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The Three-Quarter House: A Product of The Neoliberal City

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by

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Abstract

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by

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Thousands of the most impoverished New Yorkers have found shelter in the unlicensed, unregulated, for-profit housing market known as the three-quarter house industry. The houses—scattered throughout the city— shelter individuals coming from a host of difficult circumstances: people who are formerly incarcerated, chronically homeless, and struggling with drug and alcohol dependency, unemployment, mental health conditions, and medical issues. Once there, residents are faced with rampant violations of their rights, dangerous physical housing conditions, and obstructions to recovery and reintegration. Through a historical lens, this paper argues that decades of neoliberal policies helped develop the three-quarter house industry as it exists today. These policies have had particularly harrowing effects on communities of color—a majority of whom make up the population of three-quarter house tenants. Along with taking a historical approach, the paper explores who depends on the three-quarter house industry for shelter, discusses the various routes that lead people there, and argues that much more research must be done to adequately diagnose the three-quarter house problem. Lastly, this paper considers how policy makers, advocates, and affected communities can work together to make systemic change. The whole society stands to gain both socially and economically from the inclusion and support of three-quarter house tenants.

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INTRODUCTION

For many years, New York City's most vulnerable populations have struggled to find stable housing. In recent generations, circumstances have produced an even bleaker future for the poorest New Yorkers. Be it the loss of manufacturing industries and union jobs in the 1970s and 1980s, a government sponsored shelter allowance for low-income households that has remained the same since 1988, policies that criminalize poverty and homelessness, or increased funding to prisons and slashes to drug education and support programs, the city's most marginalized residents have become lucrative targets for exploitation, and they have the odds stacked against their stability and progress. Many of these very New Yorkers that are most affected by such circumstances have found shelter in a market of privately operated, unregulated, highly profitable residences know as three-quarter houses. These houses have expanded across the poorest neighborhoods of the city.

Individuals who reside in three-quarter houses deal with a host of difficult circumstances. Residents are often formerly incarcerated, chronically homeless, and struggling with drug and alcohol dependency, unemployment, mental health conditions, and medical issues. Behind closed doors, tenants face rampant violations of their rights, dangerous physical housing conditions, and impediments to recovery and reintegration.[1] Aside from living on the street or in a homeless shelter, three-quarter houses are often the only other housing alternative to which these populations have access. Much like the tenants who live inside of them, the three-quarter house industry is still largely unnoticed. Policy makers, the press, and members of the community, have not paid adequate attention to three-quarter houses, which in the meantime, have quickly developed into an industry.

In November 2014, Bill de Blasio was elected Mayor of New York City. Having campaigned on the concept of "A Tale of Two Cities," de Blasio described a city unjustly divided between the wealthiest New Yorkers and the rest of the population. He spoke of a need for affordable housing, mandatory paid sick days for workers, an increased minimum wage, and a reform of broken policing. Most of the city's progressive unions, community organizations, and politicians, celebrated the victory as an end to the Republican-led, Wall Street-friendly eras of Mayors Giuliani and Bloomberg. And yet, while de Blasio's progressive rhetoric inspired many across the city, others knew that it would take much more than that to truly prioritize the social needs of the most marginalized communities.

In New York City, social needs have been defined and redefined for decades. Dependent on the national agenda, the economy, and political and social circumstances, New Yorkers—with the help of powerful leaders—have defined and prioritized the social needs of the city time and again. In his 1937 article, "What is a City?," sociologist Lewis Mumford described the purpose of city planning and how it affects human potential. He emphasized community values, enlarging the potential of human personality, and the need to support integration and participation. He wrote, "Social facts are primary, and the physical organization of a city, its industries and its markets, its lines of communication and traffic, must all be subservient to its social needs."[2] Through this lens, this paper argues that maximizing our individual and collective potential is contingent on our meeting the social needs of three-quarter tenants and other marginalized communities.

