

2001 Rudy Bruner Award

SILVER
medal winner



SWAN'S MARKETPLACE

Oakland, California



Project location



Project location (detail)

SWAN'S MARKETPLACE AT A GLANCE

SUBMITTED BY:

Michael Pyatok, FAIA, *Principal, Pyatok Associates*

WHAT IS SWAN'S MARKETPLACE?

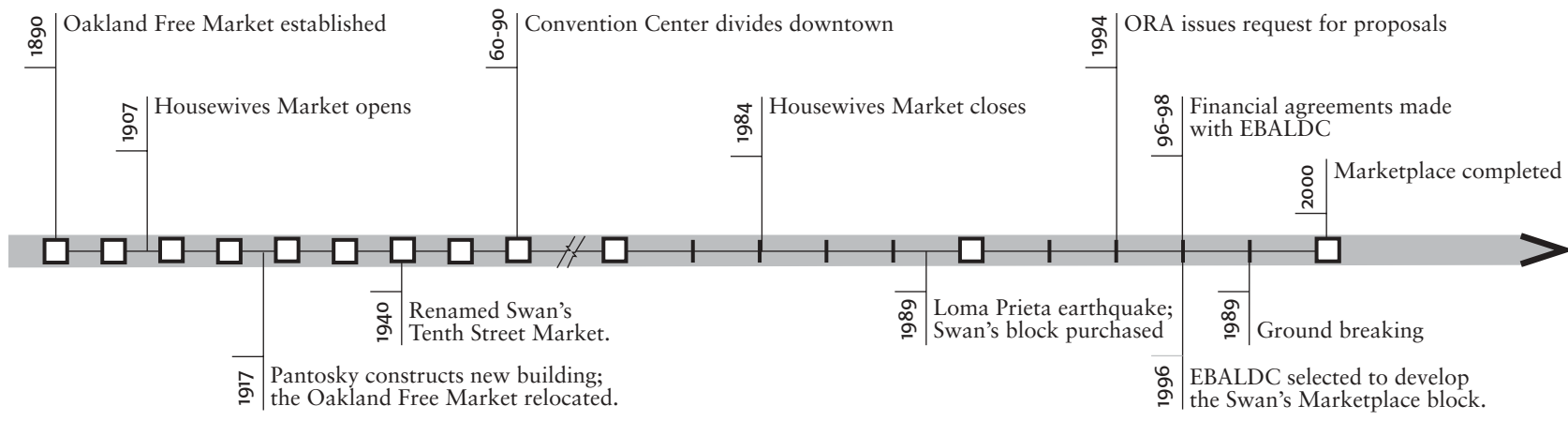
- A \$20 million mixed-use development in the “Old Oakland” historic district in Oakland, California.
- Adaptive reuse of eight buildings on a single 200' x 300' block, all constructed between 1917 and 1940.
- Twenty co-housing units within a common building and 18 low- and moderate-income apartments.
- Space for the six vendors of the relocated Housewives Market.
- Four office tenants occupying 17,400 square feet.
- Seventeen retail and restaurant tenants with at total of 26,800 square feet.
- The Museum of Children's Art and gift shop.
- An important contribution to the Old Oakland district, which is listed on the Historic Resources Inventory of the State of California Department of Parks and Recreation and is eligible for the National Register of Historic Places, pending approval of alterations that occurred as part of the project.

MAJOR GOALS OF SWAN'S MARKETPLACE

- To build an economically viable project founded on small local businesses, including vendors from the historic Housewives Market.
- To convert a blighted block into a community gathering place and source of community pride.
- To establish a mix of artistic, cultural and culinary traditions to serve a diverse downtown.
- To attract middle- and upper-income households to live and invest in the downtown near Bay Area Rapid Transit (BART) and major employment centers.
- To provide new affordable housing with opportunities for residents to increase their social support network.
- To attract new investment downtown without displacing existing residents and businesses.
- To support the efforts of traditionally disadvantaged, small, local business owners.
- To create and retain full-time, permanent jobs, offering openings for low-skilled workers and opportunities to build skills.
- To preserve a unique historic landmark slated for demolition by the City of Oakland.

CHRONOLOGY

- 1890**
Oakland Free Market established near the site.
- 1907**
Housewives Market opens near the site.
- 1917**
Jacob Pantosky constructs new building on present location;
Oakland Free Market relocated.
- 1940**
Largest addition added to the block's southeast corner and
renamed Swan's Tenth Street Market.
- 1960-1990**
Disinvestment in the area; construction of Interstates 880 and
980 cuts off Old Oakland from the waterfront. Nine thousand
housing units demolished; Convention Center construction
divides downtown along Tenth Street.
- 1984**
Housewives Market closes; block of buildings listed on the
Department of Parks and Recreation Historic Resources
Inventory.
- 1989**
Loma Prieta earthquake; Swan's block and two others on Clay
Street purchased by the Oakland Redevelopment Agency (ORA).
- 1994**
ORA issues request for proposals for market-rate housing on
three blocks including the Swan's block.
- DEC. 1994**
Co-Housing Company advertises for people interested in living in
a co-housing development in downtown Oakland. Fifteen people
show up on a rainy Saturday to look at sites and talk of the
potential.
- 1996**
East Bay Asian Local Development Corporation (EBALDC)
selected by the ORA and City Council to develop the Swan's
Marketplace block.
- 1996-1998**
Numerous financial agreements made among three primary
EBALDC affiliates and over 15 lenders.
- 1998**
Ground breaking.
- 2000**
Swan's Marketplace completed.



KEY PARTICIPANTS

Persons who were interviewed are indicated by an asterisk (*).

