

Intro:

In the Civil Rights Act of 1968, America does move forward. And the bell of freedom rings out a little louder.

Christina:

Hi there. This is A Little Louder, a podcast for wonks, housers, and rabble rousers where we talk about Fair Housing, Community Development, and how we can use these issues to build people power and work toward equity and justice. I'm Christina Rosales.

John:

I'm John Henneberger.

Christina:

And welcome to Episode Two.

John:

We got to the second episode, Christina, we're on a roll.

Christina:

And more than just our staff and our moms listen to it. So we're in good shape.

John:

Thanks to those other three people out there.

Christina:

Well thanks, everybody for sticking with us. This is episode two. And today we're going to talk about a couple of big things that we've seen in the news. One of them is how private equity firms are changing the nature of homeownership.

John:

And I'm going to talk about the so-called crisis on the Texas/Mexico border, that the President has shut down the government over.

Christina:

And then we'll talk to attorney Demetria McCain. She works for the Inclusive Communities Project in Dallas. And we're going to ask her some questions about residential integration and some important tensions that happened when we talk about community revitalization and integration. And finally, John, and I will have our fun moment at the end. John and I are both nerdy, but you know, John's a certified genius. So I'm gonna quiz him about some of my hobbies, and he'll do the same for me.

So first up is In the News and On Our Minds. So I read something on Christmas Day that was in the Washington Post. And the title of the article is "What happens when a private equity firm

becomes the city's biggest homeowner." And I would argue, and one of the city's biggest landlords. So this article talked about Cerberus Capital Management, and they rent out 1800 homes in the city of Memphis. And then they own and operate First Key Homes, which manages all of these single residential homes. And it's striking to me that companies can change how we think about homeownership and who homeownership benefits. It's touted as the American dream, as something that can launch people into the middle class and keep them there. But the article starts with a family that owned a home in Memphis and during the Great Recession, they were foreclosed on, and then Cerberus eventually bought it. And now the family is renting from the private equity firm.

And this month in January, the Philadelphia Federal Reserve put out a working paper and they found that after the recession, housing prices rose again after the big bubble pop, but homeownership has been steadily on the decline, or at 63% now. The housing market in across the country and most cities has recovered. And that's not necessarily the case when we think about what housing is for. It's to house families who needed and it's not, I don't know that it should necessarily be... that the vehicle should be used to make lots and lots of money for people.

John:

Yeah, you know, Christina, I think a lot about the progress that we've lost in the last several years in terms of minority homeownership rate, particularly African American homeownership rate, which has really fallen off. And the other thing is that these guys running these type of programs, like the Washington Post reported on, these are the equivalent of the rent-to-own version of -- you know where you go in and you lease a TV and you paid 10 times as much as the TV costs and you risk having the item foreclosed on and removed immediately if you're late on a payment. That's how they're retreating housing. It's a very dangerous situation. One of the things that I've worked with over the course of several sessions in the Texas legislature is to try to push back on these rent-to-own scam artists in the housing market. And they have a fierce lobby. They are really organized and they push to be able to have complete control over how they do business and no protections that people you would normally see in foreclosure and other things like that. They don't have access to it.

Christina:

I think their argument is: "Well, it's better than having all of these houses sit empty. We bought them during the recession. They were Ghost Houses where people just abandon them they turned into keys and left." And yes, to a certain extent, I agree we shouldn't have houses empty and communities gutted. But at the same time, there has to be some sort of protection that keeps private equity firms and institutions from owning the house and making a lot of money on the backs of people who want to live in a single family home, and live a good life, and they still have that dream of maybe owning a home.

John:

But you know, the reason why those homes are abandoned is because of the predatory lending market and the dysfunctionality of the real estate market, in terms of helping working class people and lower income people be able to acquire housing in the first place. So this is just the end result in point of a cascade of abuse and exploitation, which exists in the world of housing for poor people.

Christina:

This particular issue seems like the Wild West. There isn't a lot of regulation right now. And like you said, the lobby is just so strong that it's so hard to see a path forward.

So what's in the news and on your mind, John?

John:

Well, the the government shutdown and the border wall thing has been all in the news right now. And I think we're very concerned about the effect that the shutdown is going to have on low income tenants who depend upon HUD for housing subsidies. At some point, the landlords aren't going to be getting any money. Secretary Carson has told landlords to reach into their reserves and just float the thing. The condition in many of these HUD subsidized properties that we work in and do organizing and tells us that the conditions are marginal to begin with, and you cut off the money and it's only going to get worse.

