



Foundations, nonprofits, and the fate of public housing: A critique of the Right to the City Alliance's "We Call These Projects Home" report



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ABSTRACT

For over three decades the US federal government has promoted the rollback of public housing through policies of privatization, deregulation, and devolution of responsibilities to localities. The embracing of austerity by the Obama administration and Congress have only accelerated this long term trend, with new legislation presaging the selling-off of large swaths of the remaining public housing stock. In this context *The Right to the City* (RTTC), an anti-gentrification group, issued a 2010 report that thoroughly critiques the neoliberal policies that have dismantled public housing communities and the "deconcentrating poverty" ideology that has legitimated this agenda. I identify four strengths the report makes toward building an effective movement to defend and expand public housing in the current hostile political environment. At the same time the report's silence on the role that nonprofits and foundations have played in promoting privatization is a serious limitation on its effectiveness as a guide and weapon for the audience of pro-public housing activists and academics that the authors' have, in part, directed their message to. I provide evidence of the *direct* role foundations and nonprofits have played privatizing public housing, with particular attention placed in post-Katrina New Orleans. Further, I suggest, through a review of a growing body of literature, that foundations also foment accommodation to privatization *indirectly* through their financing of ostensibly pro-public housing nonprofits.

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Introduction

As I finish this article in late May 2012 the Housing Authority of New Orleans (HANO) prepares to hold a perfunctory public hearing before proceeding to finish off the city's Iberville public housing development (Reckdahl, 2012). Of course, for some, such as former Louisiana Republican congressman Richard Baker, the demise of New Orleans's last traditional public housing development should have happened several years earlier. In early September 2005, at the same time as Hurricane Katrina survivors were dealing with trauma and loss, the Baton Rouge real estate entrepreneur was in a celebratory mood. While bantering with a group of lobbyists in Washington, DC he crowed that, "We finally cleaned up public housing in New Orleans. We couldn't do it, but God could" (Babington, 2005, 4).

In the immediate aftermath of the storm, the Republican Bush administration, with fulsome support from the city's Democratic mayor and city council, did get busy "cleaning up" public housing. Housing and Urban Development (HUD) secretary Alphonso Jackson moved quickly to bar residents from returning to the little damaged traditional developments and announced they would

be demolished and redeveloped along mixed income lines (Filosa & Gordon, 2005). The only problem, from the perspective of the demolishers, was a combative public housing movement that made "cleaning up" difficult. Protests forced HUD to reopen the Iberville development and stymied efforts to demolish four other large developments for over 2 years in a campaign that brought national and international attention to the injustices of post-Katrina New Orleans (Arena, 2012).

After the financial crisis hit the global capitalist economy in the fall of 2008 there was a bit of a pause in the neoliberal assault on public housing in New Orleans and around the country. With major corporations going bankrupt, stock markets in free fall, millions of people losing their homes, and unemployment reaching double-digit levels, the old neoliberal nostrums that had legitimated the attack on public housing, and other public services, were being questioned. But, by the spring of 2010, when the Right to the City (RTTC) alliance issued their report, *We Call These Projects Home: Solving the Housing Crisis from the Ground Up*, the questioning of capitalism and its neoliberal variant had clearly ended, at least in official discourse. Both the Democratic and Republican parties, with some tactical differences, began a bi-partisan push to deepen and extend the three decade long neoliberal agenda. The Obama administration's demolition plan for Iberville—the one development Bush and Baker could not get their hands on—is but one expression of this broader offensive (McNally, 2010).

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My evaluation of the report *We Call These Projects Home* is based on how effectively it contributes to forging a *movement* that can defend and expand public housing in the current hostile political environment. In the first section I identify four major strengths the report makes toward outlining an effective theory and practice to defend and expand public housing. At the same time, the report's silence on the central role many nonprofits and foundations have played promoting privatization places a serious limitation on its effectiveness as a guide and weapon for the audience of pro-public housing activists and academics that the authors' have, in part, directed their message. Any effective movement to defend and expand public housing—a central aim of the report—has to identify and analyze its principal adversaries, and yet the authors do not provide any discussion or guidance on this most formidable of opponents. In the second section of the study I elaborate on two ways that foundations and nonprofits promote privatization. First, I suggest, through a review of a growing body of literature, that foundations conservatize and foment accommodation to privatization *indirectly* through their financing of ostensibly pro-public housing and other grass roots nonprofits. Second, I document the transparent, *direct* role foundations and nonprofits have played privatizing public housing, with particular attention placed on post-Katrina New Orleans.

