

# **PITTSBURGH'S AFFORDABLE HOUSING CRISIS**

## **IS PRIVATIZATION THE SOLUTION?**

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## Executive Summary

Privatization of public housing and other utilities has become a key tool for cities that face fiscal austerity and an increasingly competitive, globalized marketplace. Steady reductions in corporate taxation over past decades and the financial crisis of 2008 have constrained city budgets in Pittsburgh and elsewhere, accelerating privatization and other austerity measures and fueling a global housing crisis. Yet, privatization policies have generated little public scrutiny and debate. Over time, housing has become more subject to market pressures and less accessible to many residents, particularly the most vulnerable. This white paper investigates the many unrecognized costs of privatization and public-private partnerships relative to their benefits in helping address the affordable housing crisis and remedy Pittsburgh's deepening racial inequities. We identify three fundamental problems as the loss of public assets, private extraction of public resources, and diminished local democracy. We identify alternative approaches that can provide more cost-effective and democratic ways to provide stable, safe, and affordable housing for residents.

Decades of economic globalization have generated what experts are calling a global housing crisis by pushing up the costs of housing while simultaneously restricting the earnings of the world's working people. Globalization policies have reduced the supply of public housing and housing assistance while fueling global housing markets and the intensified financialization of housing.<sup>1</sup> The financial crisis of 2008 and related austerity policies have significantly exacerbated these trends. A 2020 National Low Income Housing Coalition report found that, in every U.S. state but North Dakota, the average renter earned less than the average two-bedroom housing wage.<sup>2</sup> The COVID-19 pandemic has deepened this crisis and will have lasting impacts on housing security for many families—particularly people of color who were already disproportionately impacted.

Pittsburgh's long-standing problem of racial inequity has recently come under heightened scrutiny, at a time when the Black Lives Matter movement has drawn national and global attention to the systemic harms suffered by people of African descent.<sup>3</sup> In 2019, Pittsburgh's Gender Equity Commission released a report that ranked the city among the worst in the nation for the well-being of African American residents.<sup>4</sup> The ensuing discussion prompted the city and county to declare racism a public health crisis and inspired Pitt law professor Jerry Dickinson's local media essay, "Pittsburgh is America's apartheid city."<sup>5</sup>

In Pittsburgh, this global housing crisis has fueled an ongoing exodus of Black residents, a trend that began before the closure of the region's steel mills and has continued over several decades. The 2021 census documented a further 13% decline in Pittsburgh's Black population over the decade, tying this decline directly to the lack of affordable housing<sup>6</sup> in the city.<sup>7</sup> A contributing factor is ongoing, systematic discrimination by residential lenders, which aggravates effects of many years of redlining. A 2021 report found that between 2007 and 2019 just 7% of \$12 billion in home loans went to Pittsburgh's minority residents.<sup>8</sup> Pittsburgh's rising housing costs can be linked to policies that prioritize the development of luxury housing over affordable family housing, and such policies have been shaped by the disproportionate influence of powerful private actors—including Pittsburgh's large nonprofit entities—in development policies.<sup>9</sup> Local news outlets have recently documented horrific conditions in Pittsburgh area properties owned by corporate landlords and by the city's Housing Authority, demonstrating the ineffectiveness of weakened public institutions to protect residents.<sup>10</sup>

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The international community has long recognized housing as a fundamental human right, and this right is well-established in a large body of international and national laws.<sup>11</sup> Housing insecurity contributes to other serious human rights violations, and a recent UN investigation of police killings of people of African descent argued that improving Black people's access to secure and safe housing is key to mitigating police violence and other effects of systemic racism.<sup>12</sup> Yet, governments at national and local levels have not prioritized the implementation of this right in their policies. Instead, trade and financial agreements and austerity politics routinely supersede human rights obligations. The influence of private actors in local and global policy processes plays a large role here.

One reason for the affordable housing shortage is the global pursuit of economic development strategies emphasizing the commodification and privatization of land and housing in national and local policy. Economic globalization has exacerbated the problem by fueling the financialization of the housing sector in cities. When housing is “treated as a commodity—a vehicle for wealth and investment—rather than a social good,” it becomes inaccessible to many residents of communities. Around the world, cities are faced with growing homelessness and housing insecurity while speculation leaves urban centers vacant. The UN Special Rapporteur on the Human Right to Adequate Housing has repeatedly condemned the “‘egregious’ business practices of giant private equity and

investment firms which are scooping up low income and affordable homes around the world, ... substantially raising rents, forcing tenants out of their own homes.”<sup>13</sup> Likewise, on the local level, researchers note the tendency for powerful actors and institutions to favor growth-oriented policies that maximize returns on investment, with no concern for the human and social impacts.<sup>14</sup> Pittsburgh’s decades-long trajectory of declining population has reduced the city’s overall tax base, and private interests promising to kick-start growth have thus been able to wield undue influence on policy priorities.



**Bedford Dwellings (ca. 1951-1959), Pittsburgh, PA**

Source: Allegheny Conference on Community Development Photographs, 1892-1981, MSP 285, Library and Archives Division, Senator John Heinz History Center

## AFFORDABLE HOUSING & PRIVATIZED HOUSING IN THE UNITED STATES

For much of the 20th century, tenants could find affordable rents in public housing built by the federal U.S. government. This public housing originated between the 1930s and the 1950s in response to housing needs not served by private markets, and such housing provided for tenants of various social groups over the course of its development—initially white upwardly mobile working-class tenants. By the 1960s the federal government gradually curtailed its involvement in housing provision.<sup>15</sup> The Housing and Community Development Act of 1974 shifted to the private market with the introduction of Section 8 vouchers. Since then, there has been a deliberate effort to enhance the role of the private sector in public housing—including for-profit developers, financiers, and other real estate interests. Pittsburgh mayor Tom Murphy justified major reductions in public units by claiming that deindustrialization had left an “oversupply” of public housing, implying that the city had no obligation to address the needs of displaced workers.<sup>16</sup>

At the same time that it reduced funding for public housing, the federal government also tightened fiscal constraints on municipal governments. Pittsburgh and other deindustrializing cities were particularly hard hit. Between 2000 to 2016, and following decades of decline, Pittsburgh lost nearly 9% of its population, which corresponded with a nearly 25% reduction in the city’s government capacity (measured in the number of full-time employees).<sup>17</sup> This vacuum in public sector capacity has been filled by private for-profit and not-for-profit interests. The privatization trend has also affected other public services that governments have traditionally provided.<sup>18</sup>

Privatization of housing and other basic needs has been systematically linked to increased racial and other inequities.<sup>19</sup> Fullilove and Wallace trace how federal, state and local housing policies produce and sustain what they call “serial forced displacement,” which they define as “the repetitive, coercive upheaval of groups.” Such displacement has impacted African Americans in particular, due to discriminatory policies of redlining, privatization of public housing, and financial discrimination.<sup>20</sup> Public health scholar Nicholas Freudenberg further documents how financialization and privatization in other sectors such as food, transportation, education, and health have likewise exacerbated both racial inequities and overall health outcomes.<sup>21</sup>

Advocates of privatization claim that the private sector and its market discipline can provide goods more efficiently and expediently than government agencies could alone. The trend toward privatization has produced many “public-private partnerships,” or PPPs. A PPP is formed when three kinds of stakeholders join forces: (1) the public sector, such as local, state, or federal government agencies; (2) the private sector, such as private for-profit and not-for-profit firms; (3) the community, often represented by a community-based

organization (CBO) or non-profit organization. The public sector uses its authority to make service provision or construction and redevelopment less costly for the private sector. Often it does this by selling off properties it owns to private parties or offering incentives, such as tax subsidies and low-interest loans to stimulate private investments. The private sector, then, may finance and execute the projects in question, sometimes owning and maintaining the developments, in part or in whole, or selling them to other private parties. Scholars including pro-market analysts at the World Bank have found that in practice, PPPs have often served as vehicles for transferring vast amounts of public wealth into private hands, with few if any benefits to the communities involved.<sup>22</sup> Such resource transfers have, in turn, undermined the protection of human rights in various sectors.<sup>23</sup>

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What kind of PPPs operate in the provision of low-income housing? Some PPP arrangements aim to stimulate the new construction and rehabilitation of low-income rental housing. This is the case with tax credit programs. With these programs, the federal government offers private developers subsidies in the form of tax credits and loan guarantees to incentivize them to build and rehabilitate housing that would otherwise not be profitable. These incentives are intended to partially offset the costs of such developments and require developers to designate a certain amount of the housing for residents with income below a certain level (e.g., 80% of the area median income). The largest and best-documented of these programs is the Low-Income Housing Tax Credit (LIHTC) program, started in 1986. There are other such programs, too, such as the New Markets Tax Credit (NMTC) program, started in 2000.<sup>24</sup> Each of these programs has allocated billions of federal dollars into low-income housing developments around the country.

