

course, it doesn't have to be this way. We can imagine a better world—in fact, we must. First, however, we need to understand how we got here and how the system works.

I wrote this book for anyone who is frustrated with both the direction their cities are taking and the alternatives planners are offering. I put planners at the center of the story because they are uniquely positioned at the nexus of state, capital and popular power. On their own, however, planners cannot unwind real estate's grip over our politics. For that, we will need organized people: mass movements to remake our cities from the ground up, and gain control over our homes and lives.

Such movements have been a consistent feature of urban life, and have grown and adapted to face new challenges. Gentrification is brutal, but rarely total—not only because colonizers always rely on the labor of a local workforce, but also because people always fight back: as individuals, as families (of birth and of choice), as communities (local and international), as neighbors and as a class. Even after displacement, people find a way to remake their spatial cultures and rebuild their social ties—not just to survive, but to fight back anew.

Gentrification's apologists will see this and claim displacement is not that bad—people are resilient, they move, they rebuild, they're fine. My point is precisely the opposite: human beings will always resist regimes in which land ownership gives a small number of people enormous power over the lives of all others. People will fight back, and I believe that we will win. I hope this book contributes to that fight. It is made not only to be read, but to be used.

1

The Rise of the Real Estate State

What is planning?

What exactly do planners do?

Planning is the way we shape space over time. In geographer Ruth Wilson Gilmore's terms, the point of planning is "to have some sense of how to secure the future."¹ It happens on multiple scales: individuals plan for their own survival and advancement; households plan ways to make their incomes stretch and their futures brighter; businesses plan in highly structured and rigorous ways, creating schemes to eclipse the competition and increase their profitability; communities and movements plan strategies for survival and resistance, and produce "insurgent" plans that chart the way from deprivation to freedom.

Often, however, what we talk about when we talk about planning is government. For more than a century, professional planners have been a crucial element of the state, and have made important decisions about the ways our cities and towns function. In the United States, planners are usually municipal

¹ Gilmore, Ruth Wilson. *Golden gulag: Prisons, surplus, crisis, and opposition in globalizing California*. University of California Press, 2007, 175.

employees, but they work in all levels of government and include outside actors—consultants, designers, nonprofits and so on—who seek to influence land use decisions. They survey and map the physical and cultural landscape, plot what can go where and at what size and shape, design infrastructure systems to move people and products, and channel investment and development toward certain places and away from others.

The nature of planning in capitalist democracies like the United States is mercurial and contradictory. No city is entirely planned, but none is devoid of planning. Our political discourse valorizes the free market in a way that makes planning seem unnecessary, yet the United States has consistently regulated its urban spaces in important and powerful ways. Americans often think of planners as either bureaucratic cogs or totalitarian tyrants, but planners tend to see themselves as promoters of fairness and protectors of the common good.

Throughout the profession's history, planners have enacted a pair of opposing tendencies: a pragmatic utopianism, which aims to bring about a new world from the structures (if not the ashes) of the old; and a crude commitment to capital, which divides space by race and seeks ever newer frontiers for private development. US planners are committed to both securing social reproduction—or ensuring that people have the means to survive into the future—and to turning everyone's space into someone's profit. They are motivated by the social movements that animate history, as well as by the economic powers that structure political realities. This assures that the beauty of urban planning is always accompanied by its horrors. In the words of

planning scholar Ananya Roy, "planning's promise of creation and creativity is not possible without a frontier of destruction."²

The Rise of Professional Planning

The practice of planning is as old as human settlement, and in the United States it reflects all the conflicts and contradictions of this country's history. Indigenous nations planned both stable settlements and migratory villages throughout the Americas, which included residential and commercial areas as well as open spaces and commons. In a spatial form of primitive accumulation, European imperialists and settler colonists built on these plans and often superimposed their street grids over existing native trails. By 1573, the Spanish Crown published their *Orders of Discovery, New Settlements and Pacification*, which codified decades of colonial town planning practice into a set of strict standards for spatial segregation, ordered development and efficient extraction. Planning scholar Clyde Woods argues that the United States' first real plan was for "the total elimination, marginalization, or exile of indigenous people."³ Proto-planners enabled the country's murderous westward expansion, and mapped the rail networks and other infrastructure that made it possible.

The plantations that eventually dotted and dominated the southern landscape were a highly planned built form, which

2 Roy, Ananya. "Praxis in the time of empire." *Planning Theory* 5.1 (2006): 7–29.

3 Woods, Clyde Adrian. *Development arrested: The blues and plantation power in the Mississippi Delta*. Verso, 1998, 41.

in turn created a template for future US urban and suburban development as well as contemporary “factories in the fields.” Within the plantation, however, slaves planned their own plots—spaces in which to cultivate their own food and practice everyday acts of resistance. While early town designs were largely imported from European models and reflected Greco-Roman and Enlightenment-era conceptions of order and environmental control, other essential American forms—such as the skinny, rectangular “shotgun house” design common in the south—were derived from longstanding West African architectural practices.

