

PITTSBURGH'S AFFORDABLE HOUSING CRISIS: IS PRIVATIZATION THE SOLUTION?

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PITTSBURGH & THE GLOBAL HOUSING CRISIS

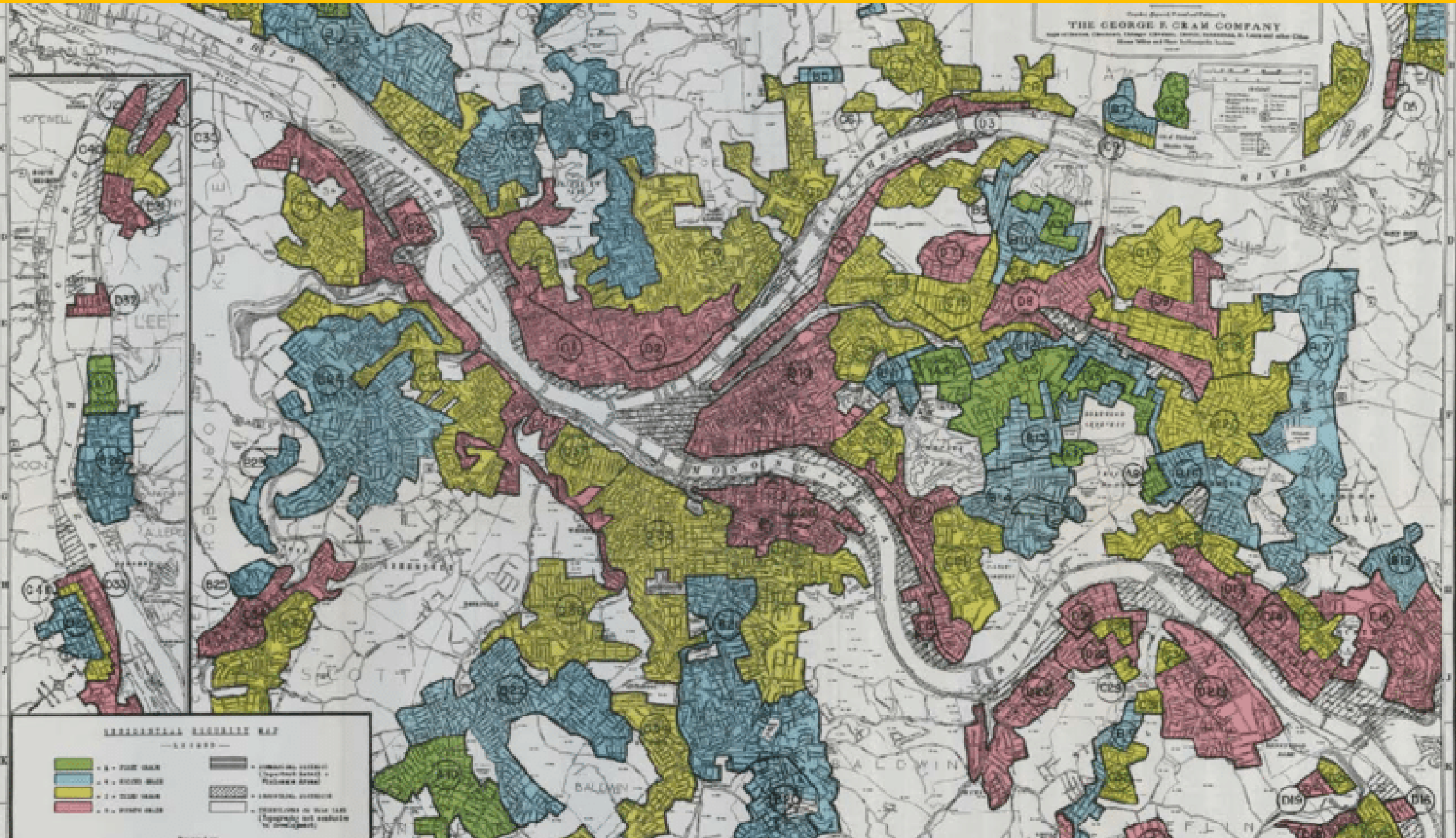
*“Laissez-faire
racism”?*



Image: Bedford Dwellings Aerial View, Hill District, Pittsburgh, PA