Other PPP arrangements have sought to shift the maintenance and ownership of public housing from the public to the private sector. Proponents of PPPs argue that—in addition to claims of greater efficiency—the private sector can provide needed investment funds and thus reduce the need for governments to raise funds upfront. Government agencies have been getting private for-profit firms involved in the financing, designing, managing, and reconstruction of housing that was once entirely public. This privatization has gone hand-in-hand with efforts to reduce the supply of social housing while redeveloping existing housing into mixed-income housing that seeks to de-concentrate poverty and aid

community revitalization by integrating low-income with moderate- and upper-income residences. The largest federal program here is the HUD's HOPE VI program, which has also allocated billions of dollars into housing developments around the country. Cities undertake similar privatizing projects on their own initiative.<sup>25</sup>

After more than five decades of trial and research, what kind of track record do these PPPs have? Do they live up to the high hopes of those who put their faith in market-based solutions? Or, as critical analysts have suggested, do they enable the private sector to enrich itself at the expense of the public sector and the communities they claim to help? Our review of research on this question reveals that, in the long run, private for-profit firms largely fail to deliver the low-income housing they promise to provide. These failures have roots in basic market logics.



**Bedford Dwellings Aerial View (1955) Pittsburgh, PA**

Source: Allegheny Conference on Community Development Photographs, 1892-1981, MSP 285, Library and Archives Division, Senator John Heinz History Center

## LOST PUBLIC ASSETS & FORCED DISPLACEMENT

A substantial body of research shows that privatized housing provision actually *displaces* the people it was meant to help: groups that have been historically oppressed and are thereby more vulnerable. We argue that this is not an unintended consequence, but rather a logical outcome of market-driven approaches to housing.

In order to obtain public incentives and maximize potential returns on investment, private partners often initiate housing projects in low-income communities. In these communities, land and buildings are cheap and easy to acquire. Rent is low, enabling private partners to get the most out of federal subsidies with programs like the LIHTC. This strategy explains why studies repeatedly find that privatized housing-provision programs such as the LIHTC program end up building in communities where affordable housing is already abundant, while in the process actually reducing the overall supply of affordable units.<sup>26</sup>

Private partners also limit the number of affordable housing units that they construct. Affordable housing units do not offer the highest rates of return on investment, so private partners seek to designate most units for more moderate-income and market-rate rentals

***“In many urban Black communities, displacement by privatized housing schemes is only the most recent episode in a long history of forced displacement.”***

where they can. Further, even where private partners do construct new affordable units, Federal policies often place contractual limits on the length of time for which a housing unit are available at below-market rates. In Pittsburgh, this has meant that most of those subsidized properties remain affordable for just 20 years. On average, Pittsburgh-based properties receive subsidies for a period of 30.97 years and a median of 27.08 years.<sup>27</sup> Because Pittsburgh does not have an affordable housing preservation program, provisions for affordability are temporary, and once these end, these become market-rate units.<sup>28</sup> As a result, research finds that privatized housing programs tend to benefit tenants of moderate means more than the more vulnerable populations who are the intended beneficiaries. These findings emerge from studies of the LIHTC,<sup>29</sup> other privatized housing programs in the U.S.,<sup>30</sup> and from studies of privatized housing-provision in other countries.<sup>31</sup>

Together, these two profit-maximizing strategies—buying and building in low-income communities, and investor preference for market-rate housing units—has led to a *net decrease* in the total number of affordable housing units.<sup>32</sup> National studies of the HOPE



VI program found that in its first ten years this privatized housing program demolished 49,828 permanently affordable housing units while constructing only 21,000 permanently affordable units to replace them.<sup>33</sup> Driven by market forces, for-profit developers simply have no incentives to construct affordable housing, and federal policies and housing authority decisions have enabled these contradictory outcomes.

Lacking access to affordable housing, many low-income people are forced out of their home communities. Case studies find that people displaced by HOPE VI projects end up relocating in neighborhoods with high concentrations of poverty on the urban periphery, a phenomena also reflected in Pittsburgh's recent census trends.<sup>34</sup> Such displacement can also initiate gentrification, raising housing costs for other renters and home-owners in the community.<sup>35</sup> In many urban Black communities, displacement by privatized housing schemes is only the most recent episode in a long history of forced displacements, including displacement from federal urban renewal programs of the 1950s and 60s—the very programs that privatized housing programs were supposed to improve.<sup>36</sup>

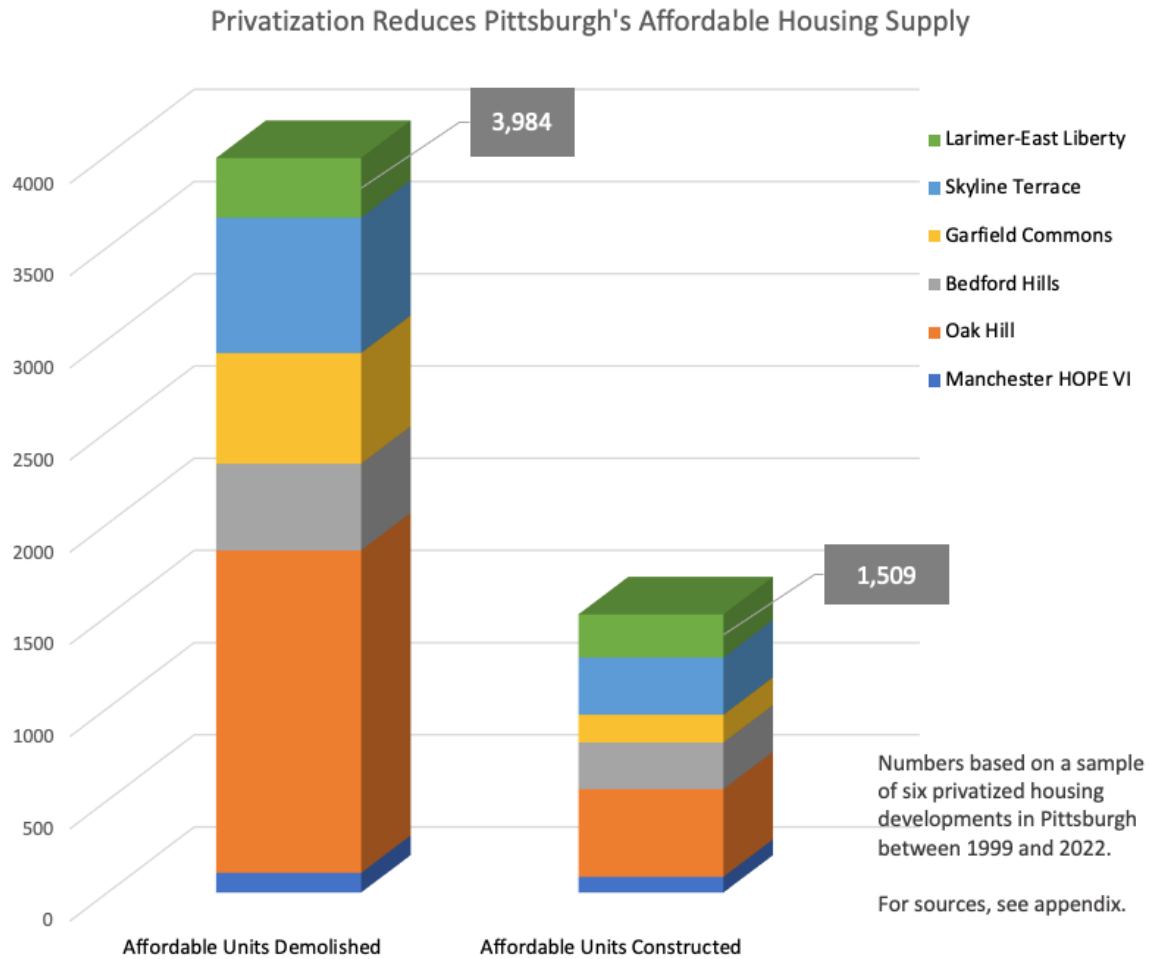
Pittsburgh's Black communities are no strangers to this kind of displacement. For instance, one HOPE VI project was the redevelopment of Allequippa Terrace in the Hill District. Allequippa Terrace was a large public housing development built in the 1940s. In 1996, this was the largest public housing project in Allegheny County, and it had 1,749 apartment units that housed 1,446 Black families.<sup>37</sup> Allequippa Terrace was demolished by 2001, and it was replaced with a \$123 million mixed-income housing development called Oak Hill. Oak Hill had roughly 640 housing units. 475 of these units were affordable-rate units meant to replace public housing, and 243 were market-rate rental units.<sup>38</sup> Thus, this privatized housing development resulted in a net decrease of 1,274 affordable housing units. Most of the displaced Black families relocated to communities on the limits of the city and beyond that had predominantly Black populations and subsidized housing, including Wilksburg, Braddock, Duquesne, Homestead, and North Duquesne.<sup>39</sup>

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Residents of Pittsburgh's East Liberty neighborhood have experienced similar displacement. This neighborhood has changed rapidly between 2000 and 2015. At least six different private developers received public subsidies to build rental housing in this

neighborhood. The neighborhood lost 959 affordable housing units while gaining just 500 moderately subsidized units (with 30-year affordability periods), and 1,182 market-rate housing units. The net result is the loss of 716 units that were at least initially<sup>40</sup> affordable for those of the lowest incomes.<sup>41</sup> Penn Plaza Support and Action Coalition activists tried to contact displaced residents, finding that few were able to remain in East Liberty for very long after their eviction from Penn Plaza.<sup>42</sup>

To assess the impact of privatized housing in Pittsburgh, we examined six privatization developments between 1999 and 2022 (see appendix). We found that these projects demolished 3,984 units of affordable housing while constructing only 1,502 affordable units to replace them. This entails a net decrease of 2,482 affordable units. One study from 2018 estimated a shortage of 17,000 housing units affordable at or below 50 percent of the area median income.<sup>43</sup> Using this estimate as a baseline, our figure illustrating the net reduction of housing accounts for 17% of the estimated shortage of affordable units in Pittsburgh.



