

Urban Renewal and Effects on Poverty

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Abstract: *Urban renewal policies since the New Deal era have had complicated effects on the outcomes of the American poor. Using Amartya Sen's capability framework, this paper identifies housing as a key resource necessary for well-being. Through the examination of urban renewal policies, specifically housing initiatives, since the 1930s, one can observe hegemonic outcomes that have occurred as a result of profit-driven development. I conclude that the social capital and individual agency of community members has been severely understated in the majority of urban renewal policies in the U.S. Thus, future projects must prioritize the social agency of community members in order to create sustainable development projects in poor urban areas.*

This paper seeks to examine the effects of urban renewal policies beginning in the New Deal era and the effects these projects incurred on the outcomes of the American urban poor. After the rapid industrialization of America in the early 20th century, a costly war and the major economic consequences of the Great Depression contributed to the decline of several city landscapes. Government officials and commercial entities alike took interest in revitalizing the cities that had once been the shining representation of a thriving American society. Early on, many development projects focused on merely the economic benefits of redevelopment and often neglected to consider any negative consequences of razing and rebuilding neighborhoods and buildings. The purpose of this paper is to examine the mixed effects of previous urban development practices on poverty and inequality in the United States and to use that analysis to determine the best practices for urban renewal today and in the future.

This paper begins by defining urban renewal and outlining specific goals of urban revitalization efforts that have been adopted in the past. I focus on housing policies as one of the many aspects of urban renewal projects using Amartya Sen's capability poverty approach to explain why housing is the most important resource that poor individuals lack and thus prevents them from achieving certain functionings. Next, this paper outlines a history of urban renewal policies beginning in the 1930s and examines the lasting effects these policies have had on community well-being and development as a whole. Looking at the past policies and the underlying goals behind them, it is clear that these efforts have demonstrated hegemonic practices and therefore disadvantaged the urban poor as a result. A careful examination of the outcomes over the past several decades thus illuminates the areas in which such policies fall short and where they might demonstrate some degree of success. I conclude that urban renewal policies over the past several decades have largely understated the benefits of existing social

capital in communities and fail to harness the power of community members' social agency in the development process. Finally, this paper reviews two urban development initiatives underway in Atlanta, Georgia and New Orleans, Louisiana. While it would be presumptuous to claim that these projects embody a completely "correct" model for urban redevelopment, both initiatives do seem to take more into account in terms of community social agency and further the social capital of existing communities rather than destroying it. Thus, urban renewal projects that actively harness the power of social agency and community engagement produce the most successful outcomes in terms of community well-being.

What is Urban Renewal?

The stated goals of urban renewal are multifaceted as changes in the urban landscape affect many components of society. The first main goal as evidenced by past projects is economic development or growth. Government officials, community members, and private sector actors all benefit from the economic prosperity of a community; therefore, it is often a common goal of urban renewal projects. However, there is an important distinction to be made between economic development and economic growth, especially as they pertain to urban renewal and the well-being of city-dwellers: "economic development is concerned not only with creating growth of stabilization, but also with specific criteria for distributing the benefits of that growth [...], raising standards of living and improving the quality of life through a process that specifically lessens inequalities in metropolitan development" (Fitzgerald & Leigh 2002, p. 27). While economic growth may only focus on increasing profits, revenues, and financial prosperity of a government or commercial entity, economic *development* considers the distribution of the economic benefits and the quality of life available to those that live in metropolitan areas.

While the economic benefits of urban renewal certainly impact all community members and urban city dwellers, many urban renewal policies adopt a social focus in addition to other main goals. Urban renewal policies have had many tangible economic effects as a result of business development and corporate investment; however, it is of equal importance to consider the distributional effects of these benefits as a means of assessing the social outcomes of all groups affected by urban renewal policies. Urban studies revolve around the resources available in metropolitan areas and the constraining effects of resources distributed non-randomly (Gilderbloom 2008, p. 2). With this approach, urban planning policies can aid in inequality reduction as well as economic growth and revitalization. In order to have significant impact in reducing inequality in urban areas, policy makers must too understand the multiple aspects of social life that infiltrate the lives of the urban poor: “before one can understand how areas are to be redeveloped, one must acknowledge how they (and their people) come to be underdeveloped, how different places are (economically) connected, and how they profit from another’s gains or losses” (Goldsmith 1997, p. 304). As Gilderbloom and Goldsmith demonstrate, all aspects of social life and basic needs and the relationships between people and community and space, must be considered in determining the best practices for urban renewal.

Modern urban renewal policies must result in outcomes that prevent unequal and discriminatory social outcomes and attempt to counteract the damage done in earlier decades. In other words, urban renewal efforts must reflect an equal or prioritized, consideration of social well-being in addition to any economic or commercial goals of the projects. Emily Talen (2002) outlines three types of social goals that should be at the center of economic development projects: community, social equity, and common good. The idea of the common good emphasizes the importance of a community’s capabilities, rather than the betterment of just one

individual: “our civic and social institutions, our political and economic system, our environment, and our systems of justice must function in a way that benefits all the people” (Talen 2002, p. 170). Future urban renewal endeavors must demonstrate a consideration for the economic and social well-being of all persons in order to avoid negative effects for disadvantaged populations. This examination of the social condition of communities begins with looking at poverty rates in urban areas and the burdens that are faced by the urban poor.