By looking back at the 1970s through early 1990s, this paper will highlight the most important factors that enabled a shift away from what sociologist Alex Vitale calls urban liberalism and to what today scholars call neoliberalism. Urban liberalism, as defined by Vitale,

refers to "the political philosophy of many postwar cities that combined entrepreneurial economic development strategies, personal rehabilitation and social work approaches to social problems, and a tolerance of social differences in the form of broad support for civil liberties."[3] Vitale is one of many academics who argue that today, social needs have been redefined to be based on entrepreneurial freedoms. Geographer David Harvey defines this shifting of political-economic practices as neoliberalism. He writes that neoliberalism has "created new systems of governance that integrate state and corporate interests, and through the application of money power, it has ensured that the disbursement of the surplus through the state apparatus favours corporate capital and the upper classes in shaping the urban process."[4] Harvey asserts that under this structure, neoliberalism has succeeded at redistributing, rather than generating, wealth and income.[5]

Using the framework of neoliberalism, this paper will highlight some of the most critical conditions that gave way to a shift in public consciousness, social and economic policies, and the re-prioritizing of social needs that further segregated and marginalized poor and minority communities in the city. Along with exploring these historical circumstances, the paper will examine one dire product of neoliberalism that involves some of the most vulnerable New Yorkers: the for-profit three-quarter house industry. While it is critical to understand the conditions which gave way to three-quarter houses, it is equally important to understand their current state and function, in the context of neoliberalism: our present reality.

The last goal of this paper is to examine how current, progressive politics—like that of Mayor de Blasio—are deeply rooted in a neoliberal foundation. Though government attempts to reform are not futile, reforming while *advancing* the neoliberal agenda will inevitably lead to a failure in addressing the root causes of social problems and may leave vulnerable communities at

risk of becoming further marginalized in the long-term. The moralist, humanist perspective for justice should be sufficient to spur change. But it is worth noting, in addition, that fighting against the further marginalization of poor and minority communities stands to benefit the whole society both socially and economically. This paper is as much a synthesis of information about the three-quarter houses as it is a call to action against further injustices against marginalized communities and to encourage the questioning of progressive politics.

URBAN LIBERALISM TO NEOLIBERALISM

"Everything is a money game in a three-quarter house. Once you get on public assistance and Medicaid, everything is money for them. They get the rent money from HRA[6] and money from the drug program from Medicaid. They get a kickback. They try to burn your Medicaid. They'll milk it away."
—50-year-old male tenant[7]

We are often reminded of our roots to liberalism in the United States: school textbooks remind us of the Protestant, immigrant work ethic that helped found the country, political candidates debate the extent to which government should involve itself in the lives of the citizenry, and individualism is celebrated in mainstream culture. Thomas Jefferson, Henry David Thoreau, and other prominent American philosophers advocated for a country based on freedoms from government restrictions on speech, religion, assembly, press, and the right to bear arms. Thoreau famously stated that "government is best which governs least." Though our definition of liberalism has changed throughout time, political leaders have continued to draw from its

traditions to expand political and economic agendas. Today, we have inherited an era that did not come by coincidence, but rather through a push for particular economic interests that led to drastic changes in the United States. The consequences of these changes have left the country with deep economic and social inequalities, letting few live in exorbitant wealth while most Americans struggle economically.

Under the liberalist guise of individualism and freedom, and with the ripe political and economic conditions in the late 1960s and early 1970s, powerful business elites pushed forth the doctrine of 'neoliberalism' and transformed it into the dominant economic theory of management around the world. Different from its predecessors—classical liberalism and embedded liberalism—David Harvey explains, "Neoliberalism is the first instance a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade."[8] Under this doctrine, the responsibility of the state is to ensure that entrepreneurial freedoms can occur at whatever cost necessary and that they do not interrupt the markets once in place. The state must facilitate the structures that allow the markets to have absolute freedom to accumulate domestic and foreign capital: police, legal systems, military, and educational systems.[9] However, long before the state could take on these roles, a host of failures in other areas of social service gave opportunists the space to devise and implement a plan for transition.