## PRIVATE EXTRACTION OF TAXPAYER DOLLARS

Privatized housing not only reduces the total number of affordable, publicly owned housing units, it also leaves *all taxpayers* with more risks and costs than they would otherwise assume. Researchers around the world have warned about the “affordability illusion,” or the “financial illusion,” of public-private partnerships.<sup>44</sup> While private partners initially promise to reduce the cost of the services in question, research finds that the true cost of public expenditures and the long-run cost to the taxpayers reaches far above initial estimates—and well above the costs made known to the public—often making these projects *substantially more costly* than publicly provided services. For instance, studies of PPPs in both Sweden and Malaysia found that private partners take advantage of the lack of accountability and transparency by systematically over-pricing their contracts with public partners.<sup>45</sup> Although different national and local governments can legislate protections against such corruption, much existing evidence shows that private partners tend to engage less in the efficient provision of services than in rent-seeking.<sup>46</sup>

Researchers find similarly inflated costs in programs that privatize affordable housing in the United States. One study of the Low-Income Housing Tax Credit (LIHTC) found that public subsidies regularly exceeded the actual costs incurred by private partners.<sup>47</sup> Similarly, multiple studies of the New Markets Tax Credit Program (NMTC) revealed a phenomenon that researchers call “double dipping.” The NMTC program requires private partners to first acquire private sources of financing for their projects. Once private funds are acquired, the program offers the private partners a matching amount of public funding. Private partners, however, found it more profitable to begin by acquiring other public funding which they then used to leverage even more public funding offered by the NMTC, thereby dipping twice into public funds and inflating taxpayer costs far beyond what the program originally intended. In 2014, the Government Accountability Office found that most private partners abused the program in this way: 83% of NMTC subsidies were leveraged by private partners using public rather than private funds.<sup>48</sup> Even pro-business Republicans have described the abuses of this program as “corporate welfare.”<sup>49</sup>

***“Research reveals that, in the long run, for-profit firms often fail to deliver the low-income housing they promise to provide”***

Other hidden costs to taxpayers include public bailouts. In the event of a recession, such as the 2008 financial crisis, private partners may face so many financial liabilities that they either abandon their properties before their completion or require public partners to take them over.<sup>50</sup> In some cases, lax regulation, complex financing, and market incentives

generate speculative processes that can delay developments and/or leave large parts of the city undeveloped or uninhabited. Such outcomes leave taxpayers with unexpectedly high bills without providing the affordable housing that was promised to them.

Pittsburgh's taxpayers know these burdens as well. To take one example, Rich Lord's investigation of Pittsburgh's nonprofit sector found that a PPP that replaced a public housing unit with the new Skyline Terrace development received roughly \$400,000 per townhome in public subsidies (totaling \$160 million) for that development—a figure well above the average costs of similar developments.<sup>51</sup> Although rather extreme, such inflated costs are typical for these types of developments in Pittsburgh and other locales (see appendix).

## DIMINISHED DEMOCRACY

The elimination of governments as the main providers of public housing has another significant cost that affects the entire community: the loss of democratic control over development policies, the allocation of taxpayer dollars, and the accountability of agents charged with providing publicly funded services. Although the term public-private partnerships suggests that government and taxpayers are equal partners, in practice overwhelming asymmetries of power have enabled the private sector to corrupt democratic structures by distorting public participation and reducing transparency and accountability. By undermining democratic government, privatization and related policies contribute to the rise of authoritarianism and de-democratization in the United States and other countries—trends that Freedom House warns are a major threat to global peace and stability.<sup>52</sup>

Privatization distorts democracy by undermining authentic public participation in government decision making. Powerful private actors can use many avenues to exert disproportionate influence over government processes, including the financing of political campaigns, lobbying, funding nonprofit organizations that support or at least don't undermine their interests, and shaping policy processes in ways that constrain the influence of less powerful groups.<sup>53</sup> Even defining who counts as community "partners" in a PPP is politicized, and often only formally accredited community groups are included. This can constrain the ability of impacted groups to have a meaningful voice, while enabling privileged access to people and groups that are better resourced, better able to organize, and especially those that don't threaten private sector interests.<sup>54</sup>

Previously, researchers had paid less attention to the role of community-based organizations (CBOs) in decision-making processes around PPPs, but this is changing.

One study found that CBOs can play a particularly powerful role as key decision-makers, noting that “The CBOs in my study did not simply coexist or partner with government; they *superseded* elected politicians as legitimate representatives of urban neighborhoods.”<sup>55</sup> Unlike elected politicians, CBOs are not necessarily beholden to any constituency, but are often dependent upon funding from private entities—some of which may have a direct financial stake in a proposed PPP initiative.<sup>56</sup> Opponents of a development—who tend to be less formally organized community residents with less access to staff and resources—are at a clear disadvantage and are often formally excluded from decision processes and stigmatized in the media and by politicians.

We have an example of this in Pittsburgh, where—following a model used in other cities—the City Council passed an ordinance in 2018 to create a system of “Registered Community Organizations” (RCOs) that are formally recognized as representatives of neighborhoods and the key liaisons for development projects.<sup>57</sup> This legislation was at least partly a response to the organized opposition of residents of the now demolished Penn Plaza, who organized vocal and visible opposition to their exclusion from the City’s process of planning the redevelopment of their community in 2017.<sup>58</sup> That same community protested the naming of “Village Collaborative”—an organization created at the initiative of Councilman Ricky Burgess—as the official representative of the neighborhood in the 2019 redevelopment of a section of the East Liberty neighborhood.<sup>59</sup> Similarly, in the Hill District, just as the proposed sale of the Penguins hockey team was announced, a new organization formed by development proponents filed for RCO status and is seen as a potential rival to the Hill District Community Development Corporation, the existing Hill District RCO.<sup>60</sup>

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Another way PPPs damage democracy is by removing or constraining transparency and accountability. When public entities are the providers of public goods and services, communities can hold them accountable through democratic institutions such as public hearings, elections, and government transparency laws. These institutions allow the community to see what local government is doing and provide input or even replace elected officials if necessary. When it comes to private, for-profit firms, no such mechanisms exist, and in fact laws protecting companies from having to disclose “proprietary” information are often able to subvert overriding public interests in

transparency. In any case, private firms are much less accountable to public or government authority, which is why much of the research on PPPs shows that they often cost more and produce less than initially promised.<sup>61</sup>

The development of the Lower Hill District is a case that illustrates both of our points above about privatization's effects on democratic accountability as well as on reallocating public resources into private hands. In the 1950s, the City used eminent domain to raze a section of the Hill District to make way for construction of the Civic Arena.<sup>62</sup> The arena, completed by 1961 and owned by the Sports & Exhibition Authority of Allegheny County (SEA),<sup>63</sup> was home to the Pittsburgh Penguins hockey franchise. But by 2007, the franchise had been struggling and was threatening to leave Pittsburgh. Because sports teams are considered crucial to the local and regional economy,<sup>64</sup> city, county, and state officials scrambled to keep the team in the city. Ultimately government negotiators reached a deal with the franchise that included a new stadium—the Consol Energy Center (now PPG Paints Arena) located directly next to the Civic Arena site—which was built with state and city money with little public input.<sup>65</sup> Once demolished in 2012, the Civic Arena site was paved over and used as parking space, but the land was still owned by the SEA.

A new stadium was not the only thing keeping the Penguins in Pittsburgh, however. As part of the deal, the Penguins were granted development rights on the original Civic Area site. In 2017, the Penguins started the process to develop the land into mixed-use residential and commercial space. After a series of negotiations between the Urban Redevelopment Authority, the Penguins, and the Hill District Community Development Corporation, ground broke on the development in September 2021.<sup>66</sup> The final proposal will have 288 housing units, 20% of which are classified as “affordable” at 80% of the Area’s Median Income.<sup>67</sup> Having lost more than 8,000 families from the initial urban renewal project, the Hill District will continue to lack affordable housing that will allow displaced Hill residents and their descendants to return, while complicating struggles of existing residents to stay.