Urban Poverty

While the US remains at around a 15% poverty rate overall, the metropolitan poverty rate hovered around 17% in 2014 (Kaiser Family 2014). According to the Brookings Institution, “the nation’s 100 largest metro areas are home to 70 percent of all distressed census tracts” (2014). “Distressed” tracts in this case include any census tract with a poverty rate of 40% or more, or in which 40% of households live under the federal poverty line. Thus, urban America contains a significant amount of the country’s poor. Not only are poverty rates higher in metropolitan areas, but the effects on individuals may be more severe. Those living in poor metropolitan areas generally live in more concentrated poverty, thus creating a “double burden” of poverty from their own situation and the situations of others around them (Kneebone 2014). Therefore, there are compounding effects of living in poor urban areas that go beyond the immediate effects of being impoverished.

While the measures of poverty reported above deal with strictly income-based measures of poverty, this paper arguea that America’s urban poor face the blight of capability poverty as well. The idea of capability poverty can be attributed to Nobel Prize Winner, Amartya Sen. Sen created a framework for understanding poverty that extended beyond monetary measures. The

capability approach assesses a person's well-being based on the resources available to them, the capability sets that are possible as a result of these resources, and the functionings that they are able to perform based on those capabilities (Sen 1992). Thus, it is difference of capability sets among individuals that determine the amount of inequality in a society (Alkire 32). Sen elaborates, "if the achieved functionings constitute a person's well-being, then the capability to achieve functionings will constitute the person's freedom – the real opportunities – to have well-being" (Sen 1999, p. 40). For the purpose of this paper, I use the capability approach to examine poverty in urban areas as I feel it better encompasses the wide range of problems, far beyond income, faced by the urban poor. In poor urban neighborhoods, symptoms of poverty pervade the lives of those that live there; the education, healthcare, living conditions, and jobs available are all compromised. Therefore, the capability approach allows for each person's well-being to be assessed by the functionings that they are able or not able to perform given the resources that are available to them.

As it relates to poverty, urban renewal also has important implications for human and social capital. Economic development, as discussed earlier, may often refer to only the fiscally productive aspect of development and urban renewal. However, consideration of the effects on poverty require a more humanistic measure of capital and production. From a human capital standpoint, better neighborhoods and restructured business districts allow people to prosper through better jobs, reductions in crime, and improved living conditions. Human capital refers to the capacity for a person to produce output, whether it be through better education, improved health, or anything that would allow an individual to improve their ability to contribute to and benefit from society. Effective urban renewal initiatives, therefore, must improve the resources available to community members and therefore increase their human capital. Using Sen's

framework, successful urban renewal projects should increase both resources and functionings that individuals would be able to convert into capabilities.

Similar to human capital, social capital considers the productive assets available to individuals within a community rather than strictly economic output. Social capital refers to relationships among people that can be utilized to spur productive behavior (Coleman 1998, p. 100). Therefore, social capital adds a relational dimension to the notion of human capital by considering the social capabilities of individuals and how they affect one another. The idea of social capital also applies well to Sen's capability approach to poverty. According to James S. Coleman (1998), "the value of the concept of social capital lies first in the fact that it identifies certain aspects of social structure by their functions [...] the function identified by the concept 'social capital' is the value of these aspects of social structure to actors as resources that they can use to achieve their interests" (p. 101). Social capital theory therefore theorizes that the relationships among individuals within a community provide a resource, and therefore a capability set, that an individual has available to him/her.

As mentioned earlier, this paper will look specifically at housing policies as part of urban renewal initiatives in the US since the New Deal. Housing comprises only one of several main components of urban development policies, along with business development, educational improvements, crime reduction, and beautification. Housing can be considered a focal point of many of these efforts as an individual's personal capability set begin in the home. For example, the quality and availability of a safe home allows for a person to benefit more from the community around them, whether it be in closer proximity to work or school or living among others in a thriving community. Therefore, this paper examines housing policies in particular when looking at urban renewal policies as housing is a fundamental resource that individuals

require in order to create capability sets that foster well-being. While it is imperative to at least mention the other aspects of urban development, this paper addresses the government's response to the affordable housing crisis as a focal point of urban development and its effects on poverty.

Several urban development policies since the New Deal era have focused attention on housing. Whether through slum clearance, affordable public housing construction, or suburbanization, housing trends have been evolving for decades in wake of volatile urban landscapes in the post-industrialization era. Among criticisms of urban development projects is the claim that they have not adequately addressed the persistent lack of affordable housing options in cities. Housing is a primary means of survival for all people, a necessary resource required for capability sets that yield productive functionings, yet access to housing is perhaps one of the most prevalent challenges facing the urban poor. Rental housing poses particular challenges to those seeking affordable housing as tenants generally bear more of a financial burden from their housing payments than homeowners: Rental housing is generally older and in worse condition despite tenants paying significant proportions of their income for the housing (Gilderbloom 2008, p. 19). Additionally, up to two-fifths of tenants in America live below the poverty line (Gilderbloom 2008, p. 19). America's rental crisis then forces middle to low income households into tight financial situations that worsen the effects of poverty and create overall hardship.