The Great Depression of the 1930s gave rise to a host of extensive changes in the United States. American journalist and author, Robert A. Caro, describes the dire situation that New York in particular, faced: "More than 10,000 of New York's 29,000 manufacturing firms had closed their doors. Nearly one of every three employables in the city had lost his job. An

estimated 1,600,000 New Yorkers were receiving some form of public relief."[10] Amidst such

pressing conditions, major social unrest led to significant progress in "race relations and party

alignment."[11] The New Deal reforms that resulted from government intervention helped provide

what sociologist, Francis Fox Piven calls the "skeletal framework of an American welfare

state…including union rights and wages and hours regulation, old age pensions, unemployment

insurance, social assistance to the disabled and some of the very poor, housing assistance, and

federal funding for public works."[12] These government-sponsored interventions helped reduce

inequality and social disorder, thus placating the wider public and allowing business interests to

flourish again. More than ever before, the New Deal era saw widespread support for an

expansive state.

Around the globe, similar changes were taking place. As the Second World War came to

an end, the U.S. saw major economic progress thanks to war production and the resulting profits.

The U.S.' foreign allies also turned towards an "acceptance that the state should focus on full

employment, economic growth, and the welfare of its citizens, and that state power should be

freely deployed, alongside of or, if necessary, intervening in or even substituting for market

processes to achieve these ends," Harvey explains.[13] Fiscal policies strived to reach a "class

compromise" between labor and capital, and states provided new systems of welfare. As profits

remained high and economies prospered, opposition to such policies were hardly heard.

Decades of change further supported civil rights reforms for individual and minority

group rights in the United States. What resulted, Piven describes, was:

> A new rush of reform, granting new political rights to African Americans, rights of
> access for women in the workplace, stronger environmental and workplace
> regulations, and new social welfare programs, including the first public health
> insurance programs, expanded provision of low rent housing, nutritional

programs, and the substantial liberalization of the cash assistance program for poor women and children known as "welfare."[14]

New Deal programs and Civil Rights reforms undoubtedly helped the middle class grow stronger. However, as history would later show, reforms failed to adequately confront the root causes of inequality. Experts huddled together to create social policies that supported civil liberties and reduced poverty. Yet the same experts also focused on advancing economic freedoms. As Vitale explains, urban liberals used "individualized therapeutic responses to address [problems] while actively pursuing structural market interventions on behalf of elite interests, at a much greater cost."[15] This conflict between providing social services for people and also prioritizing entrepreneurial freedom would inevitably give birth to challenges in the U.S. as a new fiscal crisis emerged.

New York City served as the testing grounds for the neoliberal model in the 1970s. The height of the financial crisis of 1975 provided a unique opportunity to restore class power to business elites.[16] As the recession ballooned, President Gerald R. Ford's administration refused to provide support to the city in the form of a government bail-out, and instead, it required the city to "turn over fiscal management to a group of business leaders acting to secure the stability of the city's debt on behalf of bondholders."[17] Their analysis of economic failures blamed too many social services for the poor and a lack of support to business interests. In response, Ford's Secretary of Treasury William Simon said that the terms of any bailout were to be "so punitive, the overall experience so painful, that no city, no political subdivision would ever be tempted to go down the same road."[18] Austerity measures were initiated, social services drastically reduced, and the gains of the New Deal and post-war period, were drastically diluted or undone. The once vibrant working-class was punished. The city continued to be restructured to provide

entrepreneurial freedoms and diminish local government.[19] The neoliberal agenda progressed in

New York and the model of change helped pave the way for the rest of the country and world.[20]

As the United States increasingly moved to prioritize international economic interests,

local communities saw the immediate consequences. Vitale cites, "Nationally, more than 38

million jobs were lost in the 1970s in manufacturing and related employment."[21] To make up for

such dramatic job loss, tax incentives and fewer regulations were substituted to attract new

business to cities. Cities moved from prioritizing local economies to prioritizing the movement

of capital. These new, "entrepreneurial cities," as Vitale calls them, became "growth machines"

in order to compete effectively with other cities worldwide. Education, health care, housing, and

employee securities, moved from being provided by the state, to the capitalist market and then

privatized. Freedom of enterprise and a market-based decision-making model became the

template that still prevails today. The model continues to evolve as capital and information have

become more dynamic, creative, and widespread. While global cities experienced tremendous

growth and accumulations of wealth during these decades of change, the majority of people

experienced major losses over time.[22]

One cannot understate the role that race relations played during this period of social and

economic transition. As profit margins began shrinking in the United States in the late 1960s and

early 1970s, crime rates were rising in urban centers and powerful race riots erupted around the

country. Law professor and civil rights activist Michelle Alexander argues that similarly, during

this time,

> Two schools of thought were offered to the general public regarding race,
> poverty, and the social order. Conservatives argued that poverty was caused not by
> structural factors related to race and class but rather by culture—particularly black
> culture.

