**The State of the City. Mike Miller.\* June, 2014.**

San Francisco is now the country’s most expensive city. While unemployment is well below five percent, thousands are still homeless, and the people filling the jobs are largely out-of-towner techies who are flocking to “The City.” The tech boom is the bust of affordable housing. No longer is the affordability problem one of low- or even lower-middle income people; it reaches to families with incomes over $60,000.

I was born in the Mission District at 24th & Valencia; from the age of five until I went to the Cal I lived in Sunnydale Housing Project. I have seen what freeways, urban renewal and gentrification have done to this city. I was involved either directly or indirectly in fights over the routing of Highway 280 and the once-proposed Panhandle Freeway; I was deeply involved in anti-urban renewal efforts in the Western Addition, South of Market, Bayview-Hunters Point and the Mission District.

To sum up my case: we are losing the affordability war because the people power does not exist, nor is there anything on the horizon to indicate that it will soon exist, that is capable of slowing, halting and reversing what the so-called “free market” and its government programs otherwise dictate.

The SPUR report says “there are approximately 172,000 rent-controlled units in San Francisco right now.” It adds 6,300 public housing units, 6,000 Section 8 units, and 16,000 subsidized primarily nonprofit units with another 8,000 in the pipeline. (Of course vacancy de-control leaves open the question of how many rent-controlled units are affordable by low-to-middle income people.)

What is unfortunately absent in the report is the number of units once affordable by low-to-middle income people that have disappeared. That is a key number if we are to think strategically about the problem of affordability in San Francisco. Let me briefly place the current crisis in a context that reaches back to the New Deal.

* Public housing was legislatively, by guidelines, and by appropriations constrained by private housing interests from the outset. It got worse over time with cuts in funding, income maximums on who could remain living in public housing so that it became a low-income ghetto, and a miserable record of management, tenant services, repair and major maintenance. Here in San Francisco, public housing became a patronage outlet for Building Trades union leaders and politicians. Maintenance and repair are the source of scandalous reports of mold in apartments and elderly people locked into 8th floor apartments because building elevators don’t work. Rarely did our mayors appoint, via their Housing Authority Board of Directors, executive directors with a mandate to run decent housing for the residents.
* The U.S. highway program was a child of both the Cold War and a claimed need for smooth vehicular transportation across the country, and a conspiracy by the auto, tire and construction industries, and those who finance them, to destroy urban light rail systems and starve public transportation in general.
* Urban renewal legislation promised two things: to remove or rehabilitate slums and to increase the tax base of cities that, at the time of its passage, were threatened with abandonment to the suburbs. For the most part, it financed sports arenas, convention centers, high priced office space, luxury or expensive housing, and other enterprises that were supposed to be tax generating. Its record was so bad that it came to be called “Negro removal.” “White ethnic working class” and “Latino” were sometimes substituted with equal accuracy. Is there any doubt about its consequences in San Francisco? The north of Market project gave us the Hyatt Regency, high-rent office buildings and expensive apartments while destroying a waterfront oriented working class, largely “Ango” community; the Yerba Buena project gave us the Moscone Convention Center and began the gentrification and transformation into commercial uses of South of Market; Western Addition Area 1 and Area 2 destroyed a vital San Francisco Black community. Not only affordable housing was demolished. The infrastructure of small businesses (especially restaurants, cafes and bars, and barber shops and beauty salons), store-front churches, and other aspects of meaningful community were destroyed as well. The Mission urban renewal project that would have done the same was defeated by a combination of an extraordinary coalition that was formed to fight it and the involvement of the Catholic Archbishop of San Francisco. I will return to the Mission in a moment because it offers lessons that unfortunately have not been learned.

Writing about 45 years ago in the short-lived Bay Area-based journal *Leviathan* (Vol 1, #2, June, 1970)*,* in an article titled, “Urban Renewal, Regionalization and the Limits of Community Control”, co-authors Danny Beagle, Alan Haber and David Wellman described the Bay Area Council's plan for the region:  San Francisco was to be a center for tourism and finance; industry would be located in the East Bay; Silicon Valley was to be headquarters of the growing hi-tech industry.  BART, the region’s developing rapid transit system, was to bring the suburban middle-class into the city center of San Francisco to work in the financial and downtown areas. Urban renewal, zoning, market forces and other tools would be used to realize this plan.  The Bay Area Council (BAC) was the meeting place for the CEOs of the region's major corporations. Their concept of the city's future was the underpinning of Justin Herman's San Francisco Redevelopment Agency. Whether as a result of deliberately adopted public policies or as the consequence of so-called "market forces", this strategy has been more-or-less implemented since then.

