cry. Governor Sargent had already antagonized the construction industry and its unions by the policies of his administration, including a moratorium on highway construction in the Boston area, his opposition to further growth of Boston's Logan Airport, and his outspoken support for new environmental controls. Park Plaza was, to many in the construction industry, the last straw.

The mayor filed a "home rule petition" (requiring passage by both the Boston City Council and the state legislature) to eliminate the requirement of DCA approval for privately funded renewal projects in Boston. The measure sailed through the council on a 7-2 vote and made rapid progress in the Democratically dominated state legislature.

The outpouring of support for Park Plaza took DCA and the governor's office by surprise. It appeared to them to be the product of a carefully orchestrated public relations effort by the mayor and Mortimer Zuckerman, the developer. Particularly surprising and troubling was the position of the *Boston Globe*. The *Globe* was not only Boston's biggest and most influential newspaper, but it had a reputation for strongly supporting liberal causes. It had consistently supported the governor in his policies on transportation and the environment, and its vehement criticism of Mahoney's decision seemed out of character. Mahoney called the paper to "complain bitterly," as he put it, about the *Globe's* editorial position. A meeting was arranged for June 21, to be

chaired by Robert Healy, executive director of the *Globe*. The meeting, as Mahoney recalls it, was hardly productive:

Healy was really annoying as could be, with his preconceptions about so many things having to do with the project and his unwillingness to listen to anything other than what he seemed to have been spoon-fed by Zuckerman.

Healy was convinced that, on some issue, I had lied to him in that meeting, the issue having to do with whether or not similar developments had been built elsewhere—he saying, "This has been done, I know, in this place and that place and the other place"—and I saying to him, "No, it hasn't: what you're describing are projects that did not have the public auspices being asked for here" . . . but he somehow being convinced that everything I had to say on that score was a lie, just constructed for that purpose.

At one point, Mahoney charged the *Globe* with "being in the bag" on Park Plaza, a statement that drew a sharp expression of outrage from Healy:

I didn't mean financially, which he immediately took umbrage at. As soon as he did, I was surprised at his strong reaction. I said, "That's another one of my problems—I have not as yet come to understand the idiosyncrasies of language in the Boston area. In Philadelphia, that isn't so criminal a saying. I was really talking about your having been sucked in to what is a bad thing, rather than taking a buck for your editorial." At any rate, he didn't forget that.

The participants left the meeting in as much disagreement as before.

Organized labor—chiefly the Greater Boston Building Trades Council—moved into the vanguard of the effort to lobby for Park Plaza. Representatives of the GBBTC met with Sargent on June 20 to demand action on a number of stalled building projects, including Park Plaza. All they obtained from the governor was an expression of "hope" that BRA would work with DCA toward a solution. In response, labor took to the streets. On June 28, an estimated 20,000 construction workers from Greater Boston descended on the State House in a raucous and unruly demonstration. Called to protest Sargent's general anti-construction policies, the demonstration focused on Park Plaza. Signs could be seen in abundance, reading: "Free Boston from State



Rule," "Is Sarge in Charge?", "Who killed Park Plaza?", "Park Plaza: 3000 Construction Jobs." Sargent confronted the unruly mob on the State House steps. A newsman heard him shouting in a vain attempt to be heard:

You want jobs, I want jobs. You want Park Plaza, I want Park Plaza; but the plans have to be right.

His words were drowned out by the crescendo of boos, catcalls, and insults. A hard hat tossed in his direction narrowly missed his head.

Retreating to the safety of his office, Sargent called a meeting with seven representatives of the workers and several members of the governor's staff. Mahoney was not present. In a press release issue later that day, Sargent's office summarized the meeting in these words:

In his discussion with the labor leaders, the Governor stressed his support of the *concept* of Park Plaza. But he refused to grant approval for the project until it contains a full renewal plan for the Combat Zone area . . . and a firm financial agreement.