Furthermore, developers and residents are often at competing odds in terms of their goals for housing developments. Affordable public housing options are a hard economic sell to developers: “[low-rent public housing] did not stir the souls of chamber of commerce presidents or enhance the revenues of downtown department stores. Decent, affordable housing simply did not seem the essential stimulus for an urban renaissance” (Teaford, 2000, p. 446). Thus, the main

actors in local economies typically do not prioritize the development of affordable housing projects as they are less likely to spur economic development and growth. Lack of access to affordable housing results in depleted capability sets of low-income tenants, thus decreasing the functionings that they are able to achieve to improve their well-being. Using Sen's capability approach thus creates a strong ethical argument as to why housing policies must be at the forefront of urban renewal efforts in the U.S. Urban development must prioritize affordable housing policies as a direct approach to alleviating symptoms of poverty associated with the rental crisis in cities by reducing the financial load borne by urban tenants.

The rental housing crisis faced by America's poor can be interpreted as the result of hegemonic practices on behalf of developers of public housing and urban renewal projects since the New Deal Era. The point above by Teaford, that low rent housing projects were often undesirable to the profit-driven interests of private sector actors, demonstrates the willingness of the government and urban developers to specifically cater to a dominant economic and political group that disproportionately benefitted from projects. Low-income renters and community members often lack the agency to decide where to live and are therefore forced into either low-quality housing options and/or overpriced and overcrowded residences. According to Exoo (1987), the practice of cultural hegemony is "the ideology that best serves the interest of the 'house of Have' but is accepted by the 'house of Want' as well" (p. 7). Therefore, urban development practices that disproportionately benefit developers (the house of Have) more so than low income residents of the communities to be developed (the house of Want) result in hegemonic outcomes that incur negative outcomes for those not belonging to the dominant group. An examination of popular urban renewal policies beginning after the Great Depression illuminates the mechanisms by which developers frequently imposed dominating control over

vulnerable populations that are more susceptible to the community and social outcomes incurred by urban policies.

The urgency for urban redevelopment in the 1930s did not occur at random. As urban areas began to grow substantially in the early 20th century, the United States began to face problems related to urban areas and their residents. As a result of an era of industrialization and rapid technological change, migrants from all over the world increasingly arrived in America to seek out better economic opportunities, most often moving into urban areas near potential workplaces, thus creating cheap and overcrowded living situations (Keating 1999). Urban centers thus began to face the negative consequences of poverty concentration as competition increased for resources in crowded urban areas. During the economic hardship of the Great Depression, the federal government began to recognize and address some of the problems associated with new urban trends, particularly the presence of slum neighborhoods. The history of federal urban policies reveals patterns over time that have shaped urban landscapes across the country. In order to understand the significance of urban planning outcomes and best practices for the future, one must critically assess the history of urban development and the outcomes and consequences that have occurred as a result.

A History of Urban Renewal Policies in the United States

Among President Roosevelt's New Deal policies to mitigate the effects of the depression were housing policies that address urban centers. The first of such government actions was the creation of the Federal Housing Administration (FHA) in 1934. A primary feature of the FHA included an underwriting policy that disproportionately allowed for newer housing. Additionally, FHA policies redlined neighborhoods with a large mixed or minority racial makeup (Keating

1999, p. 16). Redlining restricted access and resources of certain communities through differences in taxes or prices based on the racial or ethnic makeup of individuals. Therefore, the rapid growth and immigration patterns occurring in urban America began to halt as housing policies intentionally excluded minority neighborhoods from new urban housing developments. Avoiding low income and minority populations in order to serve the development interests of the privileged thus began a series of policies that incurred these same effects. As development projects shifted focus away from poor and minority communities, more housing policies began to address the removal of these communities through slum clearance.

In 1949, the Truman administration passed the Housing Act, comprised of three main titles. Title I of the Housing Act allowed federal funds to be used for massive slum clearance and largescale redevelopment for both public and private actors (*Housing Act of 1949*). Title I also included provisions for support of those that were evicted from their residences and intended that the new development projects be used for the return of those persons. Despite these provisions, the legacy of Title I was the construction of newer and more expensive government projects that effectively displaced and excluded poor and minority communities. According to John Teaford (2000), “the wording, however, permitted federal subsidies for projects that destroyed residential slums and replace them with commercial development or leveled commercial slums and erected residences. Thus there was a loophole that developers of nonresidential properties could exploit” (p. 444). Developers used Title I of the Housing Act for the construction of new commercial and upscale residential buildings in place of slum neighborhoods in order to revive the urban landscape. Though “revival” was at the focus of these projects, Title I initiatives severely over-prioritized the corporate interests of developers who were looking for under-used communities to expand in. Lack of concern for the community members in which developments started resulted

in hegemonic practices of urban renewal that had negative effects on the well-being of those individuals.