Public Agencies

Oakland Redevelopment Agency

Alex Greenwood,* *Project Manager*

Mark Beratta,* *Urban Economic Coordinator*

California Housing Finance Agency

Linn Warren, *Mortgage Loan Officer*

Kathleen Weremiuk, *Mortgage Loan Officer*

Other

Diane Church,* *US Department of Commerce/Economic Development Administration*

Stead Craigo, *Senior Restoration Architect, State Historic Preservation Office*

Amy Hodgett,* *HCD Manager, Housing Community and Development Program, Alameda County Planning Department*

Nancy Nadel,* *Member, Oakland City Council*

Helen Prentice, *Preservation Architect, Oakland Office of Historic Preservation*

Architects / Designers

Prime Architect - Pyatok Associates, Architects

Michael Pyatok,* *FAIA*

Peter Weller,* *Project Architect*

Alan Dreyfus,* *Historic Preservation Consultant*

Kathy Garrett,* *Principal Landscape Architects, Pattillo & Garrett Associates*

Ed Fernandez, *Project Architect, Museum of Children's Art, Ed Fernandez Architects*

Y.H. Lee, *Associated Architect, Y.H. Lee Associates*

Katherine McCamant,* *Co-Housing Consultant, The Co-Housing Company*

Professional Consultants

Scott Barshay,* *Attorney, Gubb & Barshay*

Arthur Goldman, *Leasing Broker, Ritchie Commercial*

Joel Rubenzahl,* *Financial Consultant, Community Economics, Inc.*

Community Representatives

JoAnne Coleman, *Administrative Director, Oakland Heritage Alliance*

Michael Coleman,* *Old Oakland Co-Housing*

James Myers, *HUD Community Builder & Neighbor*

Tenants

(selected to illustrate the range of residential and commercial tenants)

David Mansch,* *Café Metropolis (recently purchased by Cafe Atzlan)*

Yoshi Suruki,* *Suruki's Japanese Restaurant*

Housewives Market

Bert Abraham,* *Housewives Seafood*

Raymond Gee,* *Taylor's Sausage*

Eugenia Harrison,* *Allan's Ham and Bacon*

Sam Wong,* *Sam's Liquors*

Steve Wong,* *Jack's Meats*

Galleries

Laura Grimshaw,* *Paper Song Gallery*

Corinne Innis, *Chi Gallery*

Mary Marx,* *Executive Director, Museum of Children's Art*

Lizabeth Oliveria, *Oliveria Gallery*

Office Tenants

Community Economics Inc.

East Bay Housing Organization

HKIT Architects

Private Sector Financiers

CitiBank, FSB

Wells Fargo Bank, NA

StanCorp Mortgage Investors Company

PROJECT DESCRIPTION**HISTORY****An Important Block**

The project site, bounded by Clay, Tenth, Washington, and Ninth Streets, has a long history of retail and mixed use, dating back to construction of the Oakland Free Market in 1917. The original proprietor, Jacob Pantosky, was a self-described poultry dealer, broker, speculator, junk dealer, shoe merchant, and hotel manager. He operated the original Oakland Free Market just four blocks away, on Clay Street between Fourth and Fifth, from 1890 to 1910. In a sense, Pantosky's career established a consistent mixed-use theme for the history of what is now known as Swan's Marketplace. As late as 1981, Swan's was listed in the Oakland phone book variously as "department store," "drug store," and "food store."

Swan's Marketplace was a site of some prestige. For 60 years following Pantosky's 1917 commission to the Oakland architectural firm of Oliver and Thomas, the multiple buildings on the Swan's block were among the most important shopping destinations in Oakland. Washington Street was the premier retail street in downtown, running a full 14 blocks from the waterfront to City Hall at Fourteenth Street. Swan's Marketplace was its centerpiece.

Subsequent construction on the Swan's block reinforced its importance and attracted increasingly prestigious tenants and architects. The *Historic Resources Inventory* of the block identifies



Swan's Marketplace

View from 10th Street
C. 1939

Historic Swan's Marketplace

"Growing business has forced the 10th Street Market to undertake an expansion and modernization program which will double its floor space. The picture shows the present market building which will be connected to the new building (dotted lines). Work of removing the old building would cost \$100. The project was started 3/11/40."

a 1921 addition at 910 Clay Street by architect A.W. Smith and three more additions by William Knowles between 1925 and 1927. In 1940, the block was filled out at the corner of Ninth and Washington Streets with what became the Swan's Department Store. The architect, Edward T. Foulkes, also designed other significant structures in Oakland, including the Elks Building on Broadway and the Roos Brothers Tribune Tower. Knowles, Foulkes, Smith, and others working on the Swan's block helped sustain Oliver and Thomas' original design with the use of white glazed brick and multi-colored terra cotta medallions. The consistent use of these materials, the structural module, and the window treatments helped give the block a unified appearance over 23 years of building additions. Architect Michael Pyatok's recent design for Swan's Marketplace has continued the tradition of respecting the original architecture. The renovated structure is now listed on the National Register of Historic Places.

A Downtown Neighborhood in Decline

Since the 1950s, Oakland's downtown district has been in decline. The broad trend of suburbanization combined with the local urban renewal program contributed to the depopulation of Oakland. As the center declined, so did commercial traffic at the market and maintenance of the facility. Swan's Marketplace finally closed in 1984. Four major infrastructure developments in and near Old Oakland contributed to the decline:

- Termination of Tenth Street at Broadway to construct a new office building.
 - Construction of Interstate 980, which separated Old Oakland from the waterfront to the northwest.
 - Construction of Interstate 880, which separated Old Oakland from the waterfront and blocked access for Swan's customers.
- By the 1990s, the neighborhood surrounding the Swan's block was physically isolated and largely abandoned. Only the struggling Housewives Market, established in 1907, and the Ninth Street Farmer's Market suggested any urban life at all. The historic redevelopment of "Victorian Row" on the neighboring block of



Rear facades with no street activity prior to re-use

Ninth Street, between Broadway and Washington, was floundering badly. At the end of the decade, unemployment in the area was 25% and the median household income was \$7,620. As the East Bay Asian Local Development Corporation (EBALDC) manager for the project put it, “Old Oakland is where you used to park your car for conventions.”

