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Urban Renewal in the USA: A Neoliberal Policy?

by [Thomas Kirszbaum](#) & translated by [Oliver Waine](#) [03-05-2019]

Mots-clés : [working-class neighborhood](#) | [working classes](#) | [urban renewal](#) | [urban policy](#) | [capitalism](#) | [neoliberalism](#) | [demolition](#) | [Department of Housing and Urban Development](#) | [HOPE VI program](#)

By allowing demolitions and evictions in well-located [working-class neighborhoods](#), urban renewal is sometimes described as a neoliberal policy, favorable to land and property investors. But this interpretation, founded on the trauma of postwar urban policies, only tells part of the story when it comes to understanding contemporary urban renewal in the United States.

The policy of urban renewal implemented in the United States in the 1950s and 1960s came to symbolize the collusion of local urban and economic elites within “growth coalitions” formed to control urban space and maximize its profitability (Logan and Molotch 1987). Municipalities had made excessive use of their eminent domain powers, leading to the expulsion of a million people—mostly African Americans—who were often relocated in public housing projects confined to the most segregated areas of cities. The land “released” by these operations was sold off to private investors or public institutions (universities, hospitals, etc.) in search of available land in or near business districts.

With the launch of the federal HOPE VI (Housing Opportunities for People Everywhere) program, a new cycle of urban renewal began in the early 1990s and ended in the late 2000s. The aim was no longer to eliminate urban blight, defined extensively in urban-renewal policy, but rather to initiate a fundamental transformation of public housing, one of the assisted housing programs under the responsibility of the United States Department of Housing and Urban Development (HUD) and managed locally by public housing authorities.

By an ironic twist of history, HOPE VI has sought to erase the most visible signs of modernist architecture—the towers and slab blocks—built to relocate the victims of the first urban renovation, [1] by replacing them with single-family houses designed to recreate the atmosphere of urban villages [2] that previous urban-renewal operations had precisely destroyed a few decades earlier. But while postwar urban renewal aimed to stem the economic decline of urban centers and the flight of the white middle classes to the residential suburbs, HOPE VI has taken place in a context of economic and demographic growth that has benefited central cities.

Critical urban sociology saw this program as a tool to support the gentrification dynamics that began in the 1970s in certain urban centers (see, for example: Wyly and Hammel 1999; Newman and Ashton 2004; Hackworth 2007). HOPE VI was viewed as a key element in the attractiveness strategies of “entrepreneurial cities,” facilitating the development of a real-estate offer dedicated to the middle and upper social categories, which, in the ongoing fight to control space, would force poor minorities to increasingly exile themselves to the urban periphery. By actively promoting local public-private partnerships, the federal government was supposed to trigger a dynamic of investment in social-housing neighborhoods that had hitherto been neglected by the commercial sector, despite their central locations, as the initial public-sector investment would be more than matched by private capital ready to be used as a result of the globalization of financial markets. [3]

Such an interpretation has been strongly relativized in the context of European and French cities. Contemporary urban policies inherit the specificity of national contexts, as well as the histories, social relations and modes of regulation specific to each city, resulting in contrasting translations of the entrepreneurial city model. Thus, urban housing strategies are not only oriented towards an objective of residential attractiveness encouraging the gentrification of popular spaces, but also aim to maintain the original inhabitants or create the conditions for a social mix (Le Galès 2003; Morel Journel and Sala Pala 2011). This relativization also applies, albeit to a lesser extent, to the United States, which is often presented as the Trojan horse of a neoliberalization of urban policies. [4] The analysis of contemporary urban renewal must also

take into account the diversity of local strategies and the coalitions of actors that support them. This reading also deserves to be updated in view of the changes in federal policy during the Obama presidency.

“Ending social housing as we know it”

Although social housing in the United States has not developed to the same extent as in some European countries, HOPE VI was part of an effort to delegitimize the institutional arrangements characteristic of the New Deal and the post-war period (Goetz 2013). While the urban renewal policy of the Keynesian era was already largely subservient to business interests, these arrangements allowed the government to intervene directly in the production of public housing associated with urban renewal policy. But the chronic lack of public resources devoted to its management and maintenance quickly degraded the living conditions and image of this housing stock, eventually justifying its dismantling.