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

THE GEORGE F. CREAM COMPANY



LEGENDARY SYMBOLS MAP

—LEGEND—

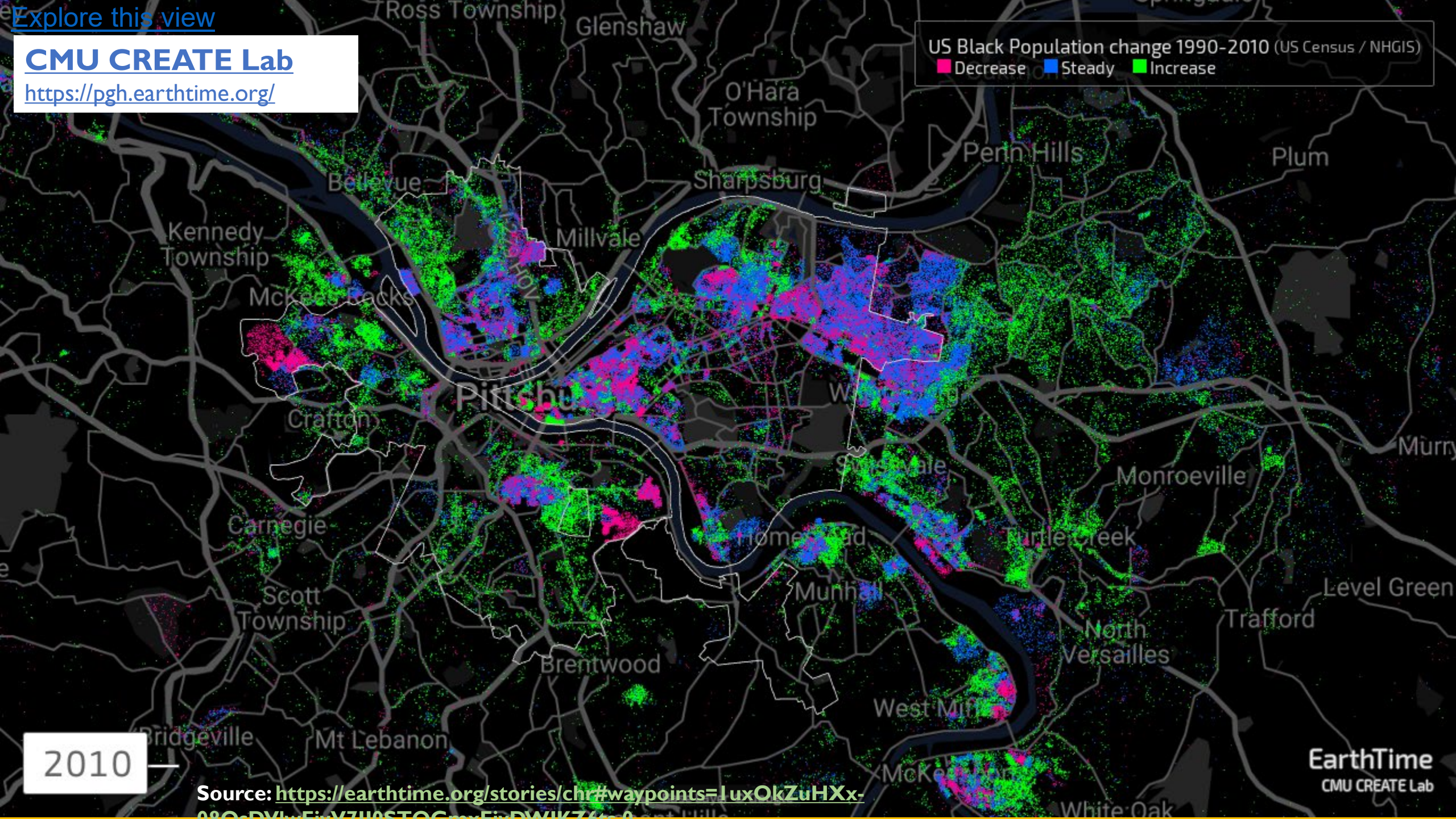
- 1 - FISH WARE
- 2 - FISH WARE
- 3 - FISH WARE
- 4 - FISH WARE
- AMERICAN NATIONAL TRUST COMPANY
- FEDERAL GOVERNMENT
- RESERVES IN NEW LAND (topography not suitable for agriculture)