A Downtown Neighborhood Coming Back

In 1989, after the Loma Prieta earthquake and following five years of vacancy, three blocks of Old Oakland including Swan's Marketplace were purchased by the City of Oakland Redevelopment Authority (ORA). The complexity of the vacant buildings, their apparent lack of suitability for housing, and the fear



Downtown Oakland

that the structures might be unstable led the ORA to suggest demolition despite their historic status.

The City issued a request for proposals (RFP) for housing and mixed-use development on the three blocks. Three developers responded, including EBALDC, whose proposal was controversial; it suggested retaining the structures on the Swan's block and working with the historic fabric it offered. While EBALDC drew support from preservation forces, it was criticized for the low number of units it planned relative to its competitors. There were also questions about the overall feasibility of EBALDC's proposal. The City Council intervened and the ORA eventually awarded EBALDC the Swan's block — but not the other two blocks identified in the original RFP. If creating a financial package for a diverse mixed-use program on three blocks was difficult, doing it on a single block without the economies of scale of the larger package was even more complicated.

In the end, the ORA's desire for housing and EBALDC's and others' understanding of the importance of mixed uses to create density and street life converged in a complex program accommodating a variety of uses. Despite the reduced size of the site and program, there have been a number of successes. Three new retail establishments and five new restaurants have opened in the area since the project began in 2000. One hundred and twenty new jobs have been created in Swan's Marketplace itself, with 25 more expected when the restaurant opens at Ninth and Washington Streets. Combined with 20 owner-occupied and 18 rental housing

units, the mix of commercial and retail tenancies has brought new levels of activity to a formerly vacant block.

VISION

The vision for Swan's Marketplace was as complex and sometimes as contradictory as its constituency. Preservationists wanted to save historic buildings. Mayor Jerry Brown advocated "an elegant density of housing for downtown Oakland." Others wanted mixed uses to create 24-hour, seven-day-a-week life in the neighborhood, to reconnect the fragments of downtown Oakland, and to revitalize the economy of Old Oakland. Preservationists, the Mayor, EBALDC, its team of architects, prospective tenants, and the ORA all pulled in different directions. In the end, these visions converged to create a program that reflects the interests and concerns of all of the stakeholders.

Preservation

Preservationists were divided on the vision for the project. Strict preservationists argued that the original building fronts on Tenth Street, large open spaces, and warehouses were important urban fabric and should be retained. Others argued successfully that it was enough to retain the ornamental glazed terra cotta details, white glazed brick, regular bay rhythm on street facades, clerestories, and south facing saw tooth windows. Even professional preservationists were of two minds about the approach. After visiting the site, the responsible State Preservation Officer expressed his regret over the loss of the large interior volumes at the same time as he expressed his pride in the result. Helaine Prentice, member of

the American Society of Landscape Architects and secretary of the Landmarks Preservation Advisory Board for the City of Oakland, recommended the Swan's Marketplace project as a model for statewide recognition. "It illustrates with verve," she wrote, "how a historic building type – a 1917 public market, modified mid-century, then permanently closed in 1984 – can inspire imaginative solutions while respecting architectural integrity." The California Preservation Foundation concurred.

A Mixed-Use Program

A complex mixed-use program was another key element of the vision for the new Swan's Marketplace. The ORA's RFP emphasized housing while the developer and its constituents sought a full-service



Detail of historic façade



Retail at street level



Housewives' Market

neighborhood with grocery, retail, and office space and active street life. The ORA came to embrace the EBALDC economic development and mixed-use program and satisfied its aspiration for residential density in other nearby locations. Project goals evolved to the point where the ORA's Economic Development Administration grant in 1997 recognized the importance of historic preservation and elimination of blight as well as job creation, retention of low- and moderate-income households, and provision of necessary goods and services in an under served neighborhood.

Mixed use at Swan's Marketplace has come to include a children's art museum, co-housing, low- to moderate-income rentals, a vendors' market, retail shops, restaurants, and offices. Together these uses constitute a mini-neighborhood within the bounds of a

single block. The different uses are connected internally as well as on the street front. The developers envisioned that parents leaving children at the Museum of Children's Art (MoCHA) would shop the stores and galleries on the block, office workers would eat in restaurants, residents would buy groceries from the stores and Housewives Market, and all these users would secure the place around the clock with "eyes on the street."

Another important aspiration for the project was to demonstrate that middle- and upper-income home ownership could work downtown. The 20-unit Old Oakland Co-Housing project provided compelling evidence that, contrary to popular belief, middle- and upper-income people were willing to live together in downtown Oakland. But it was also an economic lynch pin for the project.



Cafes looking toward street

Overall, Swan's Marketplace satisfied the aspirations of a variety of stakeholders as it infused new life into a racially, economically, culturally, and environmentally heterogeneous community.

An "Elegant Density"

Mayor Jerry Brown added a significant element to the vision for Old Oakland by setting a goal to create 10,000 new units of middle- and upper-income housing in Oakland within five years. The Mayor's frank intention is to serve relatively affluent households with incomes above \$70,000 as part of a strategy to attract new investment in retail and entertainment venues in downtown Oakland. These 10,000 units are intended to augment the city's existing low- and moderate-income populations by attracting residents who can no longer afford housing in other parts of the Bay



Housing development on part of original site

Area's hyper-inflated residential market. Brown promotes the program with a call for an "elegant density" in places like Old Oakland

Reconnecting the City

Finally, the project vision included the desire to reconnect the fragments of a downtown broken by demolitions, infrastructure obstructions, and poor urban renewal planning. Such errors have left Old Oakland isolated from the rest of the city. Broadway, a block east of Swan's Marketplace, is the only remaining north-south link from Swan's Marketplace to the waterfront in one direction and to the City Center in the other. Washington Street links to the waterfront but is blocked by the Convention Center to the North. Clay Street links to the City Center but is blocked by the



Café activity near Victorian row

freeway and BART to the south. Ninth Street, which is one-way, provides a direct link to Chinatown two blocks east of Swan's Marketplace. Tenth Street is closed at Broadway and both Ninth and Tenth Streets are cut off by a freeway from West Oakland, four blocks to the west. A vacant block at Swan's, the blocked streets, and the deadening effect of the blank walls of the Convention Center created a "hole in the donut" between the surrounding City Center, Jack London Square, and Chinatown. It is hoped that, together with adjacent development, Swan's Marketplace will provide part of the common ground needed to reconnect these three urban nodes.