In the following decades, the government enacted more policies intended to renew the once industrial urban areas through focusing support on central business districts. The Model Cities program, created in 1966, was a component of President Johnson's War on Poverty that was intended to further revitalize a large number of central cities in the U.S. (Keating 1999). As a plan to alleviate poverty in the U.S., the Model Cities program continued to employ some features of earlier urban policies, such as slum clearance, while also provisioning for enhanced economic development through outside investment in underserved communities. Despite efforts to address poverty alleviation and inequality in urban areas, many of the policies intended to revive central business districts continued to have negative consequences for the poor: "[urban development under Model cities] required the further destruction of poor neighborhoods, where land was the least expensive and the residents were least able to win political support to oppose the plans of the urban highway engineers" (Keating 1999). While some aspects of Model Cities only exacerbated some of the negative effects begun by Title I of the Housing Act, some of the provisions did focus on support for poor populations that might be displaced. The Model Cities program aimed to eliminate violence and poverty through focusing attention on empowering the inner-city ghetto through establishing the US department of Housing and Urban Development (HUD), increasing funds for public housing, and creating programs to better housing options for low income persons (Von Hoffman 2003). Compared to Title I of the Housing Act, Johnson's Model Cities program did express more concern for low income populations that previously had not received any benefit from urban development initiatives. However, little to no concern for the access to social capital of community members resulted in unsustainable development

policies. Furthermore, funding for Model Cities was thinly spread over 150 cities during the Vietnam War, thus diluting any strong effects the policy could have on US cities (Von Hoffman 2003). In sum, the Model Cities program provided a hopeful goal for urban development through the rhetoric employed in its goals, but ultimately did not administrate the policies required.

As a continuation of the Model Cities program, dismantled in 1974, the Community Development Block Grant (CDBG) was enacted in 1974 (Hyra 2012). Under CDBG, cities who received grant money were obligated to spend the majority of those funds on projects in low and moderate income areas only (Hyra 2012, p. 507). Therefore, developments in more prosperous areas of the city were discouraged in order to direct focus on less privileged communities. While the CDBG targeted funds to underserved areas with the intent of improving conditions in these communities, the community focus was not necessarily included in the guidelines for the usage of funds. As a revision to Johnson's Model Cities program, CDBG allowed for more freedom in discretion for the use of federal funds by local governments with the only requirement be that they are used for low income communities (Teaford 2000). Therefore, CDBG set forth more guidelines for the target population of federal funds while giving local governments the authority to discern in what ways they would utilize the grant money. This gave one hundred percent of the directive to outside actors who prioritized economic output over social well-being. As long as funds were directed in low-income communities, development initiatives had no requirements regarding the degree to which they had any positive impact on low-income community members.

The urban development practices of the early 20th century up until the 1970s can be classified as the first two waves of US urban renewal: the extremely hegemonic practices of Title I and the poverty-concerned rhetoric of Model Cities and policies of the 1970s. Beginning in 1992 under the Clinton administration, Derek Hyra identifies the start of "new" urban renewal

with the creation of the HOPE VI housing program (2012, p. 506). According to Jones and Paulsen (2011), the five main goals of HOPE VI are as follows: 1) create better public housing through demolition and redevelopment, 2) reduce poverty concentration in communities through Section 8 relocation vouchers, 3) provide services to increase the self-sufficiency of HOPE VI residents through programs such as job training and daycare, 4) reduce crime among public housing community members and 5) mitigate widespread racial segregation among US housing projects (p. 87). Unlike previous housing policies, HOPE VI provisioned for services that support low-income residents through increasing human capital, rather than merely providing housing options. Such policies address root causes of poverty that exist beyond the scope of the traditional urban planning initiatives of the early 20th century. Thus, HOPE VI policies were less hegemonic in practice as compared to Title I or Model Cities as they expressed at least minimal concern for the social aspects of low-income community members residing in project communities. The first main goal of HOPE VI, the redevelopment of public housing, included \$6 billion total in grant money provided for the destruction of housing units and the reconstruction of *mixed-income* housing developments (Hyra 2012). Mixed housing developments were intended to achieve the second goal of HOPE VI by reducing the concentration of poverty in only certain communities and moving low income residents into other communities that did not suffer as much from poverty. The complicated effects of mixed income housing are to be discussed in the criticism section of this paper.

While HOPE VI had the rhetorical goals of poverty alleviation and reduction in urban areas, the end results are inconclusive. Extensive literature on the importance of poverty deconcentration would prompt urban planners and developers to embark on projects that spread the poverty-stricken into less poor areas to diffuse the effects. Although there is some merit to

that idea, HOPE VI projects may not have taken fully into account other adverse effects of moving individuals and families out of their homes and social networks. R. Axtell and M. Tooley (2015) conduct research on HOPE VI project outcomes in Clarksdale, Kentucky, just outside of Louisville. Their research indicates that HOPE VI projects in Clarksdale underrated the value of the poor residents' social capital and the relocation of families disrupted their well-being rather than helping: "the loss of connectedness in churches, informal neighborhood watches, and neighbors who provide rides or child care is insufficiently factored into calculations of costs and benefits" (Axtell & Tooley 2015, p. 18). By undervaluing the social capital of Clarksdale residents, HOPE VI developers took away one of their strongest assets and replaced residents in neighborhoods where they lacked that strong social network. Instead of destroying these networks, development projects must recognize the importance of social capital and provide opportunities for residents to participate more directly in the relocation housing process: "empowering participation requires that residents or their elected community representatives have a place at the table in planning, visioning, and decision making about relocation processes, services available in new neighborhoods, and criteria for housing in the new development" (Axtell & Tooley 2015, p. 19). While the Clarksdale HOPE VI initiative is only one out of several thousand housing projects under this framework, this case study emphasizes the need for development initiatives to take social capital and individual's well-being in conjunction with progressive housing policies, such as mixed-income developments, into consideration in order to truly mitigate poverty.