The United States’ largest city, New York, was built on Lenape land as a series of scattered settlements emerging from Lower Manhattan. By 1811, city leaders had imposed a rigid street grid pattern and a standardized set of twenty-five-by-one hundred-foot lots, literally paving the way for future real estate development. (The main exception to the grid, Broadway, was superimposed over a preexisting Native American trail.) Long before zoning became common practice throughout the country, New York exerted land use and social controls through fire codes and nuisance laws.

While the *practice* of planning has therefore long been established, the *profession* of planning is a more recent phenomenon. Modern urban planning emerged in Europe and the Americas as a formal art, science and vocation in the mid-nineteenth and early twentieth centuries, a moment of rapid industrial expansion, massive rural-to-urban and international migration, and widespread social, economic and political upheaval. In Europe, the establishment of urban planning followed a series

of proletarian uprisings in the major cities of England, France, Germany and beyond. The most famous case is Barron Haussmann’s reorientation of Paris. In the mid-nineteenth century, after a series of barricaded rebellions broke out on the city’s streets—a form of working class insurrectionary planning—Napoleon III appointed Haussmann to remake Paris’ physical layout, driving wide boulevards through the city’s neighborhoods and displacing thousands. This reflected not just an aesthetic preference for strong sightlines and harmonious architecture, but the ruling class’s desire to defend their hold on the city and prevent more working class uprisings.

In the United States, planning’s formalization tracked not only with northern industrialization and the burgeoning labor movement, but also the end of southern reconstruction, which in 1935 sociologist W.E.B Du Bois characterized as “a revolution comparable to the upheavals in France in the past, and in Russia, Spain, India and China today.”⁴ In cities like Chicago, grand Haussmann-esque plans were drawn up to modernize the city—ironically by imposing neoclassical design aesthetics—and attract real estate and industrial capital. In cities like Birmingham, planners wrote land use codes to simultaneously attract mining investment and suppress Black labor mobility.

In both the European and US cases, the planning profession arose at moments of extreme social contest and turmoil, which were expressed in fights for control over land. It is no coincidence, then, that from its onset, urban planning has contained

4 Du Bois, William Edward Burghardt. *Black reconstruction in America: Toward a history of the part which Black folk played in the attempt to reconstruct democracy in America, 1860–1880*. Free Press, 1997 [1935], 708.

both *reformist* strands, which sought to maintain elite control of urban space while smoothing over capitalism's rough spots, and *radical* visions, which imagined planning as a means to overturn the social order and create and maintain a socialist society.

A Brief History of US Urban Planning

Early US planning history is marked less by bold experiments in egalitarian design than systematic attempts to juice urban land markets for private gain. These initial planning impulses were formulated through three interlocking urban movements, each of which left a profound legacy on contemporary planning and city life: *progressive reformism*, *City Beautiful* and *City Practical*.

Progressive reformers tried to reshape the city toward three simultaneous ends: to ensure the social reproduction of a rapidly growing industrial labor force; to quell the urban rebellions that were rocking nineteenth- and early twentieth-century cities; and to boost profits. In some cities, this took the form of "municipal socialism," in which public monopolies took control of infrastructure development and maintenance. In others, progressives developed settlement houses, which provided much-needed social services to poor urban migrants, while also imposing norms of patriarchy and Protestantism. Perhaps the progressive reform movement's most enduring legacy in US cities was imposing building codes, which provided minimum construction standards that promoted health and safety. The New York City tenement laws of 1867, 1879 and 1901, for example, ensured that new residential buildings would have

fire escapes, air shafts, windows and toilets. In so doing, these laws managed to simultaneously create somewhat safer housing while driving up property values. The result was that the poorest families could not live in new tenements and were relegated to the least safe and worst maintained properties in the city. Meanwhile, rising land and construction costs centralized new housing development in the hands of a wealthy elite.

"*City Beautiful*" was perhaps the first self-identified planning movement in the United States, coalescing around the inaugural 1909 National Conference on City Planning and Congestion and setting a high standard for urban design and aesthetics. Before all else, however, *City Beautiful* was a real estate program that sought to attract investment by building massive, Beaux Arts-inspired municipal buildings, tree-lined boulevards and carefully manicured open spaces. The movement is frequently associated with architect Daniel Burnham, who created the 1909 *Plan of Chicago* before taking his approach to Detroit, Washington, DC, and US-occupied Manila, but its presence is also felt in New York, from the Manhattan Municipal Building to Grand Central Terminal. Inspired in part by Haussmann, *City Beautiful* projects were often built on centrally located land inhabited by poor people, immigrants and African Americans, who were treated as wholly incompatible with and undeserving of urban beauty. Central Park, for example, was built over the largest Black settlement in Manhattan, Seneca Village, and also displaced large numbers of Irish and German immigrants who were living on coveted real estate.