* So-called private market forces did, and continue to do, the rest. It is primarily those forces that are now at work. Banks and other lenders are foreclosing on loans they shouldn’t have made in the first place. Landlords are finding ways to get rid of long-time rent-controlled tenants, with Ellis Act evictions only the tip of the iceberg. Ruthless and greedy speculators are highlighted in various reports, but they account for a relatively small portion of what is now going on.

I see little reason to think that the lenders, investors, builders, realtors, construction trades unions and the politicians that all of them influence will be deterred from their objectives by people of low-to-middle income who want safe, secure, affordable housing in nurturing and viable neighborhoods, and their allies. More than affordability, and more even than a city of Jane Jacobs-like neighborhoods, is at stake here. We are witnessing the dominance of money over people. That is the central feature of the political landscape that is our terrain of battle.

In short, while there are campaigns our side has won along the way, we are losing the war, and we are close, if not past, the point of irreversibility. In the following, I want to look at why, and why for a brief and exciting period the Mission District was an exception, surviving until relatively recently as a low-to-moderate income neighborhood in one of the City’s most choice real estate locations.

To tell the truth, I feel rather peculiar as the bearer of this message of gloom about where we stand in the struggle for democracy and social and economic justice. Usually, I am a hope peddler; all organizers are hope peddlers. We could not do what we do if we did not believe things might get better if people became engaged and organized. But I think we need a sober, realistic appraisal of where we are if we are to begin to get to where we want to be.

**The Mission District**

From the mid-1960s to the early 1970s, the people of the Mission District fought both urban renewal and gentrification. The Mission Council on Redevelopment, or MCOR, defeated urban renewal in 1967 in a 6 – 5 vote at the Board of Supervisors. A call from Archbishop McGucken to Supervisor Bill Blake turned his vote around and gave us the majority.

In 1969, after an intense battle with then-Mayor Joe Alioto, the Mission Coalition Organization (MCO), won control of the Mission portion of the Model Cities program, thus assuring that it would not be a Trojan Horse for urban renewal.

Perhaps even more important, through its rent strikes, nonviolent direct action jobs campaign and other militant activities, MCO created an atmosphere that greatly inhibited incipient trends toward gentrification. MCO literally drove speculative landlords out of business, and it forced others to engage in good faith negotiations with their tenants on rents, repairs and services.

At the time, I was MCO’s lead organizer. Russ Keil was an “at-large” mayoral appointee to the Mission District Model Cities planning group, and an old-school Republican conservative. He was an executive of the Keil Family Real Estate Company and a man of means. In the course of our working together, Keil and I became friendly. He once said to me, “The problem with these MCO militant activities is that you’re creating an atmosphere inhospitable to investment.” It was a friendly bit of advice from someone who believed that the market was the best solution to economic problems. But to me it was the greatest compliment an organizer could be paid.

MCO had a small organizing staff, and a budget that would be about 300,000 of today’s dollars that came from religious sources, member dues and grassroots fundraising activities, and grants from a few foundations that supported this kind of organizing. MCO was endorsed by the Joint Strategy and Action Commission (J-SAC), an ecumenical agency of major religious groups in the Bay Area, that provided it broad legitimacy in the region.

MCO accomplished what are generally thought to be contradictory objectives. It was a broadly-based organization, claiming to represent the greater Mission which then had a population of about 100,000 people. Its membership ranged from the Mission Merchant’s Association and conservative homeowner associations to a significant number of Catholic and Protestant churches in the neighborhood to La Raza militants and tenant organizations that engaged in rent strikes and other activities. At its annual conventions, more than 1,000 delegates, representing close to 20,000 members of member organizations, elected leaders and adopted a program to defend and advance the interests and hopes of the residents, local institutions, and small businesses of the Mission.

Along with this breadth of base, MCO engaged in militant, nonviolent, disruptive direct action when landlords, employers, public agencies, politicians and others refused to negotiate in good faith with it.