ORGANIZATION AND LEADERSHIP

The Swan's block development was in a sense organized and led by the dynamics of project finance. The combination of different financial methods exerted powerful limitations on the program and design of the project. At the same time, a workable solution was devised at the intersection of these approaches. Financing mechanisms included market-rate condominium loans, low-income housing tax credits, historic preservation tax credits, and business relocation assistance, among others. Project developers succeeded by concentrating on what their financial tools made possible, not what they prohibited.

Other contributions to the organization and leadership of the project included the driving force of the Co-Housing Company, a community development corporation (CDC) with a clear mission and strong track record; a design team with skill and experience in complex mixed-use projects; and key players who drew on the advice of "smart friends." Partners who simply knew their jobs and did them well were crucial ingredients in the mix.

East Bay Asian Local Development Corporation (EBALDC)

EBALDC is a not-for-profit corporation with a strong commitment to the development of the East Bay community, especially in low-income Asian and Pacific Islander populations. It has a track record of meeting the housing needs of lower-income residents in a regional housing market where the median home price is about

\$450,000. Since its founding in 1975, EBALDC has developed more than 800 units of housing and 185,000 square feet of commercial space. EBALDC's experience extends to mixed-use development with 190,000 square feet of office and retail space to its credit. It was EBALDC that perceived the possibilities in a tangle of financing options and guided a complex and difficult venture to completion.

With the Swan's project, EBALDC met the challenge of affordable housing by delivering a modest array of new units for a range of owners and renters. Twenty co-housing units sold at an average of \$315,000 each – more or less market rate. Eighteen one- and two-bedroom apartments were for renters earning between 20% and

60% of median household income. Initial rents ranged from \$199 per month for a one-bedroom unit (for a household at 20% of median income) to \$760 per month for a two-bedroom unit (for a household at 60% of the median).

It was Joshua Simon, EBALDC project manager, who stitched together the patchwork quilt of financing mechanisms that made it possible to engage the emerging visions, fulfill the program, and make the Swan's block both a financial and social success (see "Finance"). A key element of the approach was EBALDC's willingness to accept and adapt to constraints imposed by lenders. For example, both the organizational mission of the CDC and the social vision of the co-housers shaped an aspiration to integrate the lower-income renters with the more affluent owners. But lenders wanted the two populations to be separate. Rather than resist this demand at the risk of delaying the project or worse, EBALDC designed around it. Renters and co-housing owners are in separate buildings, and the co-housers are behind a security gate. But the two structures are connected by common spaces – a public plaza and community garden.

Doing Their Jobs Well

Another important aspect of the organization and leadership of the project was simply that the development partners knew their jobs and did them well. The architectural team applied its extensive experience in low- and moderate-income housing design; the CDC brought a strong track record in mixed-use development; the



Pete Waller, Josh Simon and Michael Pyatok

Oakland Heritage Alliance worked well with both state and local regulators, advocating positions with clarity and flexibility; and co-housing project managers all contributed the experience and patience necessary to bring the project to fruition.

Pyatok Associates brought solid qualifications in low- and moderate-income housing development and showed skill and creativity in fitting a challenging program into a complex ensemble of historic structures. Pyatok Associates had also designed EBALDC's Hismen Hin-Nu Terrace project, which, in 1997, won both a Platinum Award for design from HUD and a Silver Medal from the Rudy Bruner Award in 1997. Pyatok Associates' experience and talent, combined with its previous working relationship with EBALDC, was a major asset for the Swan's Marketplace project.

The Oakland Heritage Alliance was an able advocate for the preservation of historic resources on the Swan's block. It monitored the ORA's proposal process, supported the EBALDC proposal at City Council, worked with the architect and EBALDC, and participated in negotiations with the Oakland Landmarks Preservation Advisory Board and the State Historic Preservation Office.

The ORA initiated the project, acquired the property, and sought proposals for redevelopment. The ORA also supported EBALDC in lengthy negotiations with the federal Economic Development Authority for a crucial \$1.7 million grant. Finally, the ORA provided low-cost financing for all three elements of the project.

The Co-Housing Company

The co-housing core group provided an unusual combination of financial, technical and social resources for the Swan's Marketplace project. The co-housers brought a share of private equity into the enterprise and recruited new members continuously. The Co-Housing Company added top-notch design and development expertise in its specialization, manifesting a particular vision for community living that exerted a powerful force on the development of the project. The decision by middle- and upper-income people to live at Swan's Marketplace provided a convincing argument for the validity of the whole development and for the desirability of living in Old Oakland in general.

The job of organizing and working with prospective co-housers through the development process to the delivery of pre-sold units fell to Katherine McCamant, an international expert on co-housing. McCamant and her partner, Charles Durrett, literally wrote the book on the subject, *Co-Housing: A Contemporary Approach to Housing Ourselves*. In it, they describe co-housing as:

a grass-roots movement that grew directly out of people's dissatisfaction with existing housing choices. Its initiators draw inspiration from the increasing popularity of shared households, in which several unrelated people share a traditional house, and from the cooperative movement in general. Yet co-housing is distinctive in that each family or household has a separate dwelling and chooses how much they want to participate in community activities.