## CONCLUSION & RECOMMENDATIONS

Public-private partnerships have been put forward as a solution to many problems local governments face, and our political leaders often turn to this model to help provide basic services and resources that residents need. After reviewing the research on privatization and its ability to produce as promised, we have found that, although private developers may promise to provide affordable housing more efficiently than the public sector can, decades of hard evidence and scholarly research suggests otherwise. Government can work if it is properly funded and monitored. And even when it is not well funded, it does better than the private sector to prioritize the needs and voices of vulnerable residents. Moreover, privatization tends to displace many of the people these policies were intended to benefit—and in Pittsburgh this means a disproportionate number of low-income Black Americans.<sup>68</sup>

In short, there is an extensive body of research challenging the notion that privatization of housing is the most appropriate approach to addressing our housing needs. In Pittsburgh and elsewhere, instead of enhancing the public's ability to leverage private financing for public ends, PPPs have given private entities the ability to leverage *public* financing and assets to maximize *private* profits.<sup>69</sup> They do so, moreover, while socializing risks and undermining transparency, democracy, and community control over how the city develops. Privatization policies such as those used in the development of affordable housing have privileged profit seeking by an increasingly globalized investor class over the needs of residents for a place to call home.

In her 2015 report to the Human Rights Council (A/HRC/28/62), UN Special Rapporteur on the Human Right to Adequate Housing, Leilani Farha maintained that “*Local governments have increasingly critical responsibilities not only with respect to the prevention of evictions but also for the implementation of positive measures required for the progressive realization of the right to adequate housing, including infrastructure development, land-use planning, upgrading of informal settlements, development and administration of housing and social programmes, market regulation and resource allocation.*”<sup>70</sup> We contend that Pittsburgh policy makers and the public need to be more informed about these obligations to protect housing as a human right and about the policy alternatives that can address our long-standing affordable housing crisis.

A variety of viable models for expanding access to *permanently* affordable housing are available, and we encourage leaders in Pittsburgh to learn from these examples. These recommendations all center on the need to: increase public funding for social housing; strengthen renter protections; improve transparency and democratic participation in

policy decisions; improve regulatory policies to prevent corruption and limit financial speculation in the residential sector; and delink local housing from global markets.<sup>71</sup>

In the near term, Pittsburgh leaders can take the following steps to advance these goals, and many of these are already included in the recommendations of the City's Affirmatively Furthering Fair Housing Task Force Recommendations.<sup>72</sup>

- Prohibit—at city and county levels—source of income discrimination by landlords.
- Establish affordable housing preservation program, task force, and plans to ensure permanent affordability of publicly subsidized developments.
- Enact policies to reduce financial speculation in the housing sector and improve transparency and anti-corruption measures.
- Establish fair taxation policies to provide needed public resources.<sup>73</sup>

Policy makers at global and other levels of government are recognizing the need to protect local housing by delinking it from global financial markets and shifting away from privatization. Around the world, cities and communities are building momentum for the de-marketization, or decommodification of housing and other public goods.<sup>74</sup> For instance, Berlin residents recently passed a referendum to “remunicipalize” the housing stock of large real estate companies. Large corporate landlords are to be compensated at rates well below market prices, and a democratically structured nonprofit public institution will administer this common property. Communities elsewhere are looking to replicate that model.<sup>75</sup> Cities around the world (including Pittsburgh) have already begun to “remunicipalize” public utilities such as water in the face of dramatic failures by private entities to ensure the health and safety of residents.<sup>76</sup>

There are a number of other promising models for transforming our approach to housing, treating it not as a source of private profit but rather as community wealth building.<sup>77</sup> For instance, community land trusts can help stabilize housing prices by delinking land prices from global markets and providing greater community control over land use.<sup>78</sup> Cooperative housing allows residents to own their homes while keeping housing prices affordable.<sup>79</sup> Public policies must be put in place to provide financing and to otherwise support these and other non-market housing options.

In sum, a close look at the costs and benefits of privatization calls for us to fundamentally transform our approach to housing policy and to press for changes in federal resource allocation to prioritize human rights and basic needs. The long-term trends of housing insecurity and displacement of communities are linked to the destruction and privatization of public housing in the United States that has been happening over decades. It is time to dramatically increase public investment in social housing as a means of both



strengthening community resilience and reducing financial and other costs related to health and well-being. Such investments in housing as a *social good* can improve our city by ensuring community stability, supporting strong social networks that can sustain people in times of need and connect diverse segments of our city.

Draft national legislation for a Social Housing Development Authority provides a model for moving this idea forward at the federal level.<sup>80</sup> Locally we can begin by re-allocating public land and funds in ways that are responsible to local taxpayers and responsive to individual and community needs. Pittsburgh's crisis of affordable housing and its extreme racial inequity require bold action from City officials, and our city can be part of a growing global movement of "fearless cities" working to advance new strategies to meet the basic needs and human rights of residents.<sup>81</sup>

# APPENDIX

## ASSESSING COSTS & BENEFITS OF PRIVATIZED HOUSING POLICIES *SELECTED PITTSBURGH DEVELOPMENTS*

Pittsburgh's experience with privatized housing has been marked by the same characteristics found at the national level: the displacement of low-income residents; the reduction of the affordable housing supply; a disproportionate impact on communities of color; the removal of housing policy decisions from the people most directly affected by them; and the profiteering of private firms. This appendix reports the processes and results of six housing privatization developments in Pittsburgh, based on newspaper reporting and annual reports from the Housing Authority of the City of Pittsburgh. While this appendix includes the largest, earliest, and most recent privatization efforts, it is not a comprehensive account of privatized housing developments in Pittsburgh.

Pittsburgh's first HOPE VI development was located in the North Side neighborhood of Manchester. Manchester initially contained 107 units of low-income public housing. These units were distributed across 9 buildings, and in 1996 they housed 45 Black families and 1 white family. City housing officials worked alongside private developer Penrose Properties and the community-based organization Manchester Citizens Corporation to replace these properties with mixed-income housing. By 1999, the public housing units were demolished, and construction on new units began. By the completion of all four phases of construction, the development produced 86 units of low-income public housing and cost \$27 million. As a result, this development eliminated 21 affordable housing units. To return to the new housing units, former residents had to meet new eligibility requirements, and some reported increases in rent compared to what they could afford earlier with section 8 vouchers. Another resident, Earl Jones, remarked: "People were upset... Quite upset. It seemed like a mass eviction."<sup>82</sup>

Pittsburgh's second HOPE VI development was located in the predominantly Black Hill District. Allequippa Terrace contained 1,749 units of low-income public housing. These units housed 1,446 Black families and 20 white ones. Initially, these units were scheduled for extensive rehabilitation, but Mayor Tom Murphy intervened. He favored using HOPE VI funds to destroy Allequippa Terrace and replace it with mixed-income housing. Originally, he promised to construct 1,200 replacement units. Allequippa Terrace residents organized in opposition to the Mayor's intervention, but the mayor won out. Observers recall city officials imposing a housing plan on residents without their involvement, and

these officials told them that the development would destroy more affordable units than it created and that those with section 8 vouchers would not be able to return. When residents expressed fears about displacement, the director of the housing authority, Stanley Lowe, replied: "That's not my responsibility. We can't be expected to solve everybody's problems."

By 2001, Allequippa Terrace was demolished, and construction began for the mixed-income Oak Hill apartments with the private partner Beacon/Corcoran Jennison. In its two phases, the development produced mixed-income housing that included 475 affordable units at the cost of \$123 million. This development eliminated 1,274 units of affordable housing. Members of the Low-Income Housing Coalition tried to track those who were displaced, but could not account for 400 of them. Some displaced residents, limited in their choices by section 8 vouchers, sought new homes in predominantly Black neighborhoods on the city's limits or beyond: Wilksburg, Braddock, North Braddock, Homestead, Duquesne.<sup>83</sup>

While these two developments were under way, a scandal erupted at the Pittsburgh Housing Authority. Reporters at the *Pittsburgh Post-Gazette* uncovered concerning activities at the authority, especially repeated cost overruns. In one case, a private contractor accepted a bid to repair sidewalks for \$297,200, but, after 71 separate and unspecific requests for cost increases, charged the Housing Authority \$1.52 million – an increase of roughly 500% of the initial estimate. These findings caught the attention of the federal Department of Housing and Urban Development (HUD) which then conducted an audit of Pittsburgh's Housing Authority for the years 1998 and 1999. HUD found repeated violations of federal regulations, including failure to invite public bidding on contracts, deliberate efforts to avoid making bidding processes public, and egregious overspending. After the federal audit, the authority's director, Stanley Lowe, resigned. Concerning irregularities continued, however. In 2011, for instance, one reporter uncovered that city officials apparently forgot to collect agreed-upon five-figure payments in lieu of taxes from the private developers involved in the next two developments: Bedford Hill and Garfield Commons.<sup>84</sup>