At the start of the HOPE VI program, this stock included about 1.3 million homes. By 2010, as the final operations were coming to an end, nearly 100,000 of these homes had been demolished, with only half of this stock being replenished. Renovation projects should aim at a diversity standard combining three categories of housing: public housing; housing financed by a scheme called the Low-Income Housing Tax Credit, intended for modest households, but not for the poorest; and rental housing or market-rate units. During the same period, an additional 150,000 units were removed from public housing under a parallel procedure, called Demolition/Disposition, allowing the “clean” demolition (without reconstruction) of buildings considered technically or functionally obsolete, or their sale to the private sector.

In a speech in January 1995 to the main association of private real estate developers, Bill Clinton adapted a formula that had hit the mark during his 1992 presidential campaign—“ending the social state as we know it”—by now proposing to “end social housing as we know it.” This was the mission of the HOPE VI program. Beyond the physical mutation of public housing, the objective was to break social dynamics that the Clinton administration was trying to describe as harmful. The academic context was promising, with the publication of numerous works that, in the wake of William Julius Wilson (1987), described the “social pathologies” associated with the spatial concentration of urban poverty. This work advocated more or less explicitly for a “devolution of poverty,” which would become the watchword for urban renewal.

Judging by the very low proportion (27%) of households relocated on site (Gress *et al.* 2016), [5] the deconcentration target was implemented diligently. It was at the heart of a more global reform of social housing, of which HOPE VI was the prototype. This reform, which was introduced with the Quality Housing and Work Responsibility Act of 1998, was intended to complement the welfare reform adopted two years earlier. [6] It imposed a work ethic and responsibility on social tenants, while facilitating their eviction at the first breach, in accordance with Bill Clinton’s principle: “one strike and you’re out.” With a view to increasing tenant control and saving public funds, the same law allowed the transfer of public housing management to private companies, as well as the conversion of demolished and unrebuilt social housing into vouchers (that can be used on the private housing market)—all provisions that have been tested with the HOPE VI program.

Clinton’s housing minister, Henry Cisneros, wanted to make this program a symbol of his administration’s ability to “reinvent itself,” while the Republicans, who had won an overwhelming majority in Congress, threatened to cut his department altogether. Cisneros paid great attention to the local initiatives and proposals of a private developer (McCormack Baron Salazar) specialized in the production of mixed neighborhoods. In the early 1990s, this developer and the Atlanta Social Housing Agency jointly developed a “mixed-finance, mixed-income” model for renovating public housing, based on the hybridization of housing categories and funding sources (public, private and third sector non-profit). This model was soon to become widespread: instead of the public housing bureaucracies inherited from the Keynesian state, [7] its renovation and management were now entrusted to a range of public, private and non-profit actors.

Urban renewal has thus served as a laboratory for a transformation of public housing, whose operating methods (partial privatization) and underlying ideology (work and responsibility ethics) seem to support the thesis of a neoliberal framework for federal policy. But the local application of the new paradigm reveals much less homogeneous trends. The purest model of the neoliberalization of urban policies is probably to be found in global cities, or at least attractive for international capital, such as Chicago, Atlanta or Washington, DC. These cities deliberately targeted their HOPE VI projects on urban areas with high development potential, whose development could be hindered by the presence of the public housing and its inhabitants. But HOPE VI has also been implemented in many small cities, far from the archetype of the global city, as well as in cities – medium or large – where the housing market was weak. In fact, no private housing has been planned in nearly half of the 260 HOPE VI sites (Gress *et al.* 2016). While, in its most rudimentary sense, the neoliberalization of public policies aims to extend market principles, this is not obvious or at least not homogeneous in the local implementation of this program.

It is also noted that some of the most emblematic global cities have had very limited use of urban renewal and/or have mitigated its effects in terms of gentrification. Following a tenant mobilization in the 1990s, New York City has hardly demolished any social housing, despite having the largest stock of social housing in

the country. Designed in close collaboration with tenants' associations and neighborhood organizations, Boston's HOPE VI projects have helped to stabilize existing residents. The city of San Francisco has launched its own program, "Hope SF," to preserve the entire stock of social housing to allow all tenants to remain in their neighborhoods, while providing them with access to a wide range of services.

As urban neoliberalization theorists themselves argue (Brenner and Theodore 2002), historical legacies and local institutional configurations shape urban projects in different ways. [8] Organizations promoting social housing have thus been able to find their place in coalitions of local actors or to challenge more head-on, particularly in the judicial field, the pro-market orientation of urban renewal, even if with unequal success (Hackworth 2005). It is also noted that the parliamentarians and tenant organizations most critical of the HOPE VI program at the national level nevertheless defended it against the Bush administration, which was seeking to eliminate it, while proposing to reform it.