While local elites desperately wanted a more "beautiful" city, they refused to either pay for these developments or relinquish

control over them. The solution, then, was a system of municipal planning with strong “public” input: the city planning commission. Established in most US cities in the first half of the twentieth century, these largely unelected commissions were often populated by real estate elites, who tried to ensure that city planning decisions would stimulate profits. They approved monumental projects—grand boulevards, parks, museums, municipal complexes and more—which resulted in higher urban property values and were largely paid for by the public.

Planning commissions marked the shift from *City Beautiful* to *City Practical*. During a time when cities were growing chaotically and radical social movements were gaining steam, this less famous but profoundly important movement aimed to formalize and expand the scope of planning in the United States in order to rationalize urban and peri-urban expansion. Though rarely acknowledged, one of the most important forces behind *City Practical* was archconservative Herbert Hoover, who, as secretary of commerce from 1920 to 1928, oversaw the establishment of the federal Standard State Zoning Enabling Act (SSZEA) and the Standard City Planning Enabling Act (SCPEA). These two laws empowered municipal governments to write “master plans” for their cities, and to create zoning ordinances that mapped out what kinds of buildings (residential, commercial, industrial, etc.) could be built where and at what sizes. While some capitalists bristled at the idea of property controls and master planning, Hoover’s Department of Commerce argued that planning was ultimately in their best interest for it helped them predict how both residents and politicians

would respond to their proposals, and therefore increased the chances that a conforming project would be supported.

Around the country, many master plans would be produced but few would be strictly implemented. Instead, cities like New York relied on zoning as their primary planning mechanism. Zoning, however, is not just a technical planning technique; as geographer Bobby Wilson argues, “zoning had been developed as a tool for rational land use planning, but it became a tool for accommodating the racial order.”⁵ In the United States, zoning was always exclusionary. Modesto, California introduced the country’s first zoning in 1885 as a way of barring Chinese people from areas of the city. It came to New York in 1916, and among its most vocal proponents were Fifth Avenue’s high-end merchants, who lobbied the city to zone out manufacturing in order to keep Jewish garment workers off their streets and away from their customers. The SSZEA and SCPEA gave every city in the United States the power to enact such programs.

With this political infrastructure in place, state planning power grew stronger throughout the country, reaching its apex in the *rational comprehensive planning movement* of the 1940s, ’50s and ’60s. This movement dovetailed with the massive expansion of state and military capacity involved in the Second World War and its aftermaths, and built on the planning theories and engineering systems that both the Allies and the Axis developed during the war. It also proved an important Cold War propaganda tool in showing that capitalism was capable of monumental planned development. Rational

⁵ Wilson, *America’s Johannesburg*, 163.

planners imagined themselves to be efficient, scientific, apolitical experts, who could collect and evaluate all the relevant data and interests for a given area, and use complex modeling, land use controls and state police power to remake central cities. This claim to objectivity, however, masked a strong ideology that planners knew better than those whose spaces were being planned, and that the interests of cities were closely aligned with those of racial capitalism.

In its radical form, rational comprehensive planning could also produce awesome feats of “militant modernism,” including large-scale systems of public housing, education, health and transit produced at the behest of powerful popular movements.⁶ During this period, many cities adopted rent control systems, which used intricate formulas to determine how much rents could rise annually and provided stability for tenants (and landlords too). Such public-spirited planning, however, was more the exception than the rule. It was rational planners who oversaw the redlining of central cities—in which bankers were given free rein to deny loans in Black and immigrant neighborhoods—as well as the sprawling expansion of White-only suburbs. And it was rational planners who enacted so-called “urban renewal” plans in cities across the country, which displaced hundreds of thousands of people by demolishing long-standing working class and industrial neighborhoods and replacing them with highways and high-rise residential and office towers.

These plans met sustained resistance from local communities whose neighborhoods had been written off as “blighted” and

6 Hatherley, Owen. *Militant modernism*. John Hunt Publishing, 2009.

obsolete. Caribbean Brooklynites formed mutual aid societies to combat the economic assault of redlining. Puerto Rican tenants on Manhattan’s West Side refused to leave their buildings, even as bulldozers gathered to clear the way for Lincoln Center. Fighting alongside them were practitioners of a confrontational new mode of planning that emerged in direct response to rational comprehensive planning: *advocacy planning*. Advocacy planners rejected the idea that professionals could forge a rational consensus between opposing interests, or that planners should view the city from on high. Instead, they believed that neighborhoods should create their own community-based plans in direct opposition to the state. One of the most effective advocacy planners was Walter Thabit, a New York City planner who joined with residents of the Cooper Square section of Manhattan to stop the city from demolishing their neighborhood and help envision an alternative. After fifty years of struggle, Cooper Square now operates as a community land trust, and most of the housing will remain genuinely affordable in perpetuity.