But in a broader sense, I'm thinking about what does a crisis really mean? And the President says we have a crisis on the border. But we've had a crisis on the border for for the 30 years that I've worked on affordable housing on the border. And that is the colonias. We have in Texas the poorest region in the United States where the highest poverty levels exists and the highest levels of occupancy of substandard housing exists. And these colonias are informal subdivisions which where, you know, you're talking about the Washington Post and that story about how the rent-to-own scams work, well, the freewheeling way that subdivisions are created, but public infrastructures isn't provided like no water, no drainage. Other things like that is another side of the story of the way that people exploit low income people in their housing needs. And that's produced a situation where almost a half a million Texans live along the US/Mexico border in these informal subdivisions, and most of them live in homes... many of them live in homes which are really just unconscionable as human habitation. So the President wants to spend \$5.7 billion to build a concrete wall or maybe it's a steel wall or something like that to keep an imaginary horde of people from coming into the country. And I think about how readily our political classes willing to, at least part of our political class, is willing to come up with \$5.7 billion dollars.

But the 30 year long-standing crisis along the Rio Grande is the substandard living conditions. With \$5.7 billion, we could build 57,000 new homes at \$100,000 each, and give them to people. And I'm not suggesting that we do that. I mean, people could pay something but I'm just saying that if we have a half a million people along the border who live in these bad living conditions, then we could we could literally house 57,000 people, and it would be a tremendous economic boom, it would create jobs for not just mega corporations that build giant walls, but for home

builders for plumbers, electricians for carpenters, for the building supply industry, and provide those people homes. And if you think about if we had four people in each one of those 57,000 homes, it means we'd have a quarter of a million low income people in the poorest region in this country to have a home that they had free and clear. I mean, that would be transformative in the poverty crisis which exists. So really to me, the question is which crisis is the real crisis? And why is there a will, on the part of some politicians to solve a phony problem, instead of dealing with a problem that everybody can see and that kids and people experience in their daily lives?

Christina:

Yeah, it's easy to just turn a blind eye to it, because it is in this very isolated area in the border region. And most people don't have to go there, if they don't want to. And it's like a slow burning crisis: it's not going anywhere and part of the reason it's not going anywhere is because again, we have these these Wild West kind of regulations where we're essentially they're very little and that's that's how colonias came up in the first place.

John:

And you know, when you see the new pictures in the newspaper of the President and Senator Cruz standing on the border, looking south the Mexico, I just want to say to them: "turn around 180 degrees and look what's going on in the crisis in this country."

Christina:

I grew up on the border and hearing them talk about this "open and shut, this is our side, that is their side," from the border perspective, this is land that people have owned for generations, that some of which has been stolen from them. We can we should also talk about how that impacts generations of of land owners, Mexican American, and putting a wall right in the middle of their property when already land speculators have taken part of that land generations ago.

[Break]

Christina:

We're going to call Demetria McCain now and she's going to school us on some of the integration issues that that she sees in Dallas and she's seen for a lot of her career.

Demetria McCain:

I'm Demetria McCain, the president of Inclusive Communities Project, which is a nonprofit located in the city of Dallas. We are an affordable fair housing civil rights organization and we work regionally throughout the Dallas Metroplex. We do a host of things, but our our main three points is the focus on creating and maintaining racially and ethnically inclusive communities throughout the region, making sure low income families have access to housing opportunities where they think that they can thrive. Often those are well resourced communities with higher performing schools and where job markets are in safe neighborhood. As well as pushing back barriers to them to those folks being able to make those types of moves.

We kind of approach our work from a neighborhood equity options perspective, where we work on issues of neighborhood equity in the historically segregated neighborhoods where there has been discrimination over the course of the decade. And we work on the options piece, which is the housing mobility piece, because obviously, until we're able to deal with all these neighborhood equity issues, neighborhoods do not offer everything that people want for their families to thrive. So as we are discussing, families should have a right to exercise your options to move other place.

Christina:

And so people might recognize the name Inclusive Communities Project because of a pretty big 2015 Supreme Court case. So, do you want to give a couple of minutes of explanation of what that is?

Demetria:

I think probably the website will probably do better justice. But I will say that was an example of us trying to push back a barrier, that being the Texas housing agency, that we found to be a barrier to our ability to help families move to areas that were not segregated with their vouchers. It was based on a program called the Tax Credit Program. So I wouldn't say that we have seen desegregation writ large by any measure. It's certainly not as bad as it was previously, in some places, but some places still kind of follow those same redlining patterns of old. The Federal Fair Housing Act when it was passed in 68, includes a provision for localities to affirmatively further fair housing, which means more than just "Hey, city! Don't discriminate!" It really means go out of your way. Open up housing to people, protected class members who can be people of color, the disable things like that, to open up housing that they can access they had been not able to access previously. That's in federal law in 68, as in federal law in 2019.

The enforcement of that though is a whole another story. So there've been advocates across the country since that time and before that time, right? Because this came about after Martin Luther King started speaking out about housing issues in Chicago and advocates had talked to him about trying to help with that push. So this happened before 68 and was a concern before 68. Advocates have been trying to work on this for decades, and continue to.