Obama's "Choice Neighborhoods": a compromise between two informal coalitions

It was this reform that the Obama administration embarked on when the new president was elected in November 2008. One of the first acts of the new administration in urban policy was to replace HOPE VI with the Choice Neighborhoods Initiative. But in a context marked by the financial crisis and chaotic relations with Congress, only about 20 projects have been funded under the new program, whose survival is uncertain under the Trump presidency. [9]

Choice Neighborhoods is the result of a long phase of consultation undertaken by the new presidential team with multiple stakeholders. Two informal coalitions are identifiable, which did not at all assess the HOPE VI program in the same way. The first consisted of a nebulous group of national and local actors (federal civil servants, urban experts, mayors, local social housing agencies, private and non-profit promoters, architects, etc.) who constantly praised the "successes" of HOPE VI, highlighting the spectacular improvement in housing conditions, the social diversification of the population, the revitalization of the neighborhood environment, and innovative methods of financing and managing social housing. The other coalition, composed of a few parliamentarians in Congress, social housing associations and tenants, lawyers and some of the researchers, saw it as a machine to drive out poor minorities, like the policy of sinister urban renewal. The "centrist" profile of Obama's team, where some of the key players in the HOPE VI program were active, distanced it from this second coalition. But criticism of HOPE VI had become so intense before Obama's election that it would have been politically sensitive to ignore them, especially since they had finally found a sounding board in Congress, then dominated by the Democrats.

Without retaining all the proposals of the actors of the "critical coalition," Choice Neighborhoods will incorporate two essential changes compared to HOPE VI, aimed at preserving public housing and protecting its tenants. First, the "one-for-one" rule (social housing rebuilt for demolished social housing) has been re-established and accompanied by requirements on the reconstitution of an offer effectively accessible to low incomes, with the transformation of demolished housing into vouchers only becoming possible when the local housing market is very relaxed and/or affordable supply is already very abundant. The other major change concerns rehousing. By establishing the principle of the "right to return" of residents to their neighborhood of origin, Choice Neighborhoods has satisfied an old claim linked to the traumatic experience of urban renewal policy. [10]

Choice Neighborhoods has therefore corrected the most controversial aspects of HOPE VI. But, according to insistent rhetoric from the Obama administration, the new program also built on the "successes" of the previous program. In an effort to satisfy the "pro-HOPE VI" coalition, federal officials highlighted the continuity of the two programs by highlighting local "best practices," including those that had involved private developer McCormack Baron Salazar in Atlanta (Centennial Place) or Saint-Louis (Murphy Park). But, more important than their public, private or non-profit status, the challenge for the Obama administration was to select project leaders capable of implementing an "integrated" or "holistic" approach to urban renewal. This is based on two central assumptions: the treatment of a set of interconnected problems requires the coordination of physical-urban and socioeconomic interventions; and this synergy produces an impact greater than the sum of these interventions. To produce this impact, it is a question of "community building" based on a "pivotal organization" capable of organizing the work of a multitude of local, public, private and associative actors. [11]

Far from a perspective of equal distribution of resources, Choice Neighborhoods has deliberately targeted neighborhoods with significant redevelopment potential. As in HOPE VI, it provides justifications for urban renewal typical of the neoliberal era, formulated in terms of the enhancement of territorial assets, the development of human capital or public investments that make it possible to save on future expenditure. Social justice was not absent from the Obama administration's speech, but focused on the treatment of "neighborhood effects"; the HUD mantra under Obama was that "a ZIP code should not determine a child's future".

Nevertheless, there has been a shift in the federal discourse towards "concentrated poverty," with a focus on

explaining social problems in social housing neighborhoods through the dysfunction of local institutions rather than through the deviant behavior of residents or the absence of “working families,” as in the days of HOPE VI. While the objective of deconcentration of poverty has been maintained, Choice Neighborhoods does not aim to disperse the inhabitants, but to give them the choice to stay or leave. Choice, the preferred theme of neoliberal rhetoric, has found application in housing policies (Cowan and Marsh 2005). The very title of the Choice Neighborhoods program signaled an ambivalence: transforming a neighborhood into a “choice neighborhood” to move it up a few steps in the prestige ladder and attract investment and new residents, or to make it attractive to those who already live there, so that the neighborhood becomes chosen and no longer suffered.