Many advocacy planners took their critique directly into the state and joined city planning departments as *equity planners*. The most celebrated among them is Norman Krumholz, who spent decades fighting from inside Cleveland’s planning bureaucracy, but equity planners also worked in Bernie Sanders’ Burlington, Harold Washington’s Chicago and more, helping to shift their cities planning priorities leftward while building institutional mechanisms for popular expressions of power. Advocacy and equity planners’ critique of rational comprehensive planning was itself attacked from the left by scholars

like Frances Fox Piven, who argued that they were diverting poor communities from more disruptive and effective forms of protest, but it nonetheless provided a platform for more confrontational forms of planning.⁷

Advocacy and equity planning, however, were not the only responses to rational comprehensive planning. From the right, the critique took the form of *incremental planning*. Incrementalists argued that the problem with rational planners was less their racism than their ambition. Big plans reeked of state-powered social engineering, and of an epistemological overconfidence in planners' abilities. Instead, they proposed that planners practice "the science of 'muddling through,'" or a trial-and-error approach that valued stability over transformation.⁸ While more modest in its goals than its left counterparts (advocacy and equity planning), incrementalism had an enormous influence on the profession, which was suffering a crisis of confidence at exactly the moment when conservative political elements were seeking to dismantle its power.

In the early 1970s, the United States and much of the world underwent a number of critical economic and political realignments that are often described as the "neoliberal turn." The state's function turned from modest welfare toward gross deregulation; public policy marginalized the industrial sectors of the economy and elevated finance, insurance and real estate (FIRE); eventually, the role of city planners devolved

7 Piven, Frances Fox. "Whom does the advocate planner serve?" *Social Policy* 1.1 (1970): 32–35.

8 Lindblom, Charles E. "The science of 'muddling through.'" *Public Administration Review* 19.2 (1959): 79–88.

from reshaping space to retaining investment. In many cities, this transition began with neoliberalism's close cousin, neoconservatism. In New York, following the fiscal crisis of 1975, planners—informed by studies produced by the RAND Corporation—instituted a harsh program known as "planned shrinkage," in which city services (such as fire houses and public hospitals) were shuttered in order to encourage poor people of color to exit the city. Former Trotskyite-turned-neoconservative planning commissioner Roger Starr defended the policies as an attempt to "stop the Puerto Ricans and the rural Blacks from living in the city ... Our urban system is based on the theory of taking the peasant and turning him into an industrial worker. Now there are no industrial jobs. Why not keep him a peasant?"⁹

Neoconservative planners starved their cities; *neoliberals* begged capitalists to feed off them. "Economic development" specialists became competitive sales representatives for their cities, citing low taxes and limited regulation as reasons for investors to choose their towns. By the 1990s, the line between planners and real estate developers blurred as "new urbanism"—a movement to make the suburbs great again—became the vague watchwords of builders and bureaucrats alike. Public-private partnerships flourished, as planners increasingly sought profit-oriented entities to do the work of urban design, construction and maintenance. *Communicative planning* became the primary professional mode, focusing less on changing cities (or, in one proponent's terms, "going beyond a preoccupation with the distribution of material

9 *Real Estate Weekly*, February 9, 1976; as quoted in Fitch, Robert. *The assassination of New York*. Verso, 1993, viii.

resources”) than on listening to all the relevant “stakeholders” and crafting a balanced response.¹⁰ While prior planning movements could be criticized as elitist and in service to capital, they nonetheless produced spaces for large elements of the public to use and enjoy. In the neoliberal era, the trend in planning became private development for private accumulation—damn the public.

Why Capitalist Cities Plan

Planners tend to be inordinately nice people. They gravitate to the profession out of a desire to help their cities and improve living conditions for their neighbors. Most planners do not seek to line the pockets of wealthy elites or displace the poor. And yet that is exactly what has happened, again and again, in city after city, across the United States and throughout the capitalist world. If the personal motivations of planners cannot explain this dynamic, how do we account for it? What is urban planning’s role in the maintenance of capitalism, and all the exploitation and appropriation that system engenders?