Aside from housing projects, new urban development policies also included plans to revitalize central business districts in cities to spur economic growth. In addition to HOPE VI, the Clinton administration also created the Empowerment Zone (EZ) Initiative. Also a grant

structure, the EZ program allowed cities to apply for \$100 million block grants intended to stimulate business and employment in low-income urban areas (Hyra 2012, p. 506). Like HOPE VI, the EZ initiative sought to empower individuals rather than solely creating structural changes. Though economic development lies at the core of EZ, such policies work well in tandem with socially-focused policies, such as housing developments, in order to holistically address multiple aspects of poverty and inequality. According to Fitzgerald and Leigh (2002), “the goal of the EZ program is to create self-sufficiency by creating employment opportunities for residents. Businesses are attracted with tax incentives, performance grants, and loans for locating inside and hiring residents of an EZ” (p. 23). Coupled with HOPE VI, the EZ initiative created a multifaceted approach to urban development through housing projects and business development that aimed mitigate the effects of poverty in low income communities. However, the EZ initiative faced the same problems as did Model Cities: trying to accomplish so much in social reform with limited resources (Keating, 1996, p. 6). Underfunding of the EZ Initiative thus resulted in incomplete and non-expansive economic development initiatives that received little follow up support for full implementation and success.

As evidenced by the lack of poverty alleviating outcomes as a direct result of urban renewal policies, urban initiatives cannot and will not be the work of government actors alone. While government-sponsored programs may have spurred the introduction of urban planning in the 20th century, non-government entities facilitate a community awareness that government entities are unable to achieve. According to John Teaford (2000), “no evidence that the resurgence of central business district construction in the 1960s resulted from federal urban renewal. Instead, private demand and available financing seem to have spurred this reconstruction” (p. 458). Government projects alone cannot single-handedly achieve the

widespread systematic and attitude change required to soften the effects of poverty in urban areas. Community Development Corporations, non-profits, and philanthropic actors each play a critical role in facilitating economic and social change and delineating the mission behind urban development efforts. Particularly in recent years, community development corporations (CDCs) have played crucial roles in leading community revitalization in under-served neighborhoods across the country. CDCs are non-profit organizations that may partner with government actors, corporate entities, and other community structures in order to revitalize and restore low income communities. Decades of government-mandated urban policies have still not achieved the desired social and economic outcomes that were set out in as early as the 1930s. Therefore, it requires the collective effort of governments, private actors, non-profit workers, and concerned individuals create large-scale effects that will sustainably develop urban communities and effectively create equal opportunities for those affected by poverty.

Beginning with the FHA, urban renewal policies were implemented in an effort to improve economic output in de-industrialized communities. As neighborhoods in which poverty concentration infiltrated nearly every aspect of daily life, hegemonic urban policies such as Title I only exacerbated the effects of urban poverty by razing existing structures and reconstructing them in a way that only served the financial interests of big developers. Over the course of the next thirty years or so, urban renewal policies adopted a rhetoric that expressed concern for the social well-being of the poor. However, the extent to which they actually achieved improvement in community well-being is somewhat unclear. While recent policies such as HOPE VI do seem to have positive effects on the socio-economic status on community members, the disruption of the social capital and the extent to which community members are able to be the agents of their

own transformation leaves the ethical question of whether these policies truly have community interest first in mind.

Hegemonic Outcomes of Urban Renewal

In a collective sense, U.S. urban renewal policies since the New Deal Era have resulted in mostly negative outcomes for the urban poor. Years of urban development policies have still not effectively addressed the widespread issues of poverty that exist in the urban U.S. Through a careful examination of some of the country's largest urban renewal projects in the 20th century, certain outcomes stand out as having widely hurtful effects on those living in poverty and thus should be prevented in future urban development initiatives.

Perhaps the most prevalent criticism of modern urban development is the concern over displacement of residents who originally lived in redeveloped communities. Federal policies such as Title I of the Housing Act and the Model Cities program included plans for the destruction of slum neighborhoods to be replaced by improved housing developments. As briefly discussed in the policy overview section, many of these projects attracted moderate to high income residents after construction was completed, therefore pricing out the lower income residents who had lived there before. One of the common themes of urban development is the gentrification of communities after renewal projects take place. While gentrification achieves an increase in economic development in terms of investment and tax revenue, and possibly increasing human and social capital, lower income groups that previously lived in these areas face the negative consequences of being displaced. According to Keating & Smith (1996), the "so-called urban pioneers" arrive in neighborhoods to restore once debilitated housing structures

to convert into upscale apartments and condominiums; a process that effectively prohibits low income individuals from being able to afford their original places of residence (p. 447).