My surveys of two Choice Neighborhoods projects in Dorchester in Boston and Woodlawn in Chicago show how local trade-offs have been made between coalitions that focus on the external attractiveness of neighborhoods and others that focus on their internal attractiveness (i.e. for existing residents) (Kirszbaum 2013). These compromises are based on a settlement logic conceived as a “deconcentration of proximity.” This consists in reducing the density of social housing on the sites of origin in order to increase it in the surrounding areas, by restoring part of the social offer. This allows the stabilization of the original inhabitants, who can benefit from the improvements of the neighborhood in the logic of community development, without however compromising the objective of attracting new populations in the long term, if market conditions allow it.

By seeking to reconcile the objective of diversity with the protective rights introduced by national regulations, the local compromise presupposed that interest groups favoring territorial development and those favoring equity for the original inhabitants would agree on a common agenda. Here too, the methodology of community development prevails. It consists in bringing all stakeholders around the table to explain their respective agendas, in proceduralizing the debate on the project so that the most marginalized inhabitants can make their voices heard with the help of community organizers, [12] all aiming to bring out a shared vision of the local common good. In Chicago and Boston, urban renewal projects have been adjusted to reflect the concerns expressed by social tenants and activists or lawyers working alongside them, by property owners seeking to make their property profitable, and by outside institutions investing their resources in these neighborhoods.

At both the federal and local levels, Choice Neighborhoods paves the way for a good compromise between a framework for urban renewal that continues to draw on a neoliberal repertoire focused on territorial attractiveness, and an initiative that takes account of the interests of the original inhabitants, who can benefit from protective standards and procedural guarantees that are unprecedented in the controversial history of urban renewal in the United States.

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Footnotes

[1] The HOPE VI program has mainly targeted these "vertical ghettos" of large cities, but public housing is not limited to this urban form or to African-American settlements. In many small and medium-sized cities, public housing consists of residences for the elderly and for mixed or white-majority populations.

[2] The renovated neighborhoods—mixed and airy—comply with the architectural requirements of the Congress for the New Urbanism, whose directors were involved in defining the selection criteria for HOPE VI projects. The "defensible spaces" theorized by urban planner Oscar Newman were another source of inspiration for the federal designers of the HOPE VI program.

[3] Derek Hyra (2012) notes that the HOPE VI program ended with the subprime crisis of 2007–2008, i.e. at the time when these sources of funding were drying up.

[4] For a critical presentation of the debates on neoliberalization, including the problems raised by the lack of a stabilized definition of the term and its revealing uses of academic Anglo-ethnocentrism, see Pinson and Morel Journal 2016.

[5] For many observers, the overwhelming majority of Blacks among displaced inhabitants would indicate a connection between HOPE VI and the urban renewal policy (see Goetz 2011).

[6] The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 replaced the Aid to Families with Dependent Children (AFDC) program, targeted at single women with children, with the Temporary Assistance for Needy Families (TANF) scheme. This new program is based on the principle of a counterpart (mainly in employment) to social assistance paid to families, and on the decentralized implementation of this mechanism.

[7] This bureaucratic character of public housing was probably more pronounced than its counterparts in continental or southern Europe, which may explain the more drastic nature of the reforms undertaken in the United States. See, more generally, Pinson *et al.* 2016.

[8] On the diverse orientations of HOPE VI projects, see Kirszbaum 2009.

[9] The following developments are taken from a report on research conducted at the start of the Choice Neighborhoods initiative (Kirszbaum 2013).

[10] The HOPE VI regulation already required public housing authorities to give preference to existing residents to occupy new or rehabilitated housing. But in addition to the fact that the stock of social housing was only very partially replenished, these local agencies were free to tighten the criteria for eligibility for housing, for example by requiring people to take up employment. Choice Neighborhoods imposed only one condition: that tenants comply with the terms of the current lease.

[11] Choice Neighborhoods belongs, in this respect, to the family of comprehensive community initiatives. Born out of criticism of traditional community development, which is highly focused on housing and the neighborhood level, these global revitalization programs are most often driven by community development financial intermediaries (Local Initiatives Support Organization (LISC) and Enterprise Community Partners, Inc.) or foundations (Ford Foundation, Annie E. Casey Foundation, MacArthur Foundation, Pew Charitable Trusts...). Obama's personal networks within LISC and the MacArthur Foundation in Chicago have undoubtedly played a role in promoting these approaches at the federal level.

[12] In Chicago, these community organizers, trained at the University of Chicago, very close to the Woodlawn neighborhood, are independent of local institutions, with whom they do not hesitate to establish a balance of power while agreeing to enter into a negotiation process. In Boston, they work in community development organizations and correspond to a "light"—i.e. more consensual—version of community organizing (see Traynor 2007).

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