The history of capitalism clearly shows that market economies require planning. Despite the protestations of libertarian absolutists, markets do not emerge from a state of nature, nor are they the product of simple evolution from prior economic modes. They are carefully planned, crafted and controlled. They rely on massive legal, logistical, infrastructural and technical capacities, all of which must not only be imagined and

10 Healey, Patsy. “The communicative turn in planning theory and its implications for spatial strategy formation.” *Environment and Planning B: Planning and design* 23.2 (1996), 219.

developed but likewise maintained and reproduced. They require the coercive power of militaries and police, which themselves require massive amounts of planning to accomplish such plunder and enclosure. And eventually they come to demand their own regulation, both to establish a predictable ground on which to operate and to create a suitable barrier against upstart competition. To be sure, planning can also get in the way of markets, whether by imposing price controls or by defending public space. But if planners help the state establish spatial order over time, and if the state under capitalism is fundamentally “the executive committee of the bourgeoisie,” then planners—whatever their intention—are working for the maintenance, defense and expansion of capitalism.¹¹

Planners are also responsible for maintaining the spatial dimension of racial inequalities. Capitalism is always racial—though the precise meaning and articulation of racial differentiation and domination varies and changes over time and place. In all instances, however, capitalism produces powerful racial ideologies, a set of human categories with supposedly inborn and homogeneous traits that legitimate the system’s inherent inequalities. Within the capitalist state, planners are tasked with reproducing this racist order through a series of supposedly race-neutral tools that are, in reality, anything but. The clearest examples are zoning and urban renewal, two policies whose formal *raison d’être* is to create rational and orderly urban landscapes; in reality, however, these tools are often used

11 Marx, Karl and Friedrich Engels. *The communist manifesto*. League for Industrial Democracy, 1933 [1848].

to target one racial group for exclusion or expulsion while clearing the way for another's quality of life. Planning itself is not inherently racist; in fact, it is central to racism's negation. But racial capitalism asks planners to sort out who will go where, under what conditions and for whose benefit.

Such actions are intrinsically coercive. Planners often describe the force underlying their work as "police power." This authority, however, is more commonly expressed through compelled consent than through overt force. The built environment that planners establish is itself a means of securing consent; you don't go where you're blocked from going, whether by a road pattern, a fence or a wall. Planners also secure consent by cloaking their power in rationality. While the capitalist state can be considered a "dictatorship of the bourgeoisie," it often operates as a republic with some democratic features.¹² For the most part, planners cannot simply foist their plans onto the public, but must convince them that these plans are in fact the most rational option. As planning theorist Bent Flyvbjerg maintains, however, "power defines reality" and "rationalization presented as rationality is a principal strategy in the exercise of power."¹³ One of the main tasks of urban planning, then, is to make capitalist development appear to be in the rational best interests of workers and bosses alike.

In order for capitalist development to work, though, planners need to look out for peoples' survival in a way that capital

¹² James, Cyril Lionel Robert. *Modern politics*. PM Press, 2013 [1960], 47–48.

¹³ Flyvbjerg, Bent. *Rationality and power: Democracy in practice*. University of Chicago Press, 1998, 227–28.

cannot—or will not—do. This recalls Fred Moten and Stefano Harney's definition of planning as "self-sufficiency at the social level."¹⁴ The market alone will never fully meet the working class' daily needs: wages are too low for food, and have to be supplemented with welfare or direct provisions; transportation costs are borne by the individual worker, who needs mass transit to get around; housing is perpetually beyond the means of working and poor city dwellers, thus requiring the state to offer public, subsidized and regulated housing. While buildings and bridges are the iconic imagery of cities and planning, the hidden work of social reproduction—housing, health care, education, food, culture, comradeship—is what truly allows capitalist cities to work, and is thus a central preoccupation of city planners.

Most of this work—production, consumption, social reproduction—takes place on land that is privately owned but publicly managed. Land is a particularly complicated factor in capitalism, as it is both a precondition for all commodities' production and circulation, and a strange sort of commodity in and of itself. Land is not traded like other products. Instead, according to geographer David Harvey, land "is a fictitious form of capital that derives from expectations of future rents." These future rents are highly susceptible to external factors, such as pollution, zoning or the vagaries of demand.

About thirty years ago, planning scholar Richard Foglesong examined leftist theories of land in relation to urban planning

¹⁴ Moten, Fred and Stefano Harney. *The undercommons: Fugitive planning and Black study*. Minor Compositions, 2013, 76.

during the first 300 years of what would become the United States, and produced perhaps the most elegant explanation of planning's function in capitalist cities. He noticed that the central conflict in this history was between the "social character of land"—or its value as "a collective good, a social resource"—and its private ownership and control. From this conflict arose two contradictions—the *property contradiction* and the *capitalist-democracy contradiction*—and it fell on professional urban planners to handle them.