## NEGOTIATIONS RESUME

The next day, Mahoney was called to a meeting with Kramer, Flannery, and other members of the governor's staff. "The governor has asked us," Kramer began, "to see if there isn't some way we can work this thing out—get what DCA wants and still get some kind of a project." Mahoney said it was "futile," reiterating his view that the plan submitted by BRA was fundamentally unacceptable. But Kramer persisted: "We're not asking you to approve this project. All we're asking is that you sit down with the BRA, talk to them, tell them what you want, and see what they can do." Mahoney could hardly refuse to talk—even *he* conceded that Park Plaza could be approved if enough changes were made, though he doubted the city's and the developer's willingness to make the changes.

Mahoney agreed to hold discussions with the city, but he demanded in return that no other discussions be held between the state and the city or the developer. He and his staff had become increasingly concerned about evidence that Zuckerman had been "cultivating" Kramer in an effort to win support for Park Plaza within the governor's office. Kramer agreed to Mahoney's conditions, but in turn insisted

that he, Kramer, sit in on at least some of the DCA-BRA meetings. As Mahoney summarized the understanding:

I was being asked to go through this process at least to see what they [BRA] could do. Kramer's expressed intention in being at the meetings was to show that indeed the governor's office was interested in seeing things move along, he pledged not to be involved in any substantive matters at all. I had extracted a commitment that [the governor's] staff would not be dealing with the BRA and that recognition of Zuckerman as somebody to speak for the project would not be given. We were dealing with the BRA and not its developer.

As Harry Spence put it:

Publicly, the agreement was that we'd sit down with them, and DCA would lay out where the problems were, and the BRA would go back and do their homework and come back with an acceptable, approvable submission. The purpose of those negotiations was supposed to be to develop an approvable submission, and that was under some pressure, certainly, from the governor's office . . . to take a positive approach and look like you're doing positive things.

In fulfillment of a promise made to the labor leaders by the governor, a meeting was held on June 30. The governor's office announced the meeting publicly, but the press was not permitted to sit in. In attendance were Kramer, Mahoney and his staff, Kenney and BRA staff, Zuckerman, and labor representatives. Speaking to the press after the meeting, Mahoney characterized it as "informational," but reported some progress. "In the sense that we're getting new information about the project from the city and the developer, we are getting closer to a positive finding on the Park Plaza Project."

The mayor continued to press for his home rule petition to exempt Park Plaza from state review in spite of the governor's publicly expressed opposition to it. Although it was passed by the legislature, the governor vetoed it on July 15, and its supporters could not muster the two-thirds vote necessary to override the veto.

In the ensuing months, Mahoney met regularly with BRA staff. Zuckerman sometimes attended. After the first two meetings, Kramer stopped attending, but the governor's office was represented by the

governor's chief counsel, William Young. Mahoney and his staff found the meetings with the BRA extremely tiresome and frustrating for the most part:

The negotiations went on, but they weren't real. They were just exercises. We went over and over the same ground. They [BRA] were just restating the arguments, trying to find the words that would satisfy me.

DCA's insistence on dealing with BRA—while in their view legally required—created major problems, as Harry Spence recalled:

One of the problems with the process of negotiation was that when you were dealing with the BRA, you were negotiating with a ghost—and there were terrific tensions between Kenney and Zuckerman, tremendous tensions, personal tensions as well as programmatic ones. . . . Basically, we took the position that the public agency responsible for the plan was the BRA—we should not be dealing directly with the developer. But the BRA really had no positions, by and large. Or when they did have a position, if they found it differed with the developer, they would quickly be pushed, sometimes reluctantly, sometimes perfectly happily. They'd sort of go back to Mort [Zuckerman] and "What did Mort want?"