Co-housing exterior



Co-housing interior

[...]Co-housing communities are unique in their extensive common facilities, and more importantly, in that they are organized, planned, and managed by the residents themselves. (McCamant and Durrett, 17-18)

In some ways, a co-housing complex is indistinguishable from a condominium. It has shared community space and semi-public areas supported by fees. Indeed, in a legal sense, the co-housing element in Swan's Marketplace is a condominium. But it differs dramatically in the way it was developed, the reasons people chose to buy, and the social process through which community relationships are created.

The co-housing initiative pre-dated the ORA's involvement in the Old Oakland project. McCamant and her team held an initial meeting on December 4, 1994, with 15 families interested in the possibility of co-housing in downtown Oakland. Later, McCamant approached all three organizations that responded and asked to be included in their proposals.

“Josh [Simon] was initially very conservative,” McCamant recalled, “but later warmed up to the idea.” She persisted, however, not only with the principals of the EBALDC proposal, who included co-housing in their winning submission, but also with prospective co-housers. The original core group dwindled to just five over the years of project development. McCamant recruited new prospects continuously, setting out tables Saturday mornings at the Ninth Street Farmer's Market, giving talks at churches, and generally stumping for her version of a communal, urban lifestyle. Before the

date of occupancy, all 20 units were sold. The group formed an investment entity of over 20 families who ultimately invested in the development during construction.

In response to the ORA's request for architectural services for the project, the Co-Housing Company originally joined one of the losing teams but was later retained to work with Pyatok Associates as consultants on the development of the site. The company helped dovetail the co-housing program for common areas – kitchen, dining room, play area, lounge – with the design of outdoor spaces shared by both residential elements of the project. It also demonstrated that there was a demand for purchase of market-rate housing in one of Oakland's poorest neighborhoods. This gave lenders the confidence to fund the development.

Smart Friends

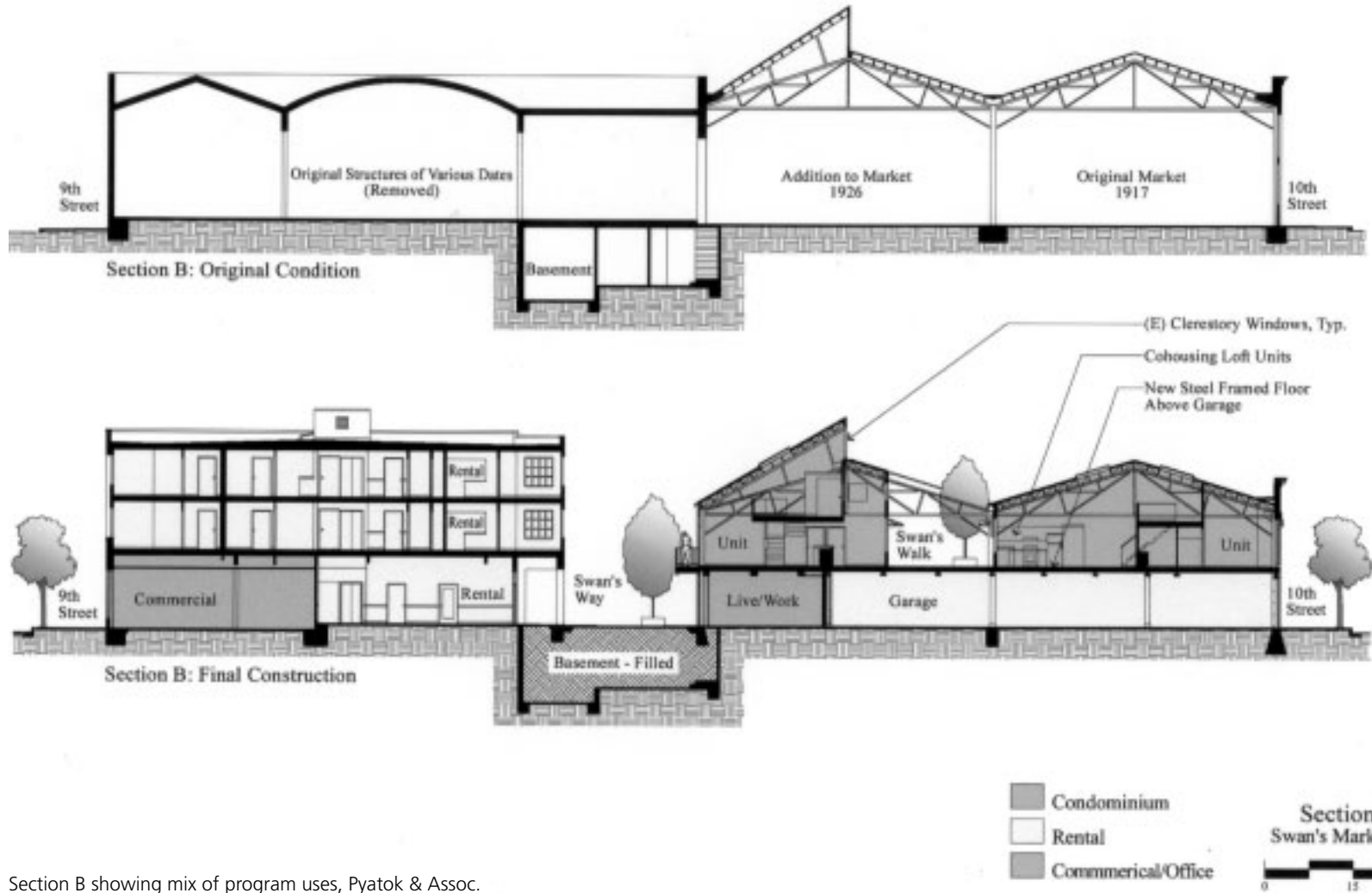
Simon describes the project as very “local.” EBALDC, Pyatok Associates, the Co-Housing Company, the Housewives Market tenants, the local contractor, and other participants were all Oakland based. Yet EBALDC, the architects, and the co-housing consultants are also recognized nationally and even internationally as being among the best at what they do. This was a sophisticated team.