The *property contradiction* describes the unhappy tension between capitalists' desire for certain types of planning interventions and their antipathy toward anything that restricts their operations. They need government to undertake certain functions to secure both their own profitability and their workers' survival; they demand that the state build the infrastructure that makes their land usable, such as roads, train tracks, water and sewer systems; and they demand that the state care for their employees through basic welfare functions, such as emergency health care and public education, in order to ensure a reliable source of labor.

Different types of capitalists, however, make different demands on the state. Industrial landholders reject environmentally strenuous zoning that restricts the location of their operations in the city; real estate capitalists would welcome such regulations because pollution diminishes their property values. Industrial capitalists might demand affordable housing for their workforce in order to stave off demands for raises; real estate capitalists would object to any constraint on their ability to maximize rental or sale profits.

While capitalists need a lot from planners (even if they can't agree among themselves as to what, exactly, they want), they are also fiercely protective of their property rights. They know that private property laws are the only thing keeping their workers or tenants from expropriating them out of business, and therefore tend to be broadly suspicious of state interventions that could theoretically impinge on property rights. They know their land would be useless without planners, but they reject planning as such as an expression of government overreach. This, in short, is the property contradiction.

A second key phenomenon, the *capitalist-democracy contradiction*, is borne directly out of liberal governments' attempts to deal with the property contradiction. In a nominally democratic capitalist republic, the state and its planners have to perform a delicate balancing act: planners must proceed with enough openness and transparency to maintain public legitimacy, while ensuring that capital retains ultimate control over the processes' parameters. The people must have their say, but their options must be limited. If the system is entirely opened up, people might demand the full socialization of land, the abolition of private property and all the rest. If the system is completely closed, however, they might revolt against an unjust and unaccountable government. Planners are therefore tasked with creating public processes that are open but rigged. From this capitalist-democracy contradiction arises the familiar landscape of "participatory planning"—public comment periods, community boards, planning commissions, design charrettes and a host of other interventions.

According to this model, urban planners' main job is to contain these two contradictions; neither can be resolved, but both

can be managed. This puts city planners in a complicated bind. They are encouraged to make certain land use interventions, but are prevented from making more sweeping changes. Planners operate in a system that must appear open to the public, while simultaneously guaranteeing that ultimate power resides in the hands of propertied elites. It can be a really shitty job.

The Real Estate State

Three decades after Foglesong presented his contradictions, many of these conditions are still in place: planners still have to balance capitalists' demand for intervention and fear of domination; and planners still must uphold a precarious equilibrium between public participation and private control. But one key factor has changed. Throughout the 300-year period covered by Foglesong in *Planning the Capitalist City*, manufacturing capital was a serious player in municipal politics; and yet, by the book's publication in 1986, US industry had already undergone remarkable central-city contractions, with its urban political influence diminishing in turn. Today, in much of the country, manufacturing capital is not a leading force in urban politics. In most cities and towns, real estate rules.

Of course, other strands of capital make important claims on the city and its management. Finance continues to be a major force in New York City politics, but it is so thoroughly integrated with real estate—and has been for so long—that it is hardly an independent influence. Technology firms are at the heart of San Francisco's new political economy, but their vision of the city is all about private property and profitability and

thus retains a central role for real estate. (In the case of Airbnb, big tech and real estate capital are one and the same.) Although Ford and General Motors still make some cars in Detroit and Dearborn, their presence there is also felt through corporate headquarters and downtown real estate holdings. Financial offshoots like Ford Credit and General Motors Financial are now among the most profitable aspects of the auto industry.

Even though manufacturing capital is less of a force in US urban politics than in the past, the industrial sector has certainly not disappeared. The world is more industrialized than ever, and the United States still produces plenty of goods. In fact, manufacturing remains the most important sector of the US economy in terms of total output. What has happened is a major geographical reorganization in production and distribution. Over the past seventy-five years, the United States has gone through three major industrial shifts: a movement of parts and assembly plants from older northern cities to newer southern cities and rural areas from roughly 1947 to 1973; a deeper set of national and international production relocations from 1973 through the 1980s and 1990s; and finally, in the 1990s and 2000s, an expansion of logistics clusters that coordinate the flow of goods into and out of population centers around the country.

As a result of these relocations, much of the United States' industrial activity today takes place outside the big cities: giant food processing plants in exurban areas; energy extraction centers on Appalachian mountaintops and Gulf coast outposts; and, most importantly for big cities, growing import/export processing zones in major metropolitan areas. These distribution hubs employ enormous numbers of workers but,

because of their demand for fast access out of central city traffic, their sprawling size, and the high cost and regulation of central city land, they tend to be located outside the political boundaries of the main cities they serve. Crucially, this means they make fewer land- and housing-based demands of city planners in places like New York, Los Angeles and Chicago than centrally located urban factory owners would. When these logistics clusters are located inside the political boundaries of major cities—like New York’s Hunts Point Market and JFK Airport—they often operate on public land, meaning the companies that depend on them are not particularly bothered by the cost of urban land and housing (particularly if they assume their workers will live in cheaper suburbs or exurbs). In fact, since publicly operated logistics clusters are largely financed through municipal bonds, city governments may see inducing gentrification—something bond buyers generally interpret as a sign of urban health and future wealth—as key to financing this increasingly important form of urban industry.