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>...Liberals, by contrast, insisted that social reforms such as the War on
>Poverty and civil rights legislation would get at the "root causes" of criminal
>behavior and stressed the social conditions that predictably generate crime.[23]

The winning image that appeared in the media and political discourse depicted black and brown bodies surrounded by street crime and drug use. With radicalized imagery in conjunction with liberalist rhetoric, conservatives proved to hold an advantage as they moved to change policy in the United States. By depicting black and brown people as a threat to stability, as deviants, and as undeserving welfare recipients, proponents of neoliberalism gained a seemingly indestructible piece of foundation to build from. In the subsequent decades, race would continue to play a central role in the creation of social and economic policies.

The 1970s, 1980s, and 1990s saw a rapid dismantling of the progress that had been made by minority groups, the working class, and the environment. All of this change, of course, occurred through democratic means. David Harvey explains:

>Appeals to traditions and cultural values bulked large in all of this. An open project
>around the restoration of economic power to a small elite would probably not gain much
>popular support. But a programmatic attempt to advance the cause of individual freedoms
>could appeal to a mass base and so disguise the drive to restore class power[24]...ould a
>movements failed to recognize or confront, let alone transcend, the inherent tension
>between the quest for individual freedoms and social justice.[25]

Americans' deep-seeded cultural commitment to liberalism proved another invaluable tool for the restoration of class power. As a culture, we reconceptualized liberalism to become more individualistic, protective, exclusive, and to be driven by economic forces. Meanwhile, government moved from being more expansive, to more restrictive in its social service policies. This move was no better illustrated than under President Ronald Reagan's Administration. During his first term in office in 1981, Reagan focused on making drastic cuts to federal

spending.[26] The cuts, he argued, were justified by a need to reduce the federal deficit and by a "fundamental conviction about the proper relationship between federal, state, and local governments."[27] Within four years, New York City alone saw cuts to roughly $500 million in federal aid.[28]

While Reagan helped make changes on the federal level, others advanced and strengthened the neoliberal agenda locally. Almost a decade after Reagan initially took office, Ruby Giuliani was elected Mayor of New York City. Under his administration, the city saw harrowing changes take place. Alex Vitale writes that Giuliani "reformulated the homeless problem as a disorder problem by framing the issue in terms of "quality of life," which allowed him to treat homelessness as a criminal justice issue and not a social services one."[29] By arguing that New Yorkers' quality of life was under attack, he succeeded at expanding the role of the police department and criminalizing those who were seen as the perpetrators: poor and socially marginalized people. Panhandlers, squeegee cleaners, public drunkenness, street prostitution, graffiti, and sleeping in public spaces, were amongst the many things that became targets in the restoration of "order" in New York City.[30] And while some were critical of such policies, even "middle-class community activists—many with roots in the social movements of the 1960s and 1970s—mobilized to defend their neighborhoods from disorder."[31] What is left today is a lasting homeless class in New York City, and in cities around the country that have approached homelessness with punitive, neoliberal policies.

"We went about a month with no electricity on the second floor, but then we got like a 50-foot industrial cord running from the first floor to the second floor so that I could have lights and heat and stuff in my room 'cause we had power strips. Yeah, three of those. I worried because you got five different rooms up there with electrical heaters in them. But they called an electrician and he rewired the building. Everything's on one circuit now. There's two circuit boxes, but the electrician cut an extension cord and ran the wire from one box to the other. That's how we got lights in the whole house. I watched him do that, and I just said, "Lord please save us." It's dangerous, a real bad situation."

—55-year-old male tenant[32]

There are no official statistics on the number of three-quarter houses in New York City. Government agencies and advocates believe there are hundreds of houses scattered around the lowest income neighborhoods, serving thousands of people transitioning in and out of the shelter system, prisons and jails, hospitals, and other health care facilities.[33] This prevalence is not coincidental; rather, it took decades to radically shift policies, to change societal perceptions, to further segregate individuals desperately in need of