How MCO accomplished this contradiction—militancy and breadth of base—is the subject of a book I wrote, and is too lengthy a story for today. But this point is essential: when MCO’s right to speak for the neighborhood was challenged, it demonstrated that it had support too large and too organized to be ignored. In support of the Mission Merchants Association, MCO had stopped the relocation of pawn shops to the neighborhood’s central shopping strip, and shut down a porn movie theater that opened there; the merchants were grateful. When the mayor’s Model Cities staffer asked Frank Hunt, President of the Merchants Association, and a Republican (though he endorsed Democrat Joe Alioto for mayor), to pull the Association out of MCO, Hunt declined to do so. “When I needed help,” he said, “MCO was there for me. I may disagree with some of what they’re now doing, but I’m not backing out of membership.”

In that period, similar organizations came into being in other neighborhoods in San Francisco: the Communities of the Outer Mission (COMO) was in Excelcior, Portola and Cayuga Park; All People’s Coalition (APC) was in Visitacion Valley. There were parallel efforts in other parts of The City. They more-or-less shared MCO’s organizational characteristics, though MCO was the most powerful of them. There is nothing like them today.

**Community Control or Institutional Change**

MCO was a continuing, multi-issue, what we then called “mass-based” (and what is now more politely called “broadly-based”) organization rooted in the voluntary associations of the people of the Mission. These associations together were expression of civil society. They ranged from tenant associations and block clubs organized by our small full-time organizing staff to stable, long existing churches, union locals and the Mission Merchants Association. Their unity around an action program for jobs, affordable housing, quality education, neighborhood services and community maintenance and other interests gave them their power. At the height of its organizational development—a period that lasted several years—MCO regularly had hundreds of people involved on a weekly basis in the life of the organization.

While MCO won the battle to control Model Cities planning, it lost its identity and purpose in the program it designed for Model Cities implementation. As you would expect, one of MCO’s Model Cities priorities was affordable housing. Almost one-third of the funds allocated in implementation were assigned to this task. The vehicle to implement this program was a housing development corporation, or “HDC”.

A question arose: “Who should be on the HDC board?” At this point a community control versus institutional change debate took place.

Those who favored the institutional change approach envisaged the HDC's board being made up of builders and representatives of financial institutions, building trades unions, and various governmental agencies that had something to do with housing. The HDC would have a specific and clear mandate for the kind of housing it was to create; this mandate would be accompanied by specific goals and timetables for creating affordable housing. Should the agreement not be honored, MCO would enforce it with people-power negotiating and, if needed, direct action.

Just as a decent union monitors a contract, so an ongoing community organization is necessary to monitor agreements reached with agencies and institutions. In the institutional change approach, MCO would play this role.

The community control advocates argued that such an HDC would become the feared Trojan Horse for urban renewal. They wanted two-thirds of the members of the HDC board to be from the community. Further, they wanted a person from the community to be HDC’s executive director from its inception. Only in this way, they argued, would the neighborhood be assured that the HDC wouldn’t become a front for a bulldozer urban renewal program that would destroy the neighborhood.

Proponents of institutional change responded that if the community control approach was taken, the HDC would lack the clout to do what the community wanted it to do: instead, it would become a buffer between the community and those who have the clout to create the kind of housing the Mission needed. That clout existed “downtown,” not in the Mission. Their HDC, in an alliance with the mayor who would have an interest in the success of what was also his program, could pressure banks, builders, and the building trades to be partners in accomplishing its purpose. The mayor could make various city departments participate as well.

Community control won the day. Its principle was applied to the jobs, education and child-care programs that were the other major components of the Mission Model Cities program. Within a couple of years, the MCO ate itself up in internal fights over who would control what in the Model Cities program. It died as an effective voice for the people of the Mission.

The Mission Housing Development Corporation continues to this day. It does honorable work. Its recently-retired executive director is a friend of mine and a former MCO leader. It, like almost all so-called community-based nonprofit corporations, is governed by a self-perpetuating board of directors whose nominating committee proposes new board members to the already-existing board.

**Fast Forward**

Let me fast forward. This past Sunday (5/25/14), the *San Francisco Chronicle* had a lengthy feature article on yet another round of increasing home purchase prices. It quotes Peter Cohen of the Council of Community Housing Organizations, “[I]ncreasingly, middle-class people are finding themselves totally priced out of this radical housing market…You have speculators going against families—you know who is going to win in that battle…It makes average families uncompetitive.” And here’s what caught my eye, the *Chronicle* describes the Council as a group “which represents affordable housing groups.”