City officials and private partners launched another HOPE VI development in the Hill District. This development demolished Bedford Dwellings Additions and its 470 units of low-income public housing. As of 1996, these units housed 350 Black families and 2 white ones. City housing officials worked with private developer McCormack, Baron & Associates and the community-based Hill Community Development Corporation to replace these units with mixed-income housing called Oak Hill. When residents received news of the development plans, some expressed fear of being unable to meet the eligibility requirements for returning to the new housing units. By 2005, Bedford Dwellings

Additions was demolished. Through a total of three phases of construction, financed in part by low-income housing tax credits, the development produced 253 affordable housing units (180 low-income public housing units and 73 tax credit subsidy units) at a total cost of \$110 million. Unlike in other cases, residents were able to organize with the help of Dr. Mindy Thompson Fullilove and pressure public agencies into mitigating the disruption to residents' lives. This development eliminated 217 units of affordable housing units.<sup>85</sup>

Next, housing officials and private developers turned to the neighborhood of Garfield. Garfield Heights contained 600 units of low-income public housing that housed 298 Black families and 4 white ones. City housing authorities worked with private developer Keith B. Key and the community-based Bloomfield-Garfield Corporation to replace these units with the mixed-income Garfield Commons. By 2010, demolition was complete and construction began. The development, financed in part by low-income housing tax credits, produced 143 new affordable housing units (124 low-income public housing and 19 tax credit subsidy units) at a cost of \$100 million. This development eliminated 457 units of affordable housing and reduced Garfield's overall population. In relocating, displaced residents were limited to those places that would accept section 8 vouchers, including East Liberty, Lawrenceville, Beltzhoover, and Swissvale. Some former residents reported frustration at being displaced and remarked that displacement raised their costs of living.<sup>86</sup>

Privatization came for more public housing in the Hill District. Addison Terrace contained 734 units of low-income public housing. The most recent figures counted 573 Black families and 12 white ones residing there. City housing officials collaborated with the private Keith B. Key Enterprises and the non-profit Allies & Ross Management and Development Corporation to replace Addison Terrace with mixed-income housing. The housing authority claimed that the development would displace no residents. By 2012, Addison Terrace was demolished, and with financing from low-income housing tax credits construction began on the new Skyline Terrace. Through the development's four phases, and a total cost of \$160 million, Skyline Terrace provided 311 units of affordable housing. This development eliminated 432 units of affordable housing. It also introduced strict eligibility requirements on residents who wished to return. Some displaced residents relocated in East Liberty, Garfield, and Upper Lawrenceville.<sup>87</sup>

More recently, housing privatization has come to the neighborhood of Larimer. Larimer once contained 324 units of low-income public housing: 286 in Auburn Towers which were demolished by 2008; and 30 townhouses in the Hamilton-Larimer development. The most recent figures (2006) estimate that these units were occupied by 121 Black families and 8 white ones. City officials worked with private developer McCormack, Baron, and Salazar

and the community-based Larimer Consensus Group to replace these units with mixed-income housing for \$100 million. This development began in 2015 with financing from low-income housing tax credits and the Choice Neighborhoods Initiative program (the Obama administration's replacement for the HOPE VI program). Residents of these units expressed concerns about displacement. In this development's five phases, it produced 234 units of affordable housing (140 project-based voucher units and 91 tax-credit subsidy units). This development eliminated 90 units of affordable housing.<sup>88</sup>

In total, these six privatization developments destroyed 3,984 units of affordable housing while constructing in their place only 1,502 such units. These developments reduced the affordable housing supply by 2,482 units, a figure that makes up 17% of the 17,000 unit of the city's affordable housing unit shortage.

Privatized Development	Affordable Housing Units Demolished	Total Replacement Units Constructed		Affordable Housing Units Constructed	Affordable Units Net Loss	Construction Start Date	Cost		
		Promised	Delivered				Estimate	Final	Per unit
Larimer-East Liberty (Formerly Auburn-Hamilton-Larimer)	324	350	322	234	90	2015	\$100 m	\$100 m	\$427,000
Skyline Terrace (Formerly Addison Terrace)	734	450	400	311	423	2012	\$160 m	\$160 m	\$400,000
Garfield Commons (Formerly Garfield Heights)	600	250	225	143	457	2010	\$60 m	\$100 m	\$440,000
Bedford Hills (Formerly Bedford Additions)	470	600	278	253	217	2005	\$106 m	\$110 m	\$395,000
Oak Hill Apartments (Formerly Allequippa Terrace)	1749	1200	718	475	1274	2001	\$120 m	\$123 m	\$160,000
Manchester HOPE VI	107	-	120	86	21	1999	-	\$27 m	\$220,000
<b>Total</b>	<b>3984</b>	<b>2850</b>	<b>2063</b>	<b>1502</b>	<b>2482</b>			<b>\$616 m</b>	

## End Notes

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<sup>1</sup> See [Financialization of Housing](#) overview and links to reports by the UN Special Rapporteur on the Human Right to Adequate Housing.

<sup>2</sup> National Low Income Housing Coalition, [“Out of Reach: The High Cost of Housing”](#), 2021 Report, p. 5.

<sup>3</sup> President Biden passed an executive order on the first day of his presidency “Advancing Racial Equity and Support for Underserved Communities through the Federal Government” and in June 2021, in response to initiatives by victims of police killings and the larger Black Lives Matter movement, the UN High Commissioner for Human Rights issued an “Agenda towards transformative change for racial justice and equality” (A/HRC/47/53) linking police killings to long-standing institutionalized racism and calling on governments to take “accelerated action to transform systemic racism.”

<sup>4</sup> “Pittsburgh's Inequality across Gender and Race,” City of Pittsburgh Gender Equity Commission, September 2019.

<sup>5</sup> “Pittsburgh is America's apartheid city.” *Public Source*, February 22, 2021.

<sup>6</sup> In this study, we use the term “affordable housing” to include any below market-rate housing. This includes housing that is permanently or temporarily affordable, that is set at different percentiles of area median income, and that is eligible for various levels of subsidies. While this term obscures vast economic disparities among housing-insecure residents, and much “affordable” housing is in fact out of reach for too many residents, what is clear is that the marketization of housing severely constricts the amount of housing accessible across all income levels.

<sup>7</sup> [Census data likely shows Black residents are leaving Pittsburgh but staying nearby, top economist says](#) Julian Roth, *Pittsburgh Post-Gazette* August 16, 2021.

<sup>8</sup> [The Confluence, New Report Finds Steep Inequities In Who Gets Home Loans In Pittsburgh](#), WESA, September 14, 2021.

<sup>9</sup> Rich Lord, [“Pittsburgh's Powerful Nonprofits”](#) *Pittsburgh Post-Gazette* September 11, 2017

<sup>10</sup> Lord, Rich and Kate Giammarise. [“Hundreds of violations, few penalties: Allegheny County's health enforcers frequently inspected — but rarely fined — two McKeesport properties”](#). *Public Source* August 6, 2021. Jacobs, Joel. [“Stop this nightmare now”: Pittsburgh mayoral candidates, residents demand improvements to public housing conditions](#) *Pittsburgh Post-Gazette*, Oct. 5, 2021.

<sup>11</sup> UN Human Rights Council. 2019. [“Access to justice for the right to housing: Report of the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context.”](#) Geneva: United Nations; See also [UN Special Rapporteur on the Right to Adequate Housing](#).

<sup>12</sup> [“Promotion and protection of the human rights and fundamental freedoms of Africans and of people of African descent against excessive use of force and other human rights violations by law enforcement officers.”](#) (A/HRC/47/53), UN High Commissioner for Human Rights, 1 June 2021.

<sup>13</sup> Office of the High Commissioner on Human Rights. [“Financialization of Housing”](#) Accessed October 9, 2021.

<sup>14</sup> Molotch, Harvey. 1976. “The City as a Growth Machine: Toward a Political Economy of Place.” *American Journal of Sociology* 82(2): 309-332. Logan, John R., and Harvey Molotch. 2007. *Urban Fortunes: The Political Economy of Place*. 2nd ed. Berkeley, CA: University of California Press.

<sup>15</sup> Vale, Lawrence J. and Yonah Freemark. 2012. “From Public Housing to Public-Private Housing: 75 Years of American Social Experimentation.” *Journal of the American Planning Association* 78(4): 379-402.

Rothstein, Richard. 2017. *The Color of Law: A Forgotten History of How Our Government Segregated America*. New York and London. Liveright Publishing Company, Ch. 2).

<sup>16</sup> A detailed historical account of changing federal policies and their impacts on Pittsburgh's urban development from the 1960s through the 1990s is Tracy Neuman's *Remaking the Rust Belt: The Postindustrial Transformation of North America* (2019, University of Pennsylvania Press).