Although the degree to which this gentrification causes displacement of the original residents has been debated, there are a few themes that are considered widely shared points of consensus. First, the costs and benefits of gentrification fall on two separate groups. The benefits of gentrification are mainly in the form of heightened investment and increased capital that fall in the hands of financial institutions, business owners, developers, and other economic actors, while the costs are borne primarily by lower income individuals who are displaced by the gentrification (Smith and LeFaivre, 1984, p. 54). Not only are costs and benefits allocated differently between populations, but the displacement effects of gentrification disproportionately affect certain demographic groups: “lower-income, black female-headed households, and especially the elderly living in inner-city neighborhoods – bear a disproportionate share of the costs and burdens of displacement” (Allen, 1984, p. 13). Therefore, one must recognize that certain populations are disproportionately affected and disadvantaged as a result of gentrification.

Gentrification therefore often results in racialized outcomes. While Allen (1984) points out that black female-headed households are among one of several groups disproportionately affected by displacement, it is indeed the case that the entire African-American population bears an unequal amount of the burden associated with displacement in urban development policies. According to Hyra (2012), “the razing of distressed public housing displaced nearly 240,000 people, 80% of whom were African American. This inequitable racial displacement impact is clear, since in 2000 African-Americans only made up 48% of the nationwide public housing population” (p. 509). That urban development displacement unfairly impacts one racial group

sheds light on some of the pitfalls of urban renewal strategies as they may neglect to address the broader social problems that plague urban areas. Not only do blacks face negative consequences of displacement, but they are also comparatively less likely to receive the benefits of economic development than whites: “in general, whites have greater ability to move closer to their places of employment. Blacks, because of racial segregation in housing, have more limited options” (Fitzgerald & Leigh 2002, p. 30). The racialized outcomes of urban development policies further highlight the hegemony imbedded within them. As the positive outcomes of urban renewal may be more accessible to whites who are generally more able to move geographically towards and attain the jobs that are available, minority demographic groups are even more susceptible to the negative impacts that urban renewal practices incur on the impoverished.

Looking at these trends, one must question how earlier urban development policies could allow for communities to evolve to a point that would allow for such inequalities. As mentioned earlier, early urban development projects rarely dealt with the social issues that existed in cities, including segregation. Several of the projects from Title I of the Housing Act created all black housing communities that were intended to improve what were slum neighborhoods. However, these projects merely exacerbated issues of racial segregation in cities: “such projects perpetuated racial segregation by attempting to ensure that middle or moderate-income blacks remained in black neighborhoods. These projects might have provided decent, affordable dwellings, but they also preserved a pattern of residential apartheid” (Teaford, 2000, p. 448). Urban development policies that purposefully created segregated neighborhoods and communities certainly worsened the unequal cost distribution among whites and blacks in gentrification. In order to mitigate any inequalities among racial groups, urban development

policies must acknowledge the practices that have contributed to these effects and move forward with the knowledge that such policies have unjust outcomes.

Aside from unjust and discriminatory consequences of development, urban renewal projects have been unable to carry out successful projects due to poor organizational factors and other logistical errors. Specifically in the first wave of urban renewal policies, urban planners failed to align their goals with community members and developers to achieve the broad-based redevelopment necessary to embody the entire community. In other words, urban developers undermined the value in community members' social agency and diminished individuals' ability to foster their own freedom from poverty. John Teaford (2000) elaborates on this phenomenon, explaining that housing developers resented commercial developers for using a bulk of the renewal funds, while commercial developers criticized the subsidies of lower income housing as not being profitable enough (p. 445). Failure to align development goals with other community actors therefore ensued short-sighted development projects that did not prioritize community well-being. The collaboration necessary to holistically reform a community was lacking; therefore, many projects fizzled out due to unclear goals and procedures. Additionally, urban renewal projects are time consuming ventures, with the average requiring a total of ten to fifteen years to carry out in full (Teaford 2000, p. 449). The untimeliness and complexity of some of these projects create barriers to carrying out successful initiatives as several changes may happen along the way. It is crucial, therefore, that urban development projects possess a clear and well-defined mission on the onset of the projects so as to most efficiently resources for implementation and to pool the efforts of multiple actors for maximum impact.

Often times, the goals of urban renewal are to simply improve the aesthetic value of a community that has withered throughout the years. Projects such as planting gardens and

building parks make up some of the most common urban and community planning initiatives. Small improvements to the aesthetics of a community are generally welcomed and have no negative impacts on community well-being. Other beautification efforts that require large scale renovations of buildings and infrastructures, however, may disrupt a sense of community and culture that existed prior to development: “too often architect’s chic high-rises ended up as regimented rows of dull boxes with empty windswept open spaces that proved unappealing” (Teaford 2000, p. 450). The almost-sterile like effect of new building may be unattractive to workers, tenants, and community members for which they are built. Instead, Teaford (2000) suggests that urban planners should take the post-modernist approach, considering the urban context and the pre-existing environment prior to constructing a building (p. 455). Not only would a better-integrated building look better to the eye, but community members would more likely utilize the new structures that more seamlessly adhered to the community environment, rather than opposing it. The extent to which community members’ are given agency to decide the tone for any beautification or redevelopment efforts will thus impact the overall acceptance and success of renewal. Additionally, historical beautification efforts were perhaps connected with hegemonic and discriminatory practices that intentionally excluded certain groups from a community “such community-building efforts have historically been linked to efforts to promote social homogeneity and exclusion [...] and other attempts to social engineer particular types of ‘balanced’ communities” (Talen 2002, p. 168). Therefore, rather than being the focus of urban renewal efforts, aesthetic improvement and beautification ought not to be the primary goal of the development initiatives so as to not exclude certain groups and to more easily assimilate new structures into an existing community. Beautification efforts must then work intimately with

community members in order to allow for an inclusive development project that enhances, rather than destroys, community history and culture.