DESIGN

The design challenge for the Swan's block was to find a way to link diverse program elements — public and private, those in and outside the project area — while also preserving historic resources on a modest budget in an untested market. Making the desired links meant creating physical relationships among the various uses within the block, weaving the Swan's block into the larger fabric of Old Oakland, and connecting Old Oakland to other nearby urban districts. Preserving historic resources involved the practical and programmatic tradeoffs between large open spaces in the existing buildings and the complex subdivision of mixed uses demanded by the new program.

Context: Linking Diverse Program Elements on Several Levels

It is a tall order to expect this one-block project, or developments in Old Oakland more generally, to “reconnect” the fragments of the city. Neither Swan's Marketplace by itself nor redevelopment in the four-block Old Oakland Historic District will be able to defeat the isolating effects of the interruption of Washington Street by the Convention Center or of the way the center turns its back on the neighborhood with a continuous blank wall, running two blocks from Clay to Broadway. Still, new life in Old Oakland attracts people from adjoining areas and can be attributed, in part, to Swan's Marketplace. Both Clay Street (which borders on Swan's block) and Broadway now serve as stronger links between the City Center to the north and the Jack London waterfront entertainment and retailing district to the south.



Section B showing mix of program uses, Pyatok & Assoc.

Similarly, burgeoning street life on Ninth Street (which borders on Swan's block and the new housing developments to the south) helps make the east-west connection to a thriving Chinatown and to the reborn Victorian Row. New restaurants and galleries that have followed MoCHA onto the Swan's block, together with streetscape improvements, have all contributed to the creation of an important activity node in the larger city.

Tenth Street is not so successful. The public market's original front door on Tenth is now its back door, a reaction to the mass and coldness of the Convention Center across the street. Circulation is provided through the block as well as around it. Overall project design, including the new building on the corner of Tenth and Clay,



Shops and banners animate street level

goes as far as it can to offer 360-degree access to the site. The corners are canted to offer entrances on both streets. The Tenth Street facades offer evening illumination and the windows of the co-housing units overlooking the site provide eyes on the street. The regular bay rhythm, tile details, and mix of materials along the facade also serve to counter the effect of the Convention Center's brutalist box. Even so, Tenth Street is where co-housing residents and public market patrons park. There is no access to the interior of the block except on the corners or through the covered parking on the block. Despite the best efforts of the development team, Tenth Street remains inactive.

Clay, Washington, and Ninth Streets have fared much better. They all have shops opening to the street. Pedestrians on Washington and Clay are invited to the interior of the block through stores, restaurants, or market venues as well as through Swan's Court, a public plaza off Ninth Street, or through Swan's Way, extending to the plaza from Washington Street. Merchants complain about inadequate signage, but there are colorful banners and clear indications to pedestrians about where the interior market is. There are many opportunities to see through one venue into another, effectively announcing the visitor's choices from the street. The real problem may well be the already problematic lack of pedestrian traffic in the area, a result, no doubt, of the site's proximity to the Convention Center and freeways.

For the architects, the biggest challenge was how to incorporate new uses, especially the condominium units, within the envelope of the

historic market. Because of the multiple buildings and complicated site dynamics, there were 15 custom approaches to roof design for only 20 different units. A glance at building sections describes much of the complexity of pulling together the co-housing development.

There were a number of other vexing problems to be solved on the Swan's block:

- Lenders demanded that subsidized renters be segregated from market-rate owners while tenants in both categories desired an integrated project.
- Good urban design demanded that attention be paid to providing a stimulus for life on the street, but program requirements called for a unified interior through which pedestrians could traverse the middle of the block.
- The historic resources of the block were defined by the large open areas in the warehouse and retail sections of the market, but the density requirements of the program demanded commercial and retail functions be stacked and separated, subdividing the historic interior spaces.

The architecture uses common spaces like Swan's Way, Swan's Court, and the community garden to connect program components to each other and to the streets. It also visually connects the Housewives Market to Swan's Court and to Washington Street via a café entrance and other connecting spaces. These devices help to create a feeling of coherence among the different uses.

Initially, plans for the Swan's block were rejected by the State Historic Preservation Office. The local landmark preservation board and Oakland Heritage Alliance also had concerns. Many of the contributing characteristics of the historic structure were compromised by the way interior spaces were carved up to meet the program. Eventually, however, through a remarkable process of collaboration, consultation, and design development, the project won support from the entire array of preservation agencies. Even if there was some loss of the block's historic character, preservation of historic resources remained an important motivation in the design process.



Swan's Court

Some of the design choices that made this set of endorsements possible included:

- Exposure of roof trusses over Swan's Court and in office spaces as a way to interpret the original large open interiors.
- Retention of 80% of the block perimeter. The design held the corners and retained the outward appearance of the historic public market, including bay spacing and facade rhythms.
- Preservation of details of the historic facade ornamentation, window treatments, clerestory windows, and south-facing saw-tooth windows.



Trusses above Swan's Court



Historic façade restored

VALUES

The visions at work in the creation of Swan's Marketplace embody an understanding of what it takes to be urban and of the use of mixes required to create a successful urban place. By working to create a small "village" atmosphere with something for everyone, and by including everyone, the project demonstrates the highest aspirations we have for reclaiming our central cities, making good use of the historic stock of buildings and sustaining a high quality of life for all income levels.

FINANCES

Project financing involved a complex set of agreements involving EBALDC; three of its affiliates; the ORA; the Economic Development Authority; housing finance agencies at the federal, state, county and municipal levels; preservation agencies; an array of private sector lenders; and others. Some of these lenders participated in more than one element of the project. A full summary of funding sources is provided in Table 1 as supplied by EBALDC in its original application for the award and later confirmed by the complete *pro forma* for the project.