John:

So Demetria, there's a whole lot of people in this country working on community development, and revitalization of low income neighborhoods. But there's really not that many people focused on the right of people to choose and the right people to be able to move and live freely where they want to live. Why is that? And is that indeed the case, in your experience?

Demetria:

Yeah, it is. They're very few of us working on what we call "housing mobility", meaning people be able to move where they want, particularly low income families. Very few. A lot of money, first of all, has been put into community development. We're talking about millions of dollars. If you go back to the 70s, very little money as input into anything called housing mobility. You have a

little coming from philanthropy, but a lot of this work has been done from the results of fair housing cases in the country, you really can't even say that the federal government is putting much at all investment wise into housing mobility. Community Development is nearby. It's close, people see it, that's where people live, because that's where people have to live right. When you're talking about people of color, Latinx families, Black families, which all have children, let's be mindful of that. We're talking about generations of people who have been in certain neighborhoods are kept in certain neighborhoods. That they want to stay, that's well and good, but others may want to go. And I think from a political perspective, for elected officials who have shorter visions, it's not necessarily in their best interest for people to move out of their districts. And so I think the lack of financial investment by governmental entities that are appropriate funds on issues of housing mobility versus of community development, you know, there's no comparison there.

John:

So what's the downside of people staying in segregated environments?

Demetria:

Well, if they don't want to, we certainly know that there's plenty of things that have not gone right in those kind of environments. And it's not just about it being a neighborhood, that racially or ethnically homogenous with people of color. It's the issue of what our cities, counties and states do and don't do to those types of neighborhoods. Right? So when you have a neighborhood that's predominantly people of color and the decision makers are not, and in some situations, the decision makers are but they're just kind of following the M.O. of decision makers who are not, they don't get the resources that white neighborhoods get, right? Or they do get some of the negative aspects and conditions that the white neighborhoods don't get, particularly, for instance, industrial issues. So you got a lot of heavy industrial near or in a neighborhood of color that has a direct health impact on those people who live there, particularly the youngest ones, children. When you're talking about air pollutants, or slow pollutants, those kind of things are real tangible effects. Even today, even when you had situations where there's an industrial activity in a neighborhood if that industry is now gone. Remnants of that of that activity can still be there, and we're seeing that here in the Dallas area.

Christina:

So I think what has been interesting to hear about is that cities and neighborhoods with black, white, brown residents -- they've called segregation a matter of choice. It's a it's a natural occurring phenomenon. And despite the things that you've mentioned, the history and the facts showing that it's not naturally occurring, and it's not good for communities. What do you say to those people who say, "well, we tried it, it didn't work," or "this is the way it is," what do you say to those people?

Demetria:

I say: "Have you tried it with the same heft? And as much as you've tried to keep people contained?" And I think when you compare those two, you'll see an unequal scale. When you

say "we tried it," who's tried it and how long have you tried it? What resources have you put behind trying it? And really, honestly, at a very elementary element is people don't necessarily know that they can go other places or where they can go, you know, a lot of the work we do, that our councilors do for housing mobility is simply informing families, families who have housing choice vouchers, who can move throughout a seven county area, simply informing them of where they can go with their voucher and to the extent geographically that they can go with their voucher. Because the people who administered that program aren't necessarily handing out that kind of level of information and education. So, it's not a if you build it, they will come kind of thing, because people first of all have to have informed choice. If people don't know what they can do. If they've never been able to visualize what they can do or where they can go, then it's not going to happen. So we just need to get real honest about what kind of effort we have and have not put towards making sure that people are able to exercise choices that we tried to open up.

John:

Demetria, what are some of the things that government does, even to this day, that have the impact of denying people the opportunity to live in neighborhoods that have more opportunity.

Demetria:

When you say government, and when we talking about federal, state, local? They all have various bad actors at play. And so, the way we administer programs is one thing, right? If you talk to them a very local level, if you talk about the voucher program, for instance, the way that program is administered, can steer people to stay in segregated neighborhoods. How much are they setting these the subsidy levels for? Do those subsidies allow people to move to better resource areas, where the market may be a little higher? Are they giving them the information? That's a very local kind of thing at the Housing Authority level. On the city level: is the city taking action and making decisions to place Low Income Housing only in segregated neighborhoods? Are they compounding the issue of concentrated poverty? That's on a local level. On a state level, how are they administering the tax credit program? How are they administering other programs. On the federal level, the same kind of thing. How are programs being administered, how are funds being appropriated. I mentioned earlier about all the tons of millions of dollars we put towards community development through the federal government since the 1970s, versus something like housing mobility, which hasn't truly ever really been funded. So there's tons of actors amiss the chain of housing related decision makers.