<sup>17</sup> Reckhow, S., Downey, D., and Sapotichone, J. 2020. "Governing without Government: Nonprofit Governance in Detroit and Flint." *Urban Affairs Review* 56(5): 1472-1502; (See Table 1).

<sup>18</sup> Harvey, David. 2005. *A Brief History of Neoliberalism*. Oxford, UK: Oxford University Press. Miraftab, Faranak. 2004. "Public-Private Partnerships: The Trojan Horse of Neo-Liberal Development?" *Journal of Planning Education and Research* 24: 89-101.

<sup>19</sup> See, e.g., Nicholas Freudenberg, *At What Cost: Modern Capitalism and the Future of Health* (2021, Oxford University Press); "Enough is enough: the future is public - Reclaiming public services for a just recovery." Webinar, at: <https://youtu.be/m0ZYKpbens> (2021, Transnational Institute).

<sup>20</sup> Fullilove, Mindy Thompson, and Roderick Wallace. 2011. 'Serial Forced Displacement in American Cities, 1916–2010', *Journal of Urban Health*, 88: 381-89.

<sup>21</sup> Freudenberg, Nicholas. 2021. *At What Cost: Modern Capitalism and the Future of Health* (Oxford University Press: New York).

<sup>22</sup> See Miraftab, Faranak. 2004. "Public-Private Partnerships: The Trojan Horse of Neo-Liberal Development?" *Journal of Planning Education and Research* 24: 89-101.; Sagalyn, Lynne B. 2007. "Public/Private Development: Lessons from History, Research, and Practice." *Journal of the American Planning Association* 73(1): 7-22; Sager, Tore. 2011. "Neo-Liberal Urban Planning Policies: A Literature Survey 1990-2010." *Progress in Planning* 76: 147-199; Bockman, Johanna. 2018. "Removing the Public from Public Housing: Public-Private Redevelopment of the Ellen Wilson Dwellings in Washington, DC." *Journal of Urban Affairs* 1:22; "PPPs Lead to Dangerous Debts for Developing Countries," Transnational Institute, March 1, 2017.

<sup>23</sup> A panel of current and former UN human rights officials reported on their investigations in different parts of the world in regard to the impacts of privatization on health, gender inequity, housing, water, and other basic needs: "The Future is Public: Reclaiming Public Services for a Just Recovery"- Webinar with UN Human Rights Officials, Transnational Institute and Public Services International, 11 November 2021.

<sup>24</sup> For details on these policies and their histories, see Weiss, Brandon M. 2018. "Locating Affordable Housing: The Legal System's Misallocation of Subsidized Housing Incentives." *Hastings Law Journal* 70: 215-248.; Ballard, Megan J. 2003. "Profiting from Poverty: The Competition Between For-Profit and Nonprofit Developers for Low Income Housing Tax Credits." *Hastings Law Journal* 55(1): 211-244; Hula, Robert C. and Marty P. Jordan. 2018. "Private Investment and Public Redevelopment: The Case of New Markets Tax Credits." *Poverty and Public Policy* 10(1): 11-38.

<sup>25</sup> Fraser, James C. and Edward L. Kick. 2007. "The Role of Public, Private, Non-Profit and Community Sectors in Shaping Mixed-income Housing Outcomes in the US." *Urban Studies* 44(12): 2357-2377; Bockman, Johanna. 2018. "Removing the Public from Public Housing: Public-Private Redevelopment of the Ellen Wilson Dwellings in Washington, DC." *Journal of Urban Affairs* 1:22; Khare, Amy T. 2018. "Privatization in an Era of Economic Crisis: Using Market-Based Policies to Remedy Market Failures." *Housing Policy Debate* 28(1): 6-28; Joseph, Mark L., Robert Chaskin, Amy T. Khare and Jung-Eun Kim. 2019. "The Organizational Challenges of Mixed-Income Development: Privatizing Public Housing Through Cross-Sector Collaboration." *Urban Research & Practice* 12(1): 61-83. See also Fullilove, Mindy Thompson, and Roderick Wallace. 2011. 'Serial Forced Displacement in American Cities, 1916–2010', *Journal of Urban Health*, 88: 381-89.

<sup>26</sup> Weiss, Brandon M. 2018. "Locating Affordable Housing: The Legal System's Misallocation of Subsidized Housing Incentives." *Hastings Law Journal* 70: 215-248; McClure, Kirk. 2010. "Are low-income housing tax credit developments locating where there is a shortage of affordable units?" *Housing Policy Debate*, 20:2, 153-171; Lang, Bree J. 2011. "Location Incentives in the low-income housing tax credit: Are qualified census tracts necessary?" *Journal of Housing Economics* 21: 142-150.

<sup>27</sup> The length of subsidies and possibilities for renewal are dependent upon their source. LIHTC applications, for instance, may require approval from local authorities, i.e., in Pittsburgh the URA or Pennsylvania Housing Finance Agency (PHFA).

<sup>28</sup> National Housing Preservation Database

<sup>29</sup> Nelson, Kathryn P. 1994. "Whose Shortage of Affordable Housing?" *Housing Policy Debate* 5(4): 401-442. McClure, Kirk. 2000. "The Low-Income Housing Tax Credit as an Aid to Housing Finance: How Well Has it Worked?" *Housing Policy Debate* 11(1): 91-114.

<sup>30</sup> Joseph, Mark L., Robert Chaskin, Amy T. Khare and Jung-Eun Kim. 2019. "The Organizational Challenges of Mixed-Income Development: Privatizing Public Housing Through Cross-Sector Collaboration." *Urban Research & Practice* 12(1): 61-83.

<sup>31</sup> Mukhija, Vinit. 2004. "The Contradictions in Enabling Private Developers of Affordable Housing: A Cautionary Case from Ahmedabad, India." *Urban Studies* 41(11): 2231-2244; Ibem, Eziyi Offia. 2011. "The Contribution of Public-Private Partnerships (PPPs) to Improving Housing Accessibility of Low-Income Earners to Housing in Southern Nigeria." *Policy and Practice* 26:201-217; Simeoni, Crystal, Adrian Murray, and Susan Spronk. 2022. "Privatization, Blended Finance and Canada's Development Policies: A Pan-African Feminist Critique." *Social Project: The Bullet*. Accessed February 5<sup>th</sup>, 2022 [<https://socialistproject.ca/2022/02/privatization-blended-finance-and-canadas-development-policies/>].

<sup>32</sup> Turner, Margery Austin, Thomas Kingsley, Susan J. Popkin, and Martin D. Abravanel. 2004. "What Next for Distressed public Housing?" Washington, DC: The Urban Institute; NARPAC, Inc. 2002. "False Hope: A Critical Assessment of the HOPE VI Public Housing Redevelopment Program." At: <http://www.narpac.org/ITXFALSE.HTM>.

<sup>33</sup> Popkin, Susan J, Bruce Katz, Mary K. Cunningham, Karen D. Brown, Jeremy Gusstafson, and Margery A. Turner. 2004. *A DECADE OF HOPE VI: Research Findings and Policy Challenges*. The Urban Institute.

<sup>34</sup> Hyra, DS. 2008. *The New Urban Renewal: The Economic Transformation of Harlem and Bronzeville*. Chicago, IL: The University of Chicago Press.

<sup>35</sup> Davis, Mike. 2005. "Gentrifying Disaster." *Mother Jones*. October 25. At: <https://www.motherjones.com/politics/2005/10/gentrifying-disaster/>; Peterson, Rachel. 2005. "HOPE VI in San Francisco." *SPUR* Newsletter March 2005: 1.

<sup>36</sup> Thompson Fullilove, Mindy and Rodrick Wallace. 2011. "Serial Forced Displacement in American Cities, 1916-2010." *Journal of Urban Health: Bulletin of the New York Academy of Medicine* 88(3): 381-389.

<sup>37</sup> Bull, John M.R. 1996. "Patterns of Racial Division: Pittsburgh's Housing Projects Among Nation's Most Segregated." *Pittsburgh Post-Gazette* April 14: A-13.

<sup>38</sup> McNulty, Timothy. 2002. Authority to Review Development Plans." *Pittsburgh Post-Gazette* Dec 25: D-4.

<sup>39</sup> Trotter, Joe and Jared Day. 2010. *Race and Renaissance: African Americans in Pittsburgh Since World War II*. Pittsburgh, PA: University of Pittsburgh Press: 54.

<sup>40</sup> See point above regarding the time limits on subsidies in many of these redevelopments.

<sup>41</sup> *Black Homes Matter: Alternative Approaches to Neighborhood Revitalization in Pittsburgh*, Prepared by the Pittsburgh Fair Development Action Group, (FDAG) for the 18th Summit Against Racism, January 23, 2016.