Moving Forward: The Future of Urban Renewal

Insofar as urban renewal efforts have had overall negative effects on the well-being of low-income community residents, some policies show potential for combating hegemonic practices that deplete opportunities for the poor. Being that access to quality and affordable housing is a required resource for capability sets to be converted into productive functionings, housing policies that allow equal access to this resource counteract discriminatory practices that hurt the capability sets of the poor. A popular trend among today's urban renewal practices is the development of mixed-income housing units.

Mixed income housing developments take many different forms, ranging from the integration of market-rate, moderate income, and low income, and extremely low income tenants in a public housing unit. Such housing ventures are theoretically designed to deconcentrate the amount of poverty in underprivileged neighborhoods and integrate different income brackets into a community. In addition to poverty deconcentration, mixed-income housing developments have been found effective in "lowering crime improving economic indicators, and producing quality housing for market-rate and subsidized tenants" (Fraser & Nelson, 2008). Mixed-income developments also provide lower-income tenants with advantages, or capabilities, that did not exist before in the form of affordable housing opportunities in quality structures (Smith, 2002, p. 37). As high-income and low-income tenants mix, the concentration of poverty in one community is disrupted, thus giving more opportunity and capabilities to the poor.

However, mixed-income housing projects have produced complicated and uncertain results in terms of poverty alleviation and community betterment (Schwartz & Tajbakhsh, 1997; Smith 2002). There is a cost associated with any new housing development of displacing the structure that existed before it. Building mixed-income housing developments suggest that any lower-income residents that previously lived there are then displaced to accommodate moderate to high income tenants. Specifically, mixed-income housing efforts as a result of HOPE VI have not accomplished the necessary amount of resources necessary for low-income residents to achieve financial efficacy, health, or well-being (Fraser & Nelson, 2008). By not providing the social services necessary to accommodate low-income residents, mixed-income housing projects may fail to meet the needs of all residents. Undermining the strength of the existing community only caters to a few high income residents, and therefore perpetuates the standing history of hegemonic urban housing policies.

This is not to say that all mixed-income housing projects are hegemonic and disadvantaging to the poor. With the proper social support and community consciousness, mixed-income housing projects can and do achieve poverty alleviation in underserved communities. Through taking some of the burden off of government subsidies to finance public housing projects, mixed income developments overcome these political barriers to aid in the construction of affordable housing for a greater number of people (Smith, 2002, p. 38). However, in terms of poverty reduction and positive social impact, mixed-income housing developments must strictly focus on providing housing to those with the highest need in order for any of the other positive effects to take place (Smith, 2002, p. 38). Without prioritizing low-income tenants, mixed income developments run the risk of creating ongoing hegemonic community structures that disproportionately cater to the economic and social well-being of higher income individuals.

Policy-makers must harness the potential in mixed-income housing projects to effectively address the needs of the poor. Therefore, mixed-income housing developments that provide social support for low income tenants and prioritize the needs of the poor will then reduce the effects of poverty concentration in urban areas and can effectively improve the well-being of community members.

Another common theme that works in conjunction with mixed-income housing is the importance of diversity within communities. Diverse communities provide cultural and social advantages to individuals that the typical homogenous suburb cannot provide: “children are exposed to social ‘reality’ and to the give and take of social and cultural accommodation with those who are different. For adults, the urban ambience of diversity is a continual source of stimulation and renewal and a reminder of the cultural relativity of one’s own style of life” (Allen 1984, p. 31-32). Diversity within neighborhoods bring social benefits of collaboration and understanding that forms a sense of identity and togetherness among community members. Therefore, diverse communities strengthen the social capital of individuals as they have broader access to an array of cultural, economic, and societal traits that characterize different members.

In her book, *The Death and Life of Great American Cities*, Jane Jacobs explains the qualities that characterize a thriving urban area. Jacobs’s (1961) work, particularly in Greenwich Village, typically opposed that of urban renewal projects of the mid-20th century and the widespread slum clearance that was popular at the time. Jacobs also reinforces the importance of a diverse urban area by emphasizing the need for economic and social diversity that would strengthen the mutual support network within a community and she calls on city planners to take notice of this effect (1961, p. 14). Jacobs (1961) coins the term “eyes on the street,” referring to benefit of having many people on the street to provide safety and accountability in a

neighborhood (p. 35). An important urban planning theorist, Jacobs can be accredited with much of the move towards more socially aimed policies in urban renewal in the latter half of the 20th century. This research suggests the need for incremental investments that foster social as well as economic prosperity within a community: “only gradual, small-scale investment could nurture the rich diversity essential to a lively urban hub [...] to Jacobs, cities were organic, living entities that needed to be observed, and planners had to act on the basis of these observations and not simply impose the unfounded theories of ‘city beautiful’” (Teaford 2000, p. 455). Using Jacobs’s theoretical framework for urban planning fosters policies that support the individual just as much as the business development aspect of urban planning – a consideration necessary for poverty reduction in metropolitan areas.