Christina:

So what do you think it's going to take. You mentioned a lot of barriers, and some of it is just what people believe. Despite the facts and research and evidence, it's just what people believe, what do you think it's going to take to break through?

Demetria:

Honestly, I think that we have done a pretty good job of hearing more people speak out about some of these issues. I think over the last five years, there's been real elevated conversation.

We're hearing it from the people that we help who have vouchers who might read the paper or might see something in the media about these issues, about people having a right and being able to move other places. So, I think as we elevate the public conversation through lay people, and as we do that, hopefully we can organize and push the people and elected officials so they can have the political will to do the right thing. So it takes a confluence of that, I think, to make a change.

John:

And so Demetria, what is the website that people would go to, to learn more about ICP, and about the litigation that you all been associated with to try to break through the big barriers of segregation and increase integration.

Demetria:

It will be inclusivecommunities.net. You can also follow us on Twitter @ICPmobility. And on Facebook at Inclusive Communities Project. And we're an Instagram. Don't ask me that handle, you can find it on our web page.

John:

Do you have a millennial word for us?

Demetria:

That's cheating. You have to give it to me. The millennial has to give it to me.

Christina:

Oh, ok. I assign you the millennial term "oof."

Demetria:

I've never heard of that. Yeah, give me another one [laughs]

Christina:

I'll explain it to you. So oof is like when something is overwhelmingly bad or embarrassing or terrible. Oof.

Demetria:

Okay, so in the 2016 Texas legislative session, the state of Texas voted to ban cities from being able to pass ordinances that would get rid of voucher discrimination. Oof!

Christina:

Perfect, man, you are the greatest of all time.

Demetria:

But did I beat John from last week?

John:

No, not quite, but you're good.

Christina:

Well, thanks to meet you. We're going to have you on again at some point in the future. I can't wait.

Demetria:

All right, you guys. Thank you.

Christina:

Today, we're going to John and I are going to quiz each other about our hobbies. So, like I mentioned, we geek out on our own things, but I guarantee you they're very different. So I'll go first. John, you know, I like to sew.

John:

You tell us about it all the time.

Christina:

Do you know what a tailor's clapper is?

John:

Sounds like a social disease for tailors.

Christina:

No. It is a wood block, most people can use a wood block, that after you sew a seam you're supposed to iron it and it gives you a nice clean professional finish, and after you put iron on it while it's still hot, you put a piece of wood, which is the Taylor's clapper, that will give you this nice pressed finish and it's beautiful.

John:

Well, that's actually a useful thing to know. AS you know, I sort of live with the loose dry. Wrinkles are a part of my persona.

Christina:

Oh yeah. And duct tape. I've seen you duct tape the back of your pants.

John:

Well, you know they're still good otherwise.

Christina:

Fair. It's sustainable. Okay, your turn.

John:

So Christina, you know that one of my interests is 19th century United States artillery and I own a U.S. 1842 model 6 pound field gun, which is about the size of a Honda Civic. So I'm going to ask you a question related to artillery. Do you know who Angelina Belle Eberly is?

Christina:

No, but I think she's probably pretty lit.

John:

She's, she's really good. Angelina Belle Eberly ran a hotel on the street where our office is, a little bit closer toward downtown as matter of fact, near the corner of Sixth Street and Congress Avenue. And at the time, Austin had a U.S. model 1842 6 pound field gun sitting in the public square down at 6th and Congress. And Governor Sam Houston had made a decision to move the capital against the wishes of the legislature, at the time, from Austin to Houston and Angelina Belle Eberly heard the commotion up Congress Avenue two blocks to the north of 6th street, when the Texas Rangers came in and opened up the state archives, and were loading them into a wagon in order to move the archives and illegally take the capital from Austin and move it to Houston.

And Angelina Belle Eberly went out to the public square and the cannon was always kept loaded. And by herself, she turned the cannon around and fired it up Congress Avenue at the Texas Rangers causing them to flee in a hasty manner. And the reason that today Austin is still the capital of the state of Texas is because a courageous woman used artillery in order to defend her community.

Christina:

That's commitment, that's heroism.

John:

And it's the artillery relevant to to the work of Texas Housers.

Christina:

That's the end of our show. Thanks everybody for joining us. You can now find our podcast on iTunes and Stitcher just search A Little Louder, and you can subscribe and never miss an episode.

Last time I've neglected to mention but the Bump music and that last song you'll hear at the end is produced and played by one of our houses on staff. That's J.T. Harechmak. So I hope you enjoy his banjo, guitar and singing.

John:

Can we sing along?

Christina:

No. That's it for today. Thanks, everybody.

Demetria:

You know, John. You're so extra.

John:

I'm lit.

Demetria:

Please stop! [Laughs]