
Bill's burden on gentrification

BY JEREMIAH MOSS

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What will he change in a second term? ()

New York City is in a crisis of over-success. After the so-called "bad old days" of the 1970s and 80s, it is now one of the safest and most popular cities in the world. It is also one of the most unequal, with an income gap as vast as Swaziland's. Over the past few decades, the rich have gotten much richer while other New Yorkers have stagnated — or fallen back. Old-fashioned gentrification has become state-sponsored hyper-gentrification, a runaway bulldozer that displaces the lower and middle classes as it racially re-segregates the city and the suburbs, fills the streets with cookie-cutter glass towers, destroys countless small businesses and gives rise to high-rent blight, those blocks and blocks of empty storefronts that are killing the vibrancy of our neighborhoods.

While Mayor Bill de Blasio promised to take aim at this "tale of two cities," inequality is only getting worse. And while he now regularly rails against gentrification, there's much more he can do to stem what might seem like an inexorable tide. If he's going to a second term, it's time to get bold.

Of course, the problem of inequality is not unique to New York. The story is similar in globalized cities around the world. We've all been infected by the same virus — but New York was patient zero, the Typhoid Mary of a destructive pandemic with symptoms that go far beyond city life.

In my book "Vanishing New York: How a Great City Lost Its Soul," as I memorialize the lost city, I trace the origins of today's hyper-gentrification to a profound shift in the 1970s when a beleaguered City Hall was forsaken by an anti-urban federal government and taken over by financial elites who forced New York to pivot from Keynesian economics to the neoliberal project, that radical brand of free-market capitalism that insists on deregulation, privatization, austerity, and trickle-down economics. It was this shift that brought us to today's New Gilded Age of inequality.

After World War I, New York's financial elites watched their long-held power and wealth diminish as progressive politics redistributed resources through high taxes on the wealthy and rent regulation, including commercial rent control.

By the 1970s, the city was becoming a social democracy. It was also sliding into bankruptcy, a crisis frequently blamed on the Keynesian welfare state and its programs to help the most vulnerable New Yorkers.

These were "mistakes...of the heart," Mayor Ed Koch said in his inauguration speech in 1978, launching an agenda to reroute welfare to corporations and real-estate developers, attract more tourism, and encourage gentrification in neighborhoods that had long been punished and neglected by the government.

New York had taken on too much debt to pay for its generous public services, but it was not the welfare state that started the city's financial problems. It was a multi-determined problem that included decades of racist and classist policy. To understand why fiscal crisis New York was so vulnerable to the elite takeover that led to today's inequality crisis, we have to look deeper into the 20th century and confront the white supremacist values at work.

In the early 1900s, as African-Americans fled to northern cities from the violent Jim Crow south, New York became more diverse. Blacks began to mix with ethnic white immigrants in working-class neighborhoods.

But the federal government, anti-urban from its beginnings, didn't like racial mixing, especially for the mutiny that can arise from a multiracial alliance of the lower classes. In the 1930s, the Federal Housing Administration created institutionalized redlining, dividing cities into sections rated according to investment risk.

Blocks occupied by Italians, Jews, and African-Americans were marked red for "hazardous," barring them from investment and thus turning them into slums. The Italians, Jews, and other ethnic groups considered white enough were given incentives to leave, to "white flight" their way along the freshly paved highways created for new suburbs on the outskirts of the city, where the federal government offered them low-interest loans on detached single-family houses.

The loans were not offered to African-Americans, and those who could afford a house without a loan were still barred from the suburbs by whites-only covenants. Black New Yorkers had two choices: Return to the violent South or stay in urban neighborhoods fracturing under racist public policy.

They stayed. And while their neighborhoods declined, thanks to deliberate disinvestment, President Truman signed the Housing Act of 1949, launching "urban renewal," a process that James Baldwin called "negro removal."

In New York City, Robert Moses bulldozed working-class and low-income neighborhoods of color, pushing blacks and Latinos into housing projects and tenements in overcrowded, under-resourced parts of town like Harlem, the South Bronx and Bedford-Stuyvesant. The seized neighborhoods were then reconstructed for middle-class whites.

In the 1960s African-Americans began agitating for civil rights in northern cities. Protests, enflamed by police brutality, erupted into what were labeled as race riots. Frightened by black rage and rising crime, more urban whites fled to the suburbs, taking their businesses and taxes with them, further depleting the city's bank account. Meanwhile, in Washington, President Richard Nixon pulled funds from cities.