Collaboration, whether among individual members of a community or larger community actors and groups, is thus an essential ingredient in the making of a strong and prosperous community. In order to effectively collaborate, community members must be given the opportunity to participate. This paper has also utilized Amartya Sen’s capability approach to defining poverty, using other measures of well-being to assess the degree to which one is able to thrive. Another important aspect of Sen’s approach is the concept of agency and the individual’s ability to participate in their own development. Sen expresses the urgent need for self-agency in determining one’s own existence (*Dewey lectures* p. 218). As this applies to urban renewal projects and community development, community members must be given the opportunity to participate in the decision-making process. For example, housing developments that intend to replace buildings and relocate individuals and families must first meet the approval of community members who would have to bear the negative consequence should they arise. Sen argues, “if a traditional way of life has to be sacrificed to escape grinding poverty or minuscule

longevity, then it is the people directly involved who must have the opportunity to participate in deciding what should be chosen” (1999). The idea of a “traditional way of life” can be interpreted as an individual’s prior social capital, or the routine and the relationships that existed prior to any development projects. Sen advocates for the importance of this existing social structure, and should it be uprooted through urban renewal initiatives, community members must take part in deciding the path of their community’s restructuring. Therefore, the proper structural framework must be present for community development to work: government aid, private sector investment, and not for profit or philanthropic efforts. However, these actors cannot fully bring to fruition their work without the participation and advocacy of community members that are most affected by the projects. As Keating (1996) explains, “the residents or urban neighborhoods must be actively engaged to make urban policies and programs work effectively and serve the interests of the urban neighborhoods for which they are intended” (p. 4).

Moving forward, urban planners and community actors must prioritize the agency of individuals and capitalize on existing social capital in order to achieve well-being for all members of a community. Today, some projects exhibit such community conscious practices that have seemingly positive effects on the community. The East Lake community in Atlanta, Georgia began large scale revitalization of a neighborhood previously known as “Little Vietnam,” due to obscene rates of violence and gang activity (East Lake Foundation). The community suffered from many common ailments of poverty-stricken neighborhoods: high crime rates, poor education systems, and lack of access to jobs. Under the leadership of a few key actors and the dedicated work of the East Lake Foundation, community leaders have embraced a community-led model that has resulted in a holistic development scheme. For example, 1500 residents live in quality mixed-income housing developments and the high school

graduation rate has increased from less than 30% to 78% over the past 20 years (Purpose Built Communities). The adoption of mixed-income housing in this case has had clear positive effects on the social outcomes of East Lake residents. According to The Bridgespan Group (2012), this success is due in part to a model that facilitates “community members as partners and producers of impact.” Through regular meetings with neighborhood residents and the Atlanta Housing Authority, East Lake community members play an active role in the housing developments occurring in their neighborhood and therefore benefit the most from these outcomes (The Bridgespan Group). By allowing community members to become agents of their own social situations, the East Lake community has effectively capitalized on the power of social agency and utilized a community-led model to achieve a housing development policy that addresses a wide variety of social issues.

Under the same framework of community-led growth, the Columbia Parc neighborhood in New Orleans has incurred significant redevelopment since the devastating effects of Hurricane Katrina in 2005. The Columbia Parc neighborhood is a redevelopment of the St. Bernard Project, a public housing unit in the Gentilly neighborhood in New Orleans. Columbia Parc was developed under the same framework of Purpose Built Communities as pioneered by East Lake in Atlanta. Therefore, the community led approach mirrors many of the same strategies, such as regularly community meetings that grant significant social agency to community members. Additionally, Columbia Parc has achieved somewhat of a successful development story as the existing social capital in the area strengthens the efforts of renewal. Sociology research indicates that New Orleans has a uniquely rich sense of community and cultural identity that results in a strengthening of social capital, despite containing some of the poorest, most violent, and least educated communities in the nation (Campanella 2008). The existing social capital of the New

Orleans neighborhood thus likely contributes to the acceptance of the development projects and the degree to which community members were able to adapt to the renewal efforts.

As is demonstrated in Atlanta and New Orleans, the presence of social capital and the ability to which community members are able to exercise agency are important determinants in the success of an urban development project. Though it would be presumptuous to assert that these communities are the ideal model for community-led urban development, it seems that both projects prioritize social well-being as much or more than the economic growth aspect of urban renewal. Through the development of mixed income developments as well as social policies such as enriched education opportunities and job-training programs, East Lake and Columbia Parc serve as two examples of communities that have recognized the power of social capital and capitalized on the social agency of community members in order to ignite change.

In conclusion, urban renewal policies since the New Deal era have had complicated effects on the lives of the American poor. Negative consequences such as gentrification-induced displacement and racial inequalities have resulted in pessimistic attitudes towards urban renewal efforts. Despite a grim history, modern day community-led approaches provide some hope for the future of urban planning and renewal efforts. Without a socially-focused mission, urban renewal projects that prioritize the economic enrichment of a community result in hegemonic outcomes that further disadvantage the urban poor. The value of a community's social capital significantly enhances the degree to which it is able to transform, so developers must embrace the social agency of community members in order for sustainable development to occur. Sustainable development practices therefore must emphasize the social well-being of community members as the foundation off of which other policies effectively grow.

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