Simultaneously with the BRA meetings, Mahoney was called to meet repeatedly with Kramer and Flannery, to report on whatever progress was being made. From the very beginning, Mahoney and his staff were highly suspicious about Kramer's role and looked toward Flannery, technically Kramer's superior, for support. Harry Spence reflected on the prevailing view in DCA:

I remember a great deal of concern at those first sessions about Kramer's role. Kramer came to one or two of those meetings—at one of the meetings I think he walked in with Zuckerman—and Kramer's role was equivocal very quickly. Now at the same time, we had some sense that Kramer's role wasn't necessarily the full governor's office role—that Kramer might be a stronger advocate for it than the rest of the governor's staff, particularly Flannery. Miles always felt much, much more comfortable in certain ways with Flannery than with Kramer, anyway—the style was a little more in tune, and there was the feeling, I remember, during that

period that Flannery was kind of the guy that we could depend on. . . . Basically, Flannery seemed to think Miles was a neat Irish kid and liked [his] guts. And there was a sense that Flannery was going to be our bulwark there with whatever games might be going on between Kramer and Zuckerman.

Flannery's role did not fully live up to those early expectations, however, as Mahoney recalled:

At the outset, the way he regards so many matters, it [Flannery's role] was that of the humorist, trying to move something along, to get it out of the way. [It was] evident that he was more critical in dealing with the governor's position than was Kramer. Kramer being deferential to him. What kind of approach to use—whether to have a meeting—who should be in the meeting: all those things were by and large Flannery's.

It seemed to me that he was not deeply involved in dealing with the city, the BRA, Zuckerman, what have you. But, by and large, he was a guy sitting at the table, half the time listening, half the time on the telephone, getting off the telephone to say, "Have we made any progress?" without discussing anything having to do with the project that approached substance, presumably because he wasn't claiming to have anything to comment on the substance—only the politics of it. I don't know whether he fancied himself as having opinions on the whole thing. He would lead you to believe that he didn't—couldn't be less interested.

Kramer, on the other hand, was very interested and characteristically aggressive in his friendly, witty, but persistent way. Mahoney recalled Kramer's role with decidedly mixed feelings:

His actions, where intended for me to be known, were not involved in direct negotiations. He was deferential on the surface. It was a difficult thing, because I really like him very much. I have an awful lot of respect for particularly his social philosophy and his way of doing business—his attitude toward government. And it was really frustrating to try to maintain a friendly relationship with him while it was evident that increasingly he was assuming the role of an advocate—I don't think because of any special commitment to the BRA or Zuckerman or anything, but to the governor—to get out of

the governor's way a problem that was getting increasingly difficult to deal with.

I think he would argue that he was playing a very sophisticated devil's advocate, to make sure that arguments being presented to the BRA were of the best quality. It took on a flavor far more of an advocate than that, although they were sometimes amusing, sometimes useful grilling sessions.

Harry Spence, viewing Kramer's role from more of a distance, was less sympathetic:

He didn't take positions on the merits of the thing. That was one of the things that always disturbed Miles, and one of the reasons that Miles felt a certain distrust of Kramer was that Al would essentially say, "Now Miles, you're saying that it's not a blighted area. Well now, Miles, you could say without lying, couldn't you, Miles. . . ."

There was never an argument that the project had great merit or that Miles' actual findings weren't the right ones if one really came down to making a proper judgment on it. It was: "Miles, do you really have to be such a Puritan about it? Can't you really be more flexible about this thing? You don't have to be so hard-assed on the thing."

As discussions progressed into the fall, some progress was being made on at least some of the issues. Park Plaza had been out of the headlines for several months. Neither the city nor the developer had made any public statements. Kramer, however, was acting increasingly impatient and persistent in pressing toward a resolution. Others in the governor's office were for the first time exhibiting a similar tendency. For his part, Mahoney grew increasingly suspicious that Zuckerman was lobbying Kramer and making headway. Mahoney on several occasions asked Kramer about his involvement with Zuckerman, but Kramer, while conceding that they spoke from time to time, repeatedly denied any direct negotiations with Zuckerman.