"G--damn New York," Nixon complained into the White House tapes of 1972. He looked to the city, saw a town filled with "Jews and Catholics and blacks and Puerto Ricans," and concluded, "Maybe New York shouldn't survive. Maybe it should go through a cycle of destruction."

He started the war on drugs, a since-admitted scam concocted to further poison the hearts and minds of suburban white America against the "jungle" of the city, and to target urban spaces for intense policing.

In the midst of these policies and tensions came "white backlash." Encouraged by neo-conservatives to blame the problems of cities on low-income blacks and Latinos, many white working-class ethnics left the Democratic Party and supported policies that punished the urban poor while providing windfalls for the wealthy. They voted for Mayors Ed Koch and Rudy Giuliani, and later for the billionaire Bloomberg, men who promised to make New York great again.

For the past three decades, rather than correct these entrenched inequities that solidified over the course of generations, New York has pursued a single-minded policy to give more power to the already powerful.

Our leaders have used zoning, eminent domain, and corporate welfare programs to tip the scales in favor of those at the top. They've given away billions in tax breaks to big businesses and developers, including Donald Trump, who built his empire — and raised his public profile — on at least \$885 million in subsidies for luxury construction across the city.



Where does it end? (TODD MAISEL/TODD MAISEL)

Rudy Giuliani not only gave away hundreds of millions to developers, he made the city more attractive to outside investment by attacking it with zero tolerance, an aggressive form of policing that disproportionately targeted and jailed black and brown New Yorkers; annual police killings increased by 36% from 1993 to 1996.

The Bloomberg administration intensified gentrification as urban policy, rezoning nearly half the city, with a tendency to downzone areas that were whiter and wealthier, and upzone areas occupied by low-income people of color. Downzoning preserves neighborhood character, while upzoning opens a neighborhood to speculation, luxury development, and displacement. Not surprisingly, many of today's rezoned, gentrified areas map onto blocks that were once redlined. Through it all, we keep hearing: This is how it's always been. This is natural. There is no alternative. These are smokescreens.

I often compare hyper-gentrification to climate change. Yes, New York is always changing, but we're no longer talking about natural shifts in the weather. We're talking about a man-made urban catastrophe. In her book "No Is Not Enough," Naomi Klein makes the point that when conservatives deny climate change, they are not just protecting wealth, they are protecting the idea of winner-take-all capitalism.

"To admit that climate change is real," she writes, "is to admit the end of the neoliberal project."

I would extend this point to hyper-gentrification. To admit that man-made hyper-gentrification is real is to admit the failure of neoliberalism and its free-market policies. Wealth does not trickle down. A rising tide does not lift all boats. There is no such thing as a free market. The system is rigged.

If Bill de Blasio continues to be mayor, he must make good on his original promise to reverse the city's crisis of inequality. Progressive rhetoric was powerful in 2013. Today we need action — from both City Hall and Albany:

1. Raise taxes on the wealthiest New Yorkers; de Blasio has called for a millionaire's tax, but he must keep up the fight, if not escalate it.
2. Pass the Small Business Jobs Survival Act to support fair renewals of commercial leases.
3. Shift neighborhood decision-making power from Business Improvement Districts to community boards, from private entities to the public.
4. Impose a vacancy tax on landlords who create high-rent blight.
5. Rezone neighborhoods to control the spread of chain stores.
6. Reduce speculative real estate investment with a tax on luxury pieds-à- terre.
7. End tax abatements and other welfare for luxury developers and corporations. Reroute those subsidies to non-profit developers of affordable housing and to small, local businesspeople.
8. Reform campaign finance to keep real estate money out of politics.

New York is no longer suffering the fiscal crisis of the 1970s. It is one of the most desirable cities in the world and doesn't need to sell itself cheap to every bidder with a fat wallet. It is time to regulate the system and come back into balance, so our neighborhoods are truly for their people again.

When the neoliberal project began in 1970s New York, it quickly spread across the country and the globe. Unleashing this pandemic was New York's great sin. Maybe New York can heal it.

The world follows our example. So let's set a different example. It is time to move forward, to create the city that could have been, an open and progressive city that can lead the nation not to the antisocial ideology that "greed is good," as it has in the past, but to a place more compassionate, more social, and thus more equal and just. The world needs this New York more than ever.

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