[Explore this view](#)

CMU CREATE Lab

<https://pgh.earthtime.org/>

US Black Population change 1990-2010 (US Census / NHGIS)
■ Decrease ■ Steady ■ Increase



2010

Source: <https://earthtime.org/stories/chr#waypoints=IuxOkZuHXx-08Q-DVluEi-V7U0STOCmEi-DWIK71r0>

EarthTime
CMU CREATE Lab

DRIVERS OF
PITTSBURGH AND
GLOBAL
HOUSING CRISIS

Globalization &
deindustrialization

Market
fundamentalism &
rise of conservative
movement ideology &
political power

Rise of global investor
class &
commodification of
housing

Reduced municipal
autonomy & austerity
politics

Ideas matter:

- Development as **organized deprivation**, justified via racist narrative of urban mismanagement
 - Cities have become “free market utopias” with effect of “**Laissez-faire racism**”
- **Myth-driven/ evidence-free policymaking:**
"legislators are more persuaded by the mythos of urban 'overreach' than they are by careful research."
- Urban development policies: *"barely concealed acts of extortion"* with racially disparate impacts.

***Manufacturing decline:
How racism and the conservative movement crush the
American rust belt***

by Jason Hackworth (2019) Columbia University Press



**“CREATIVE DESTRUCTION?”
HIDDEN COSTS OF PITTSBURGH’S
“RENAISSANCE”**

Photo by Mel Packer

HIDDEN COSTS OF PRIVATIZING AFFORDABLE HOUSING



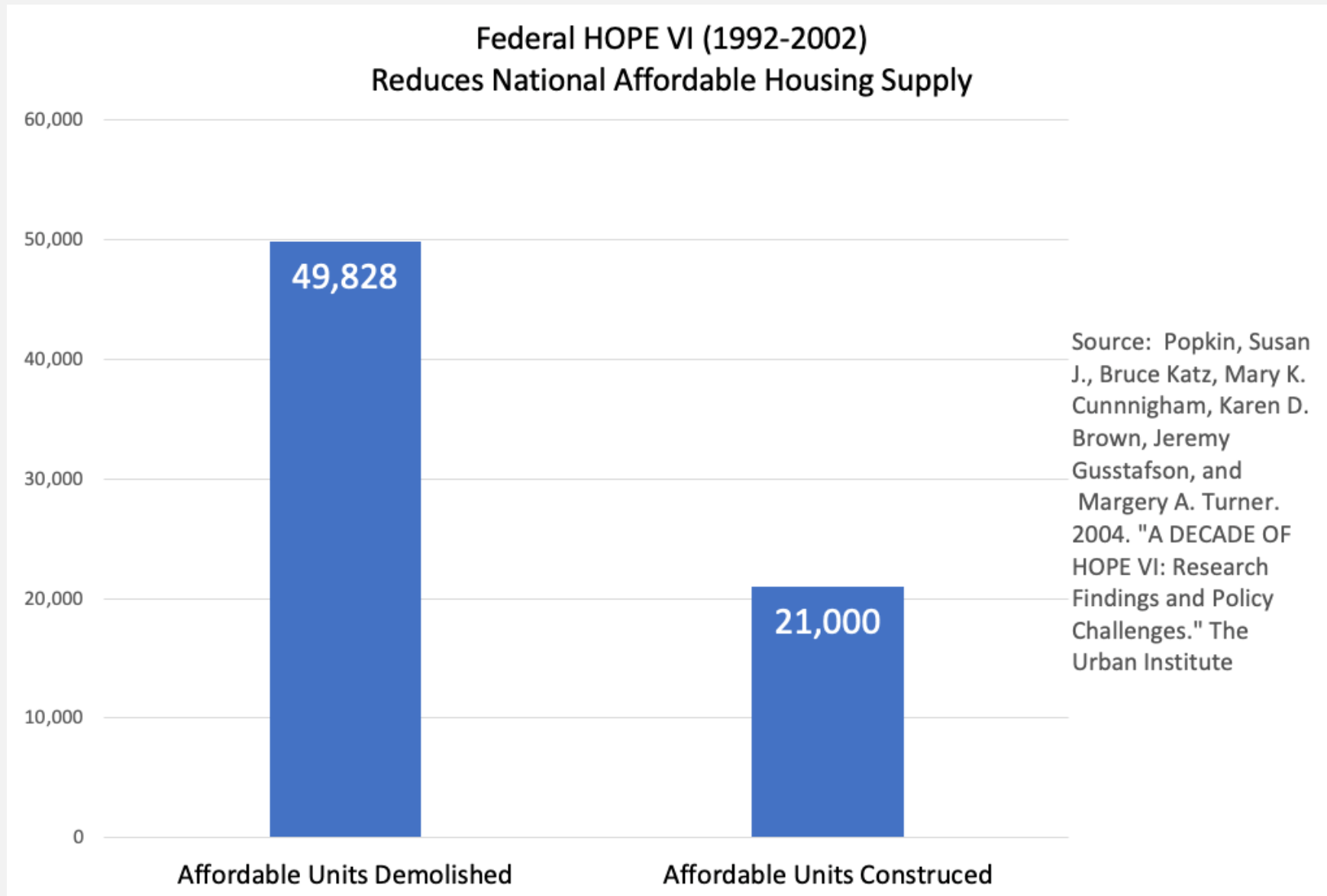
Image: Bedford Dwellings, Hill District, Pittsburgh, PA