<sup>42</sup> Crystal Jennings, an organizer with Penn Plaza Support and Action Coalition, contacted 48 former Penn Plaza residents over the last 2 years. Some initially found other housing in East Liberty but were forced to move again because these units were affordable for them. A few found housing in other Pittsburgh neighborhoods, including Homewood, the Hill District, Southside, Lawrenceville, Oakland, Brookline, and downtown. Others moved to the outskirts of the city, to places including Wilksburg, Penn Hills, Homestead, Verona, Edgewood, and Swissvale.



- <sup>43</sup> St-Esprit, Meg. 2018. "A Guide to Affordable Housing in Pittsburgh." *Public Source* November 14[<https://projects.publicsource.org/guide-to-affordable-housing-pittsburgh-pennsylvania/>] Accessed February 5<sup>th</sup>, 2022.
- <sup>44</sup> Cepparulo, Alessandra, and Giuseppe Eusepi, and Luisa Giuriato. 2019. "Public-Private Partnership and Fiscal Illusion: A Systematic Review." *Journal of Infrastructure, Policy and Development* 3(2): 288-309; Opinion: PPPs lead to dangerous debts for developing countries, María José Romero and Mathieu Vervynckt, March 1, 2017.
- <sup>45</sup> Thillainathan, R. and Kee-Cheok Cheong. 2019. "Malaysian Public-Private Partnerships - Incentivizing Private Sector Participation or Facilitating Rent Seeking?" *Malaysian Journal of Economic Studies* 56(2): 177-200. People's Health Movement. 2017. "The 'New' Karolinska Hospital: How PPPs Undermine Public Services" pp.129-135 in *Global Health Watch 5: An Alternative World Health Report*. Zed Books.
- <sup>46</sup>The World Bank and Inter-American Development Bank are strong boosters of PPPs internationally, and yet their research has revealed widespread corruption and high costs for low-income countries and people. These institutions are increasingly promoting greater transparency and stronger government protections against corruption.
- <sup>47</sup> Case, Kik E. 1991. "Investors, Developers, and Supply-Side Subsidies: How Much Is Enough?" *Housing Policy Debate* 2(2):341–56.
- <sup>48</sup> Hula, Robert C. and Marty P. Jordan. 2018. "Private Investment and Public Redevelopment: The Case of New Markets Tax Credits." *Poverty and Public Policy* 10(1): 11-38; Government Accountability Office. 2014. *New Markets Tax Credit: Better controls and data are needed to ensure effectiveness*. Retrieved from <http://www.gao.gov/products/GAO-14-500>
- <sup>49</sup> Coburn, Tom. 2014. "Banking on the poor: How corporate America exploits struggling communities to collect new market tax credits." At: <https://assets.documentcloud.org/documents/1273079/nmtc-report-8-10-14-final.pdf>
- <sup>50</sup> Khare, Amy T. 2018. "Privatization in an Era of Economic Crisis: Using Market-Based Policies to Remedy Market Failures." *Housing Policy Debate* 28(1): 6-28.
- <sup>51</sup> Rich Lord, "Pittsburgh's Powerful Nonprofits" *Pittsburgh Post-Gazette* September 11, 2017
- <sup>52</sup> Sarah Repucci and Amy Slipowitz, "Freedom in the World 2021: Democracy Under Siege," Freedom House.
- <sup>53</sup> See Domhoff, G. William. 1998. *Who Rules America: Power and Politics in the Year 2000* (Mayfield Publishing Company); Edwards, Michael. 2008. *Just Another Emperor? The Rise of Philanthrocapitalism* (Demos: A Network for Ideas and Action: New York).
- <sup>54</sup> Levine, J. 2020. *Constructing Community: Urban Governance, Development, and Inequality in Boston*. Princeton, NJ: University of Princeton Press, p. 17; Levine, J.R. 2016. "The Privatization of Political Representation: Community-Based Organizations as Nonelected Neighborhood Representatives." *American Sociological Review* 81(6):1251–75.
- <sup>55</sup> Levine, J.R. 2016. "The Privatization of Political Representation: Community-Based Organizations as Nonelected Neighborhood Representatives." *American Sociological Review* 81(6):1251–75 (emphasis original).
- <sup>56</sup> Levine, J. 2020. *Constructing Community: Urban Governance, Development, and Inequality in Boston*. Princeton, NJ: University of Princeton Press; Levine, J.R. 2016. "The Privatization of Political Representation: Community-Based Organizations as Nonelected Neighborhood Representatives." *American Sociological Review* 81(6):1251–75.
- <sup>57</sup> See: Dale Shoemaker, "New Pittsburgh Ordinance mandates developers talk to 'registered community groups. Critics say law will exclude some" *Public Source* Dec. 3, 2018.; For a list of Pittsburgh RCOs see: [https://pittsburghpa.gov/files/dcp/List\\_of\\_RCOs.pdf](https://pittsburghpa.gov/files/dcp/List_of_RCOs.pdf)
- <sup>58</sup> That mobilization generated widespread attention to the problem of affordable housing and displacement of Pittsburgh's Black residents in the larger community. It also led to a Resolution of Concern from the City's

Planning Commission calling for efforts to formally assess the social impacts of developments prior to their approval. See *Public Source*, “Key Moments in the Penn Plaza Displacement Saga,” April 10, 2018. At: <https://www.publicsource.org/key-moments-in-the-penn-plaza-displacement-saga/>; “PPSA Statement on the City Planning Commission’s Resolution of Concern” At: <https://pennplaza.wordpress.com/2018/06/10/ppsa-statement-on-the-city-planning-commissions-resolution-of-concern/>

<sup>59</sup> Who is ‘the community?’ Penn Plaza group challenges early stages of East Liberty URA project Tom Lisi, *Public Source* Sept. 17, 2019. Another example in regard to public transit and infrastructure planning, In 2019, protests over the City’s proposed Mon-Oakland connector generated claims from the Mayor’s office that the process was inclusive and transparent and critiques of opponents as anti-progress and not representative of residents living in the affected

<sup>60</sup> Penguins suitor, new community group raise questions about Hill redevelopment Rich Lord, *Public Source* November 19, 2021.

<sup>61</sup> Davidson, Nestor M. 2006. “Relational contracts in the privatization of social welfare: The case of housing.” *Yale Law & Policy Review* 24(2), 263-316; Fraser, James C. and Edward L. Kick. 2007. “The Role of Public, Private, Non-Profit and Community Sectors in Shaping Mixed-income Housing Outcomes in the US.” *Urban Studies* 44(12): 2357-2377; Khare, Amy T. 2018. “Privatization in an Era of Economic Crisis: Using Market-Based Policies to Remedy Market Failures.” *Housing Policy Debate* 28(1): 6-28. Weiss, Brandon M. 2018. “Locating Affordable Housing: The Legal System’s Misallocation of Subsidized Housing Incentives.” *Hastings Law Journal* 70: 215-248; Hula, Robert C. and Marty P. Jordan. 2018. “Private Investment and Public Redevelopment: The Case of New Markets Tax Credits.” *Poverty and Public Policy* 10(1): 11-38; Joseph, Mark L., Robert Chaskin, Amy T. Khare and Jung-Eun Kim. 2019. “The Organizational Challenges of Mixed-Income Development: Privatizing Public Housing Through Cross-Sector Collaboration.” *Urban Research & Practice* 12(1): 61-83.

<sup>62</sup> Jones, Diana Nelson. 2018, June 18. “Traces of a lost neighborhood.” *The Pittsburgh Post-Gazette*. [https://newsinteractive.post-gazette.com/lower\\_hill/](https://newsinteractive.post-gazette.com/lower_hill/)

<sup>63</sup> Sports authority structures are also entities where private influence can play a role. Pittsburgh’s Sports and Entertainment Authority is governed by a 7 member board of directors appointed by the Mayor of Pittsburgh and County Executive. These members are not accountable to voters but rather to the officials who appoint them. Outgoing Allegheny County controller Chelsa Wagner has called for greater transparency and public input in the counties authorities, including the SEA and the URA discussed here. “Allegheny County, we’re PA’s third-largest government. Let’s think big and be bold.” *Public Source* December 23, 2021.

<sup>64</sup> Molotch, Harvey. 1976. “The City as a Growth Machine: Toward a Political Economy of Place.” *American Journal of Sociology* 82(2): 314-15.