The United States’ most important urban industrial sector, then, does not act as a powerful counterweight to real estate in central city planning and development politics. Real estate does not itself constitute a new urban economy; its locational value is still dependent on proximity to other productive economic forces, usually in the expansive service sectors. Still, real estate’s gargantuan growth manages to overdetermine cities’ economic, political and demographic futures, pricing out certain actors and industries while encouraging others. In the absence of any major competition, real estate dominates contemporary urban planning.

This is not a uniquely American phenomenon; as the global 1 percent reaps the majority of the world’s economic growth, they have formed what one analyst calls “a Niagara of capital into real estate” and shifted the bulk of their investments toward property over all other forms of economic activity.¹⁵ Building booms are eating up cities around the world, from London to Mumbai to Nairobi to São Paulo and, of course, New York, where enormous, expensive and largely uninhabited investment properties float menacingly above scenes of homelessness and deprivation. Vancouver planner Andy Yan labels this the “hedge city” phenomenon, or the way the world’s wealthiest are transforming urban high-rises from “machines for living in” to machines for money laundering.¹⁶ Such cities have seen their housing prices balloon over 50 percent in the past five years; in some places, far more.¹⁷

This is an extremely precarious position. Each of New York’s previous periods of massive skyscraper construction tracked with spectacular speculative booms and subsequent busts—1929, 1973, 1987, 2000 and 2008.¹⁸ With every cycle, the number of high-rises climbed higher, monuments to the growing price of real estate that underwrote their elevation. After the crash of 2008, however, US property values only dropped momentarily before restarting their steady uptick. Even as single-family homes around the country were foreclosed, they were often resold to private

15 Downs, Anthony. *Niagara of capital: How global capital has transformed housing and real estate markets*. Urban Land Institute, 2007, 1.

16 Surowiecki, James. “Real estate goes global.” *New Yorker*, May 26, 2014.

17 Leilani, “Report of the special rapporteur on adequate housing.”

18 Harvey, *Rebel cities*, 32–34.

equity firms and rented for significant profit, contributing to a nationwide spike in evictions. With planners' help, real estate capital has been able to turn such crises into new opportunities.

The opportunity to benefit from property booms, however, is never universal. In the United States, real property has always been patterned by racism and sexism, its most brutal expressions being "manifest destiny" and slavery. While the real estate industry exploits people of all backgrounds, long-standing racial inequities have allowed White wealth to be passed down generationally through inherited housing and the profit from its sale. Where wider opportunities for ownership have arisen, the real estate industry has repeatedly tested its most exploitive innovations—from contract housing to subprime lending—on women and people of color, who were long shut out of standard credit markets. Imani Henry of Brooklyn's Equality for Flatbush sees in the current property boom "a whole new wave" of exploitive real estate practices. "In Flatbush, real estate agents have told me they aren't even allowed to rent to Black people anymore. Landlords want to flip everything here and kick us out to New Jersey."¹⁹ Real estate's rise is not a tide that lifts all boats, but a force that feeds off long-standing structural inequalities.

It also presents serious and specific problems for planners. In a private land market, all planning interventions will impact land and property values either positively or negatively. Where there is an inter-capitalist feud between manufacturers and

¹⁹ Joseph, George. "Developers are 'very, very excited to pioneer' new neighborhoods under de Blasio's affordable housing plan." *Gothamist*, March 22, 2016.

developers, a number of possibilities arise. The presence of industry, for example, means there is a capitalist—not only a labor—demand for government-sponsored affordable housing and rent control. It also means there is a powerful constituency that values lower, not higher, land values, since industrialists tend to see land and buildings as costs rather than assets. With the decline of urban industry, as well as the real and aspirational rise of homeownership among working and middle class people, the demand for lower land values comes only from organized renters. While urban tenant movements have secured important victories, they face a constant struggle against difficult odds. Assessing this political landscape, many nonprofits, unions and community-based organizations have determined that the most likely way to secure gains is through political programs that align with factions of real estate capital, such as development schemes that pair the construction of luxury housing with a modicum of affordable units, or labor peace deals that secure union status for workers in upscale developments. In manufacturing's absence, real estate holds something approaching monopoly power to shape the narrative around urban planning and urban futures.