Whatever Kramer's involvement with Zuckerman, it became evident to Mahoney that there was another reason for Kramer's increased advocacy. A massive restudy of transportation policy in the Greater Boston area, undertaken by the Sargent administration, was about to be completed, and the governor would soon face some momentous decisions about the future balance between the automobile and mass transit as modes of transportation in

the metropolitan area. Nearly two years earlier, Sargent had called a moratorium on all major highway construction projects in the Boston region and had ordered a complete restudy of state transportation policy. The decision had attracted considerable attention, helping to accelerate the shift in national policy toward mass transit. The decision had also touched off bitter controversy within Massachusetts. While the restudy was in progress, Sargent had announced his decision to kill two pending highway projects outright. Given his strong anti-highway, pro-transit image, it was expected that he would kill the rest of the suspended highway projects once the restudy was completed. The principal architect of the Sargent policy had, from the very beginning, been Al Kramer.

Kramer on several occasions related to Mahoney his concern about criticism of a no-highway decision from the same groups that had criticized the Park Plaza rejection. He expected, of course, that business and labor would be unhappy about a no-highway decision, just as they had been highly critical of the moratorium and the two earlier no-build decisions. But he hoped to defuse their objections with a major construction program in mass transit. Since elements of a major mass transit expansion policy required state legislative and federal approval, he could not afford the kind of violent reaction that followed the Park Plaza rejection. Kramer's message to Mahoney was clear: if the state is still standing in the way of Park Plaza when the governor announced the transportation decision, "we're in serious trouble."

In spite of the increased pressure from Kramer, Flannery remained apparently neutral on the issues of substance and Mahoney heard nothing directly from the governor. The governor's legal counsel, William Young, began to assume a more significant role in the process. Young, who had left a prestigious Boston law firm in July to join the governor's staff, sat in on Mahoney's meetings with the BRA as well as his meetings with the governor's staff. In both contexts, he remained, for the most part, quiet, patient, and objective. Although he was clearly searching for legal arguments to facilitate forward motion on Park Plaza, he maintained a high degree of neutrality, occasionally rebuking Kramer mildly for his references to a "deal" or "understanding" with Mahoney that Park Plaza could be approved. In Young's view of the law, only Mahoney had authority to approve or reject an urban renewal project, and his independence would be improperly compromised by any pre-existing "deal" to approve a project.

Young suggested at one point that the BRA split Park Plaza into two or more pieces, feeling that an

approvable plan might be developed for parcel A, or perhaps even parcels A, B, and C. The BRA was adamantly opposed to this idea, however. Young thought that a way out of the impasse might be some sort of conditional or staged approval of DCA, under the terms of which DCA would make its approval of each later stage contingent on satisfactory evidence of financing, a relocation plan, and whatever requirements for which satisfactory evidence was not currently available.

Mahoney was somewhat intrigued by the idea, but had reservations about both its legality and its acceptability to the developer. His staff expressed some concern, also, about its wisdom, and despite lengthy discussions with his staff about the idea, Mahoney reached no firm decision. Mahoney found himself very busy in November with other matters, many of which had suffered from inattention due to the demands of the Park Plaza negotiations. Mahoney was glad to turn his attention to them.

#### OTHER PRIORITIES

Throughout the summer and fall of 1972, Mahoney had been hard at work on the task which both he and Al Kramer had agreed from the very beginning was to be his priority—strengthening the capacity of DCA to supervise and assist local housing and renewal activities. In Mahoney's view, the state's local housing and renewal programs were marred by (1) a lack of professional planning and management, (2) excessive political influence of developers, and (3) insufficient participation in decisionmaking by the general public and "client groups" (e.g., public housing tenants). Accordingly, Mahoney's objective was to use the extensive controls and incentives at his command to induce cities and towns—particularly the smaller and intermediate sized communities lacking professional planning capability—to take a more professional, comprehensive, and client-oriented approach to housing and renewal decisions. At least four policies initiated by Mahoney were designed to achieve this objective. First, he ended the longstanding practice of passing federal planning funds through DCA directly to municipalities. He felt that these funds had been wasted on disjointed planning efforts, usually contracted out by municipalities to high-pressure and high-priced consultants. Instead, Mahoney used the planning funds to hire planners in DCA who could render professional service to municipalities on a continuing and comprehensive basis. Secondly, DCA undertook a statewide housing needs study which showed that, while municipalities were building many units of politically palatable housing for the el-

derly, they were neglecting a much more serious need for low-income family housing. On the basis of this study, Mahoney issued a regulation that DCA would not approve any elderly housing project until the applicant community began to meet its family housing needs as well.