Most of the Council’s members are structured like the Mission Housing Development Corporation (though it is not a member and the two are not on friendly terms). How is it that the self-perpetuating leadership of organizations that depend for their funds on government, foundations and similar funding came to be the representatives of people who need affordable housing? Who elected them? What annual convention of representative delegates or members voted on their program? What action deeply rooted in their respective communities have they undertaken that could create a climate inhospitable to investment and demand really affordable housing?

There is no doubt that in the plethora of community-based nonprofit corporations that now dots San Francisco’s political landscape there are some that provide important services, do important research and advocate good ideas that will benefit low-to-middle income people. But there is another side to these organizations. As they have grown, so have the voluntary associations that constitute a genuine civil society declined. Indeed when a number of these groups tried to convene something like the old MCO conventions, it was unable to do so. Why is that?

The answer is not too hard to find. Here’s what a New York City observer of this phenomenon observed regarding the disappearance of a once-vital tenant organizing movement in his city. “The elected leaders,” he told me, “became boards of directors; the organizers became executive directors and program staff; and the members became clients.” Clients aren’t typically participants and co-creators; they are recipients of what is designed by someone else. They are also usually powerless in the organization. There is a name for this process: Saul Alinsky called it “welfare colonialism.”

The decline in voluntary associations is both a source and consequence of growing isolation, alienation, loneliness, and powerlessness among the majority of Americans that, in turn, is accompanied by the destruction of any meaningful sense of community upon which an understanding of the common good can be built. Even nominally democratic membership associations are, for the most part, advocates for and service providers to relatively inert members. You pay your dues and collect your benefits. But you are not a co-creator of the life of the organization.

Without addressing this civil society problem, we will lack the power to address the affordable housing problem, or any other major social or economic problem that results from unrestrained capital and its relentless search to maximize profits. Without imagining and finding ways to create 21st century counterparts to MCO, we will continue losing the war for affordable housing and economic justice.

**The Foundation-Nonprofit Industry Complex**

A hallmark of authentic civil society is the independence of the organizations comprising it. They may be small and totally voluntary or large—whether local, regional, or national—and their leaders and staff are paid with the dues, fees, and fundraising activities of their members—for example, conservative building trades unions, are funded by their members’ dues. These organizations are often what in normal discourse would be considered nonpartisan. Sometimes, they are relatively moderate in their view of the world. It is upon them that we must build because they are the authentic voices of the constituency whose present powerlessness allows the plutocracy to continue on its rampage.

The engagement of congregations, unions, and neighborhood, small business, merchant, and other existing voluntary associations is one of the prerequisites to reach the scale required for transformative power—that is to begin to win the war or, put another way, to begin to alter the relations of power so that people rather than money shall rule. Transformative social action can emerge organically from these organizations if we engage respectfully with them on their own terms.

In a 2012 article, “Capitalism: A Ghost Story,” Indian novelist, essayist, peace prize winner, and nonviolent activist Arundhati Roy wrote: “In the NGO [non-governmental organization] universe, which has evolved a strange anodyne language of its own, everything has become a ‘subject’, a separate, professionalized, special-interest issue. Community development, leadership development, human rights, health, education, reproductive rights, AIDS, orphans with AIDS [as well as housing, employment, environment, and many other categories]—have all been hermetically sealed into their own silos with their own elaborate and precise funding brief. Funding has fragmented solidarity in ways that repression never could.”

Roy continues: “Having worked out how to manage governments, political parties, elections, courts, the media and liberal opinion, there was one more challenge for the neo-liberal establishment: how to deal with growing unrest, the threat of ‘people’s power.’ How do you domesticate it? How do you turn protesters into pets? How do you vacuum up people’s fury and redirect it into blind alleys?”

We will not successfully address the problem of affordability in San Francisco if we do not address this problem. Yes, there will be more funds for housing and community development corporations; perhaps San Francisco’s public housing scandal will finally be cleaned up (though present plans call for fewer units as part of the clean-up—a great irony as well as tragedy), and maybe some additional units will be built; Ellis Act tinkering may close that barn door after most of the horses have been stolen; other victories will be celebrated. But the character of San Francisco will soon be unalterably changed if there is not a major taking stock of what has to be done to slow, halt and reverse the now-dominant trends.

\*Mike Miller authored *A Community Organizer’s Tale: People and Power in San Francisco*;he directs the San Francisco-based ORGANIZE Training Center: [www.organizetrainingcenter.org](http://www.organizetrainingcenter.org)