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

I. LOST PUBLIC ASSETS

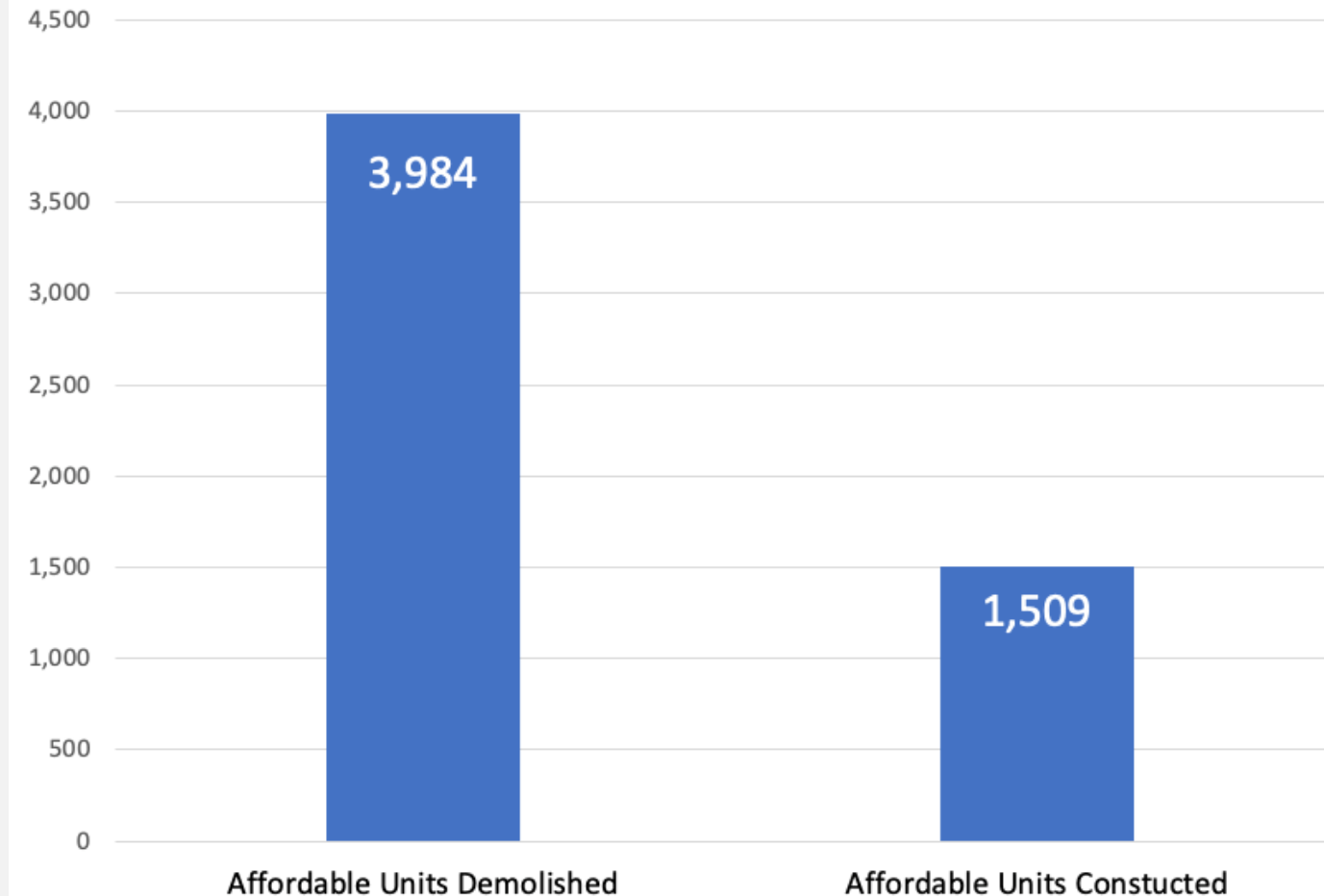
- Land
- Buildings
- Affordable Housing

I. LOST PUBLIC ASSETS-NATIONAL



I. LOST PUBLIC ASSETS-PITTSBURGH

Privatization in Pittsburgh (1999-2021)
Reduces Pittsburgh's Affordable Housing Supply



Figures based on six privatized housing developments in Pittsburgh.

Source: McClymonds, Daniel, Jackie Smith, Connor Chapman, and Randall Taylor. 2022. "Pittsburgh's Housing Crisis: Is Privatization the Solution?" University Center for Social and Urban Research.

II. PRIVATE EXTRACTION OF TAXPAYER DOLLARS

- **Cost Overruns**
 - Case 1991; Bucsko, and McNulty 2001.
- **Disaggregating Contracts to Avoid Public Bidding**
 - People's Health Movement 2017; Bucsko, and McNulty 2001.
- **Lax Accounting**
 - Lord 2011.
- **“Double Dipping”**
 - Government Accountability Office 2014.
- **The “Affordability Illusion” of Public-Private Partnerships**
 - Cepparulo, Eusepi, and Giuriato. 2019.

II. PRIVATE EXTRACTION OF TAXPAYER DOLLARS

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
Total	3984	2850	2063	1502	2482			\$616 m	

III. DIMINISHED DEMOCRACY

- Transparency
- Community Participation
- (Re)defining Community
- Accountability



Source: Marcell Walker www.marcellwalker.com

Occupy Pittsburgh Now (March 1, 2021) At: <https://opnnews.org/events>

CONCLUSIONS & RECOMMENDATIONS

“The future is
public!”

Transnational Institute:
www.tni.org



Image: Bedford Dwellings, Hill District, Pittsburgh, PA

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

ALTERNATIVES TO
PRIVATIZATION: TESTED
AND EMERGING
SOLUTIONS

Empower local governments & rein in corporate power

- Increased public funding & social housing
- Fair taxation policies
- Improve regulatory policies to prevent corruption and limit financial speculation
- Establish affordable housing preservation plans to ensure permanent affordability
- Support non-market alternatives, including community land trusts and cooperative housing

ALTERNATIVE TO
PRIVATIZATION: TESTED
AND EMERGING
SOLUTIONS

Strengthen communities & local democracy

- Delink local housing from global market
- Re-municipalize public services
- Strengthen renter protections
- Prohibit source of income discrimination
- Improve transparency and democratic participation in policy decisions
- Better business regulation to counter corruption and improve transparency

THANK
YOU!

- To download the report *[Pittsburgh's Affordable Housing Crisis: Is Privatization the Solution?](https://www.ucsur.pitt.edu/center_reports.php)* visit:
https://www.ucsur.pitt.edu/center_reports.php

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