We Call These Projects Home: Four strengths

The most significant contribution of the report *We Call These Projects Home* is that it unequivocally calls for the defense and expansion of public housing. Although a seemingly elemental step, this position is in contrast to a whole array of housing advocates and academics who have accommodated to the attack on public housing over the last generation. The authors emphasize that their demand is for *public* housing, housing that “does not rely on the private market and therefore ... has consistently provided the most effective and stable safety net for people in need” (p. 7). The report boldly calls on the federal government to not only retain and refurbish, but expand public housing by millions of units to make a right to housing a reality. They are not interested in placing a human face on the neoliberal agenda of deregulation, privatization, and demolition. The organizing philosophy advanced in the report is that the public housing movement must fight for what it wants, not what has been deemed politically possible, in order to make any gains. Thus, the report implicitly challenges groups, such as the National Low-Income Housing Coalition and other non-profit housing advocates, who testified before Congress in support of the Obama administrations so-called “Rental Assistance Demonstration” (RAD)” program that would further erode public housing (NLIHC, 2011).

The second contribution of the report is its critique of the key neoliberal nostrum—used to justify the attack on public housing and other public services—that the market is the “assured road to eternal prosperity and supreme happiness” (Wacquant, 2008, p. 101). The authors thoroughly document the failure of the capitalist housing market to provide safe, affordable housing for a wide swath of the population, particularly poor people of color. While the demand for low income housing has increased over the last three decades, driven, in part, by declining and stagnating wages and benefits, the “supply of housing for low income people,” they explain, “has shrunk” (p. 19). The result, predictably, has been more suffering and stress, especially for low income families of color, as increasing numbers pay more than the recommended 30 percent of their income for housing and the number of the homeless continues to rise. In addition, the report documents the problems with market-based subsidized housing programs, such as section 8 vouchers, especially for extremely low income families (p. 13).

Further “market failure” is evidenced in homeownership that, until recently, had been touted, from policy makers in Washington to nonprofits at the neighborhood level, as *the* solution to poverty and neighborhood stability. Instead, we now see millions of families—disproportionally African-American, Latino, and Asian-American families—losing their homes and wealth due to banks use of predatory lending practices and, increasingly, because of unemployment (Bocian, Wei, & Reid, 2011).

The third contribution is the report's critique of the “theory of deconcentration,” one of the crucial ideological underpinnings of the federal government's almost two-decade long public housing demolition agenda. Advocates of demolition and dispersal—euphemistically termed “deconcentrating poverty”—argue that poor people concentrated in one area foments a “culture of poverty” that produces social problems such as crime, drug abuse, and violence. Thus, to undo “concentrations of poverty,” and the attendant deviant culture, developments should be demolished and residents dispersed throughout other neighborhoods with more resources and role models. In this view, poor people displacement is actually a benevolent enterprise.

The authors debunk the deconcentrating poverty thesis by pointing out that many “deviant” behaviors, such as illicit drug use and sales, are evident across the socio-economic spectrum, rather than simply plaguing the “underclass”. In a further challenge to the theory, the report contrasts the supposed salutary effect of breaking up public housing communities with the actual destructive impact this policy has had in practice on the lives of low-income peoples. In chapter 3, “Lost in the Fray,” displaced public housing residents share their perspective on how demolition created more hardships by destroying the informal friendship and family defined networks that play a key role in carrying people through tough times. In contrast to mainstream anti-poverty ideology, the report documents, with ample data, that the problems public housing communities face are “due to lack of resources and services in low income communities, rather than simply the concentration of low-income people themselves” (p. 6). The authors advance their own “right to the city theory” to solve “poverty and the problems associated with it.” Their solution, in a radical departure from the reigning public policy paradigm, calls for government “investing in communities rather than dispersing them” (p. 15).

The final devastating critique of the deconcentration agenda is provided by a content analysis of newspaper articles on public housing from seven cities. Their findings reveal strong media biases against poor people of color, particularly public housing communities, and for “deconcentrating” these communities through demolition. News articles generally portrayed public housing as “high rise hell holes filled with [black and Hispanic] drug dealers, guns and violence.” Following the print media's invariable focus on drugs, crime, and/or violence, the stock answer for “fixing the problems associated with public housing was to demolish the buildings and replace them with mixed-income developments” (p. 42). This “solution” was based on the unquestioned assumption, also often articulated in the articles, that the concentration of poor people in one area causes crime, drugs, and violence to proliferate. Media coverage of redeveloped mixed income developments also buttressed the deconcentration thesis by rarely mentioning the number of units lost, residents displaced, shredded community bonds, and other negative outcomes.

The fourth important contribution is the fact that public housing residents played a central role in the creation of the report itself. The voices and perspective of public housing residents themselves are highlighted. Their demand that public housing should be strengthened, rather than dismantled, is reflected in the report's recommendations. The integral role of residents is significant since any movement to defend this particularly besieged

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