The third element of Mahoney's program was to broaden participation in the governance of local housing and renewal authorities. DCA had the power to appoint one of the five members of the governing board of every local authority. Traditionally, these appointments had been dictated by the governor's patronage office. Mahoney instituted a new procedure whereby local authorities were required to establish a formal mechanism for participation by client groups in the referral of candidates to DCA and approval of appointments made by DCA. He went even further in the direction of "client participation" in public housing by promulgating regulations requiring formal tenant participation in public housing modernization and development programs. Finally, the fourth element of Mahoney's policy was his careful scrutiny of urban renewal applications. Park Plaza was really only one example—albeit the most spectacular—of this policy. On at least four other occasions Mahoney refused to approve urban renewal plans that struck him as unsound. Each case involved a proposal viewed by Mahoney as a piecemeal development motivated less by a comprehensive view of community needs than by the desire of influential developers to achieve a commercial success.

All of these policies, particularly the latter three, generated occasional tempests of criticism and protest which, on several occasions, swept up the governor's office in their fury. Mahoney was called repeatedly to meetings with Kramer and Flannery and others in the governor's office to explain a decision or action. But he always seemed to be able to convince them of the soundness of his policy. In all of these disputes, Mahoney was aided by the fact that the opposition was largely confined to private commercial and political interests, lacking broad public support. In fact, if anything, public support—particularly from tenants, community organizers, social service agencies and environmentalists—was with Mahoney. So as Mahoney approached the end of his seventh month in office, he felt a genuine sense of progress toward his goals for the department.

#### THE GOVERNOR'S ANNOUNCEMENT

It was then, on November 29, that Mahoney picked up the *Boston Globe* and first heard that the BRA had submitted a new Park Plaza plan and that the

governor thought it "met his concerns." While Mahoney waited for Kramer to return his call, his staff looked for the "new submission." Sure enough, a letter was found from BRA Director Kenney to Miles Mahoney, date stamped "Nov. 28" in his office where DCA mail was received. That day, the 29th, a large package of supporting documents, referred to in the Kenney letter, was hand delivered to DCA.

A quick review revealed that the package contained most of the material submitted on January 13, plus several minor additions or revisions, none of which changed the essential nature of the plan. It was still inadequate, in Miles' view.

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Imagine that you are Miles on the morning he reads in the newspaper of the Governor's basic acceptance of the revised plan for Park Plaza. What do you do now?

You could disapprove the revised plan. After all, you have the legal authority to do so; the law requires that any such plan must first be approved by the Department of Community Affairs. And the plan is still deficient, in your view.

Moreover, your job is to fortify the DCA against developers who, before your appointment, would often overlook the needs of the community. Were you to cave in now and approve a plan so obviously inadequate for the community, simply because the developers and their allies had applied political pressure, you would set the entire agency back. You'd be signaling to the communities and developers alike that you have no power to stop irresponsible development. You'd be telling your staff that their efforts and judgments are irrelevant. In short, by approving this plan you would undermine everything you have been trying to accomplish in the DCA.

On the other hand, the Governor clearly wants this plan approved. He and his staff were willing to give you time to work out a reasonable compromise, but their patience has ended. The Governor has a larger agenda—including shifting funds from highways to mass transit—which your obstinence is threatening. The cost to the DCA's mission must be weighed against these other goals. Be satisfied that you forced the developers to revise their plan even a bit; the result may not be perfect, but you got something for your efforts after all. You showed that the DCA has some clout, even if the agency is not yet as powerful as you would like it to be. Now be a team player and approve the plan, and do it quickly.

Which will it be?

This assignment should be typed. Length: two pages.  
Please use standard English and spelling. Papers will be graded from 1-10.