Uses for the funds involve the provision of the following space types and areas:

SQUARE FEET

OFFICE SPACE:	17,402 SF
STORE FRONT RETAIL:	25,500 SF
LIVE/WORK RENTAL:	1,320 SF
RETAIL PARKING GARAGE:	5,600 SF
RESIDENTIAL:	50,822 SF
<i>20 CO-HOUSING WITH 1:1 PARKING SPACES 18 RENTAL AT AN AVERAGE OF 50-60% OF MEDIAN RENTS AND 15 PARKING SPACES RENTED SEPARATELY</i>	
CIRCULATION AND UTILITY SPACE:	10,089 SF
COURTYARD	7,856 SF
TOTAL SF:	118,500 SF

SWAN'S MARKETPLACE FUNDING SOURCES

EBALDC AFFILIATE - SWAN'S MARKETPLACE LP (COMMERCIAL AND EDA PARCELS)

LENDERS	LOAN	TERMS
WELLS FARGO*	\$3,350,000	CONVENTIONAL LOAN
ORA	1,150,000	3% SIMPLE-30 YRS DEFERRED
HHS-OCS GRANT	500,000	GRANT
EDA GRANT	1,700,000	GRANT
PREPAID TENANT IMPRV.	1,700,000	
PREPAID RENTS FOR TI	1,700,000	TI FUND
CAPITAL CAMPAIGN	1,150,000	EQUITY
STAN CORP MORTGAGE INVESTORS	3,500,000	CONVENTIONAL LOAN
HISTORIC TAX CREDITS (CEF)	2,100,000	EQUITY INVESTMENT
SUB TOTAL	\$13,500,000	

EBALDC AFFILIATE - SWAN'S MARKETPLACE LP (RENTAL HOUSING)

LENDERS	LOAN	TERMS
WELLS FARGO*	\$1,561,830	CONVENTIONAL LOAN
FANNIE MAE PRI LOAN*	200,000	1% INTEREST ONLY - 2 YRS
ORA	600,000	3% SIMPLE - 55 YRS DEFERRED
ALAMEDA COUNTY HCD	500,000	3% SIMPLE - 59 YRS DEFERRED
SHP GRANT (CITIBANK)	90,000	0% DEFERRED
FANNIE MAE GRANTS	65,000	GRANT
CHFA TAX CREDIT BRIDGE*	730,000	6.75% 5 YEARS - 5 PAYMENTS
CHFA	775,000	6.75% 40 YEARS
CHFA-HAT LOAN	240,000	3% SIMPLE - 40 YEARS RESIDUAL
TAX CREDIT PURCHASE (CEF)	1,350,000	EQUITY INVESTMENT
SUB TOTAL	\$3,620,000	

EBALDC AFFILIATE - INNOVATIONS FOR HOMEOWNERSHIP (CONDOMINIUM)

LENDERS	LOAN	TERMS
WELLS FARGO	2,810,000	LENDER'S PRIME +1% - 15 MTHS.
OLD OAKLAND GROUP LLC	315,000	10% SIMPLE, 18 MONTHS
ORA	750,000	6% SIMPLE, 18 MONTHS
PROCEEDS FROM SALES	675,000	PAID FOR UPGRADES & CHANGES
SUB TOTAL:	\$4,550,000	

GRAND TOTAL: \$21,670,000

SHORT TERM LOANS, NOT IN TOTAL*

Several aspects of the financing were very creative:

- Developers split the project into multiple air-rights parcels to separate types of uses and match them with the limitations imposed by funding sources. The investors purchased both historic and affordable housing tax credits on three separate parcels with two different owners. Each parcel has its own financing structure. By separating the financing by parcel, the funders' requirements did not conflict with each other.
- The condominium (co-housing) units established a solid economic base for the project and reinforced lender confidence in the project. A limited liability corporation formed by future owners of co-housing loaned money to the project.
- The developers syndicated tax credits through the California Equity Fund (CEF), which is an affiliate of the National Equity Fund. EBALDC views this funding mechanism as a model for CDCs across the country. It is a conservative approach that employs large capitalized reserve deposits and relies on annual contributions to the reserve accounts. This is done to "ensure long-term security for the development." The model assumes high operating expenses and conservative underwriting. CEF reports that, based on Swan's experience, it has encouraged others to take a similar approach.
- EBALDC negotiated with an exceptionally large number of lenders, relative to the size of the project, and accommodated the programmatic constraints that each imposed.

- \$1,150,000 was raised through a capital campaign to support the Swan's Marketplace Partnership and fund the common spaces and rental housing.
- The ORA sold the property to EBALDC for \$5, helped the developers win approval for the \$1.7 million Economic Development Authority grant, and lent more than \$3 million to the project in three separate loans.

The development team harbors a number of reservations about project financing. The team knows it missed certain economies of scale because of the large number of lenders and deals involved and because it was able to develop only one block rather than the three blocks originally offered by the ORA. The developers realize their eagerness to fill retail space led them to sign a lease restricting their options for attracting other vendors (the lease stipulated, for example, that no other vendors could sell cappuccino to go). Other leases locked in square foot rates favorable to tenants, leaving the developers helpless to take advantage of rapidly rising prices in the booming Bay Area economy. As the economy has begun to slow, however, many of these leases now look favorable.

IMPACT ON THE CITY

Prior to recent recessionary trends, economic conditions had improved broadly throughout the Bay Area, making it difficult to assess the overall impact of Swan's Marketplace on Oakland. Still, Swan's Marketplace is clearly a pioneering development. It

introduced middle-income home ownership to the area and demonstrated the potential for diverse mixed-use developments. On the other hand, tenants of the Housewives Market and other retailers are concerned about their future survival. They complain of inadequate parking, high rent relative to their old location, and a lack of attention to marketing, signage, and a few "punch list" details. Some are concerned that some of the early retailers and Housewives Market tenants might fail while waiting for more housing and street life to return to Old Oakland, while others see this as a natural attrition.