<sup>65</sup> Belko, Mark. 2014, July 15. “Recession leaves taxpayers paying much more of Consol Energy Center debt” *The Pittsburgh Post-Gazette*. <https://www.post-gazette.com/business/2014/07/15/Taxpayers-paying-more-of-costs-for-Consol-Energy-Center-than-expected/stories/201407150069>

<sup>66</sup> Krauss, Margaret J. 2021, Sept. 1. “After years of Negotiation, Officials Break Ground on The Lower Hill.” *WESA*. <https://www.wesa.fm/development-transportation/2021-09-01/after-years-of-negotiation-officials-break-ground-on-the-lower-hill>

<sup>67</sup> Urban Redevelopment Authority. “Lower Hill Development.” <https://www.ura.org/pages/lower-hill>

<sup>68</sup> Grimshaw, Damian, Steve Vincent, and Hugh Willmott. 2002. “Going privately: Partnership and outsourcing in UK public services.” *Public Administration*, 80(3), 475–502; Thillainathan, R. and Kee-Cheok Cheong. 2019. “Malaysian Public-Private Partnerships - Incentivizing Private Sector Participation or Facilitating Rent Seeking?” *Malaysian Journal of Economic Studies* 56(2): 177-200; Bockman, Johanna. 2018. “Removing the Public from Public Housing: Public-Private Redevelopment of the Ellen Wilson Dwellings in Washington, DC.” *Journal of Urban Affairs* 1:22; Freeman, Lance, and Jenny Schuetz. 2017. “Producing Affordable Housing in Rising Markets: What Works?” *Cityscape: A Journal of Policy Development and Research* 19(1): 217-236.; Raynor, Katrina, Matthew Palm, and Georgia Warren-Myers. 2021. “Ambiguous, Confusing, and Not Delivering Enough Housing: What Negotiations Theory Can Teach

Us About Voluntary Affordable Housing Agreements.” *Journal of the American Planning Association* 1-14; Ballard, Megan J. 2003. “Profiting from Poverty: The Competition Between For-Profit and Nonprofit Developers for Low Income Housing Tax Credits.” *Hastings Law Journal* 55(1): 211-244; Burge, Gregory S. 2011. “Do Tenants Capture the Benefits of the Low-Income Housing Tax Credit Program?” *Real Estate Economics* 39(1): 71-95.

<sup>69</sup> A recent World-Bank-funded study - “Who Sponsors Infrastructure Projects?” — found that private investments still only comprised 17 percent of project financing in EMDE infrastructure investments committed in 2017.

<sup>70</sup> “Responsibilities of local and other subnational governments in relation to the right to adequate housing” Report to the Human Rights Council 28<sup>th</sup> Session, 2015 (A/HRC/28/62).

<sup>71</sup> Multiple documents issued by the UN Special Rapporteur on the Right to Housing speak to this, including especially/most recently: “Guidelines for the Implementation of the Right to Adequate Housing: Report of the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context.” Human Rights Council Forty-third session, 24 February–20 March 2020 (A/HRC/43/4); and “Financialization of housing and the right to adequate housing” Statement to the Human Rights Council 34<sup>th</sup> Session, 2017 (A/HRC/34/51).

<sup>72</sup> <https://pittsburghpa.gov/chr/affh/>

<sup>73</sup> There are growing demands to tax the region’s large nonprofit corporations, and former county controller Chelsa Wagner presents a compelling case in her recent *Public Source* essay.

<sup>74</sup> On this general problem as it applies to water, see Moore, Madelaine. 2021. ‘Liquid gold or the source of life? Understanding water commodification as a contradictory and contested political project’, *Globalizations*.

<sup>75</sup> See Berlin’s Alliance for Social Housing Policy and Affordable Rent; “Berlin’s vote to take properties from big landlords could be a watershed moment,” Alexander Vasudevan *The Guardian* September 29, 2021.

<sup>76</sup> The Future is Public: Toward Democratic Ownership of Public Services. Kishimoto, Satoko, Lavinia Steinfort, and Olivier Petitejean, eds. 2020. A variety of resources on the trend of remunicipalization are available from Transnational Institute: <https://www.tni.org/en/collection/remunicipalisation>.

<sup>77</sup> <https://community-wealth.org/>

<sup>78</sup> See “Victories from Insurgency: Re-Negotiating Housing Community Control, and Citizenship at the Margins.” Cahen, Claire, Jakob Shcneider, and Susan Saegert. 2019. *Antipode* 51(5): 1416-1435. Shorter overviews are available at: “Understanding Community Land Trusts” Miriam Axel-Lute, *Shelterforce* July 12, 2021; Community Land Trusts Overview, Community-Wealth.org; and the Grounded Solutions Network CLT Overview. Pittsburgh’s City of Bridges Land Trust works to promote CLTs in our community.

<sup>79</sup> “Housing Cooperatives for a Better World.” Cooperatives for a Better World; “How to Start a Housing Co-op” Mira Luna, *Shareable* March 9, 2021.

<sup>80</sup> Social Housing Development Authority - Baiocchi, Gianpaolo, H. Jacob Carlson, Marnie Brady, Ned Crowley, and Sara Duvisac. 2020. “The Case for a Social Housing Development Authority” New York: Urban Democracy Lab.

<sup>81</sup> Barcelona En Comú, with Debbie Bookchin and Ada Colau. 2019. *Fearless Cities: A Guide to the Global Municipalist Movement* (New Internationalist: Oxford, UK).

<sup>82</sup> Nelson Jones, Diana. 2005. “Manchester is Called Housing Success Story.” *Pittsburgh Post-Gazette*. September 21: B1-B5; Housing Authority of the City of Pittsburgh’s Move to Work Annual Plan 2006.

<sup>83</sup> Schmitz, Jon. 1994. “U.S. Backs Mayor Murphy on Public Housing.” *Pittsburgh Post-Gazette* June 23: 15; Hamm, Sandy. 1994. “Residents Can’t Get Straight Answers to Honest Question.” *New Pittsburgh Courier* July 16: 1; Haynes, Sonya M. 1996. “Fireworks on Addison Terrace.” *New Pittsburgh Courier* July 16: 1; Trotter, Joe and Jared N. Day. 2010. “In the Shadows of the Renaissance: : 154; Bull, John M.R. 1996. “Patterns of Racial Division.” *Pittsburgh Post-Gazette* April 14: A-13; Moses, George. 2007.

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<sup>84</sup> Bucsko, Mike and Timothy McNulty. 2001. "Housing Authority's Spending Dubious." *Pittsburgh Post-Gazette* February 18: A1, A4; McNulty, Timothy. 2001. "Audit Faults Housing Authority Spending." *Pittsburgh Post-Gazette*. May 5: 1, 10; Lord, Rich. 2011. "Landlords not Bill by City as Agreed." *Pittsburgh Post-Gazette*. November 6: A15, A18.

<sup>85</sup> Barnes, Tom. 1996. "Stumping for Hope in the Hill District." *Pittsburgh Post-Gazette* August 28: B1, B2; McNulty, Timothy. 1999. "Hill District Housing Plan Replaces Bedford Additions with New Homes and Incline." *Pittsburgh Post-Gazette* June 9: B1, B7; McNulty, Timothy. 2002. "Hill District Housing Plan Ready." *Pittsburgh Post-Gazette* July 25: B1, B2; Thompson Fullilove, Mindy. 2016. *Root Shock: How Tearing Up City Neighborhoods Hurts America, and What We Can Do About It*. New York: Newville Press. Pp. 176-191; McNulty, Timothy. 2002. "Hill District Housing plan Ready." *Pittsburgh Post-Gazette* July 25: B1, B2; Bull, John M.R. 1996. "Patterns of Racial Division." *Pittsburgh Post-Gazette* April 14: A-13 Housing Authority of the City of Pittsburgh Moving to Work Annual Plans 2005-2009

<sup>86</sup> Nelson Jones, Diana. 2013. "Garfield Project a Landmark in City Hiring Practices." *Pittsburgh Post-Gazette* January 3: B1, B2; Lord, Rich. 2011. "City Continues to Invest in Mixed Income Housing." *Pittsburgh Post-Gazette* October 23: A1, A10; Dyer, Erving. 2007. "Garfield Heights Residents Anticipate Fresh Start." *Pittsburgh Post-Gazette* March 20: B5. Housing Authority of the City of Pittsburgh Move to Work Annual Plans 2007-2013

<sup>87</sup> Smydo, Joe. 2010. "Mixed-Income Housing to Replace 'Antiquated' Addison Terrace in Hill." *Pittsburgh Post-Gazette* January 26: 18; Lord, Rich. 2011. "City Continues to Invest in Mixed Income Housing." *Pittsburgh Post-Gazette* October 23: A1, A10; Lord, Rich and Daniel Marsula. 2017. "Pittsburgh's Powerful Non-Profits." *Pittsburgh Post-Gazette* September 18 (<https://newsinteractive.post-gazette.com/nonprofit/>); Nelson Jones, Diana. 2014. "Addison Terrace Renovation to Squeeze out Some Residents." *Pittsburgh Post-Gazette* March 10: B1, B3. Housing Authority of the City of Pittsburgh Move to Work Annual Plans 2007, 2014-2018.

<sup>88</sup> McNulty, Timothy. 2013. "Larimer Housing Proposal Submitted." *Pittsburgh Post-Gazette* July 17: B1, B2; Balingit Moriah. 2013. "Larimer Revival Concerns Residents." *Pittsburgh Post-Gazette* July 29: B1, B2; Blazina, Ed. 2013. "Council Weighs Housing Funds." *Pittsburgh Post-Gazette* July 29: B1, B2; Housing Authority of the City of Pittsburgh, Move to Work Annual Plans 2007, 2014-2020