At the same time, essential public services in most municipalities are funded through property taxes. The fate of public education, public libraries and public transit are therefore directly linked to the value of property and its rate of taxation. Places with high property values are able to maintain palatial public places, while cities with low property values suffer the indignities of crumbling buildings and broken services. Cities are incentivized to drive out anything that is understood to

reduce property values: types of buildings, businesses, land uses or even people. While this has long been the case for suburbs, where industry and commerce are expected to be subordinate to residential land uses and segregation has long been a defining characteristic, it is increasingly true of cities, where real estate is becoming the primary commodity, revenue stream and political priority.

Under these conditions, planners managing the *property contradiction* are being asked to intervene in only one way: to do everything in their power to make land more expensive, and to do nothing that would challenge its status as a commodity rather than a commons. Central business district transportation and park plans? Great. Industrial retention and universal rent control? Maybe not.

Planners managing the *capitalist-democracy contradiction* are facing planning commissions and review boards comprised almost entirely of people whose futures are tied to real estate. To take New York as an example, at the time of this writing the Planning Commission is made up of four members with backgrounds in commercial real estate promotion, two luxury developers, two development consultants, a realtor, a nonprofit developer, a corporate lawyer, a business improvement district president and the building engineer behind Trump Tower.

This is the real estate state, a government by developers, for developers. It is not monolithic; there are plenty of disputes within it. Builders' desires are not always the same as owners', as reflected in the presence of separate developer and landlord lobbies in New York. Nonprofit developers follow a somewhat different model than for-profit builders. And of course

government is still accountable to voters, who are by and large either renters or mortgage holders and continue to organize collectively against real estate's rule. But the parameters for planning are painfully narrow: land is a commodity and so is everything atop it; property rights are sacred and should never be impinged; a healthy real estate market is the measure of a healthy city; growth is good—in fact, growth is god.

It is a horrible atmosphere for planners interested in social reproduction, let alone social transformation. Planners are allowed to do little that won't raise property values. Often they do so directly and intentionally, by initiating rezonings, targeting tax breaks or gutting protective regulations in order to stimulate development. Just as often, however, increased property values are the result of genuine, socially beneficial land improvements. Public improvements become private investment opportunities as those who own the land reap the benefits of beautiful urban design and improved infrastructure. Those who cannot afford the resulting rising rents (or, in the case of homeowners, rising property assessments) are expelled: priced out, foreclosed, evicted, made homeless, or, in the best case scenario, granted a one-time buyout that will not afford them a new home in the neighborhood, or even the city.

Preservationist Michael Henry Adams has chronicled this dynamic as it unfolds in Harlem, where he has fought to maintain the tremendous record of Black history and culture that is contained in both the neighborhood's architecture and the memories of its long-term residents. He recounts a conversation between young people in the neighborhood, who were coming to terms with the greening of their block. After speaking

with the children about his activism, Adams recalls one telling the others, “‘You see, I told you they didn’t plant those trees for us.’ It was painful to realize how even a kid could see in every new building, every historic renovation, every boutique clothing shop—indeed in every tree and every flower in every park improvement—not a life-enhancing benefit, but a harbinger of his own displacement.”²⁰ In the real estate state, planners can create marvelous environments for rich people, but if they work to improve poor peoples’ spaces they risk sparking gentrification and displacement. Rich communities can lobby for all sorts of planning improvements, but many poor neighborhoods fight planning interventions they would otherwise embrace out of a very real fear that any enhancement will trigger displacement.

The promise of planning—of creating more beautiful cities; of imposing order on capital’s chaos; of undoing the exploitive relations between people and land, and between city and country—is virtually impossible to realize under these conditions. Instead, the forces of property present two options for cities: gentrification or disinvestment. Other modalities surely exist, but they are made to feel increasingly unlikely under real estate’s rule, which pushes cities toward this binary. Urban planners’ main task is ensuring that the former, rather than the latter, represents their city’s lot.

²⁰ Adams, Michael Henry. “The end of Black Harlem.” *New York Times*, May 27, 2016.

2

Planning Gentrification

*What is happening to our cities?
Why are they becoming so impossibly expensive?*

Healthy cities exist in a state of flux. Change is necessary and good: people come and go, are born and die; industries are carefully harnessed, but almost never become permanent fixtures. A city that never changes is probably not a city at all.

But a particular kind of change is taking hold in many cities and towns around the world—one that presents itself as neighborhood revitalization but results in physical displacement and social disruption for the urban working class. In geographer Ipsita Chatterjee’s terms, it represents “the theft of space from labor and its conversion into spaces of profit.”¹ This change is generally known as gentrification, the process by which capital is reinvested in urban neighborhoods, and poorer residents and their cultural products are displaced and replaced by richer people and their preferred aesthetics and amenities.

¹ Chatterjee, Ipsita. *Displacement, revolution, and new urban politics: Theories and case studies*. Sage, 2014, 5.