To date, the impacts, positive or negative, are difficult to substantiate, but the following observations are possible. Swan's Marketplace:

- Created an activity node that better connects the City Center, Jack London Square, and Chinatown and further establishes the vitality of Old Oakland. It provides a diverse mix of activities, including programs at MoCHA, restaurants, upscale retail stores, the Housewives Market, galleries, live/work space, low-income apartments, and co-housing units.
- Modeled a successful public/private partnership across several agencies and lending agents with minimal conflict.
- Eliminated blight and preserved a historic market.
- Created or retained 120 jobs with 25 more to come when the last restaurant space is completed.

- Provided 18 long-term, deed-restricted affordable housing units, 20 condominium units, and live/work space currently rented to galleries.
- Provided a shared, though minimal, parking arrangement for commercial and apartment users.
- Helped spark the development of five new restaurants and three new stores in Old Oakland (now open) and two new hotels (under construction).
- Retained seven tenants from the Housewives Market and provided new equipment and training to improve business practices.

FUTURE PLANS

Merchants are organizing to establish a clearer voice in the management of the market. EBALDC is finishing signage to make primary entrances and shopping opportunities more visible. All involved are eager for the completion of additional nearby housing to reinforce the market for retail and market vendors.

ASSESSING PROJECT SUCCESS

SUCCESS IN MEETING ITS OWN GOALS

Building an economically viable project founded on small local businesses, including existing Housewives Market vendors.

The *pro forma* illustrates that the mix of office and retail uses results in an economically viable development. Although the current tenants of the Housewives Market have experienced mixed degrees of retail success, they continue to operate. The business owners are optimistic that, as Swan's Marketplace becomes more established, retail trade will improve.

Converting a blighted block into a community gathering place and source of community pride.

The project has certainly eliminated the blight of the block itself, and the Swan's project includes many essential elements of community. Although the scale and density of the project falls somewhat short of the original three-block development proposed to the city, everything possible has been done to mitigate the change in project size. The new owners of the adjacent blocks are also working to build on the retail start that Swan's Marketplace has initiated.

Establishing a mix of artistic, cultural, and culinary traditions to serve a diverse downtown.

With the children's art museum, accompanying galleries, restaurants, office space, and a diverse resident population, Swan's Marketplace

has introduced a solid urban mix of uses and populations into downtown Oakland.

Convincing middle- and upper-income households to live and invest downtown near BART and major employment centers.

The project has demonstrated the possibility of attracting residents across a broad socio-economic spectrum and given confidence to developers of subsequent projects.

Providing new affordable housing with opportunities for residents to increase their social support network.

The project has provided a modest number of affordable housing units. Additional social support such as job training was outside the scope of the project. The skilled and caring facility manager, however, pays close attention to the needs of her residents. A contract also provides support services for the residents of four apartments for people living with AIDS.

Attracting new investment downtown without displacement of existing residents and businesses.

As noted, five new retail outlets, three restaurants, and various offices have been drawn to the project without displacing the vendors in the Housewives Market. Although recent recessionary conditions will pose a challenge to fledgling retail efforts, such uses are clearly needed in struggling downtown Oakland.

Supporting the efforts of traditionally disadvantaged, small, local business owners.

Provision of space and fit-out for the relocated Housewives Market meets this goal, as does the training on small business management practices made available by the ORA to the project vendors. All of the businesses are small and local. Seven of the 15 retail business owners are either African-American or South American. Five of the 15 are Asian and one is from Afghanistan.

Creating and retaining full-time, permanent jobs, offering openings for low-skilled workers and opportunities to build skills.

A significant number of private sector jobs have been created, with more on the way. The project is of such a small scale, however, that there is no specific reference to placements for low-skilled workers or job training. However, most of the businesses require low-skilled employees to operate. Many of the owners started out as employees. The fish store, for example, was recently purchased by an employee who worked for the former owners for over 20 years. If this model continues, then a traditional path for low-skilled workers to become business owners will have been retained.

Preserving a unique historic landmark slated for demolition by the City.

The design of the project preserved the exterior image of the original Swan's Marketplace, including materials, ceramic details and fenestration. The character of the interior was necessarily altered to meet the needs of the new users.

SELECTION COMMITTEE COMMENTS

The Selection Committee felt that Swan's Marketplace represents a mix of retail and office space and multiple kinds of housing, including low-income residences, that downtown areas like Oakland desperately need. EBALDC and its partners came up with a creative and historically sensitive response to the city's RFP and developed an attractive and successful project under difficult physical and financial constraints. The Committee was impressed by the ability of EBALDC to work effectively in this constrained environment.

Committee members noted that EBALDC faced problems on many fronts. First, the neighborhood in which it was building was without significant resources or an existing residential base. Second, the political climate for new development in Oakland has always been a difficult one in which to work. In addition, EBALDC was forced to develop a site one-third the size of that which was laid out in the original RFP, eliminating any economies of scale.

Committee members also noted that the final site was "much too small," limiting the impact the development could have on downtown Oakland, even given the tremendous effort and the quality of design involved. Because of the developers' goals and values for Swan's Marketplace (creating a multi-use development, including low-income, affordable housing while maintaining the traditional neighborhood retail shops), financing was extremely complex. The Committee commended the Swan's Marketplace development team on the sophistication of the financing package

and intricacy of design required to implement the project, noting that not many development teams in the country possess this capability.

FOR FURTHER INFORMATION

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RELATED RUDY BRUNER AWARD WINNERS

Readers who are interested in Swan's Marketplace may also wish to read about these gold and silver award-winning projects from previous years:

The Portland Public Market, Portland, ME (1999)

Hismen Hin-Nu Terrace, Oakland, CA (1997)

Cleveland Historic Warehouse District, Cleveland, OH (1997)

Center in the Square, Roanoke, VA (1997)

Lowertown, St. Paul, MN (1995)

Greenmarket, New York, NY (1991)

Pike Place Market, Seattle, WA (1987)

(For full bibliographic citations of Bruner Foundation books, please see Introduction. Information on all RBA winning projects is available at www.BrunerFoundation.org.)

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SILVER MEDAL WINNER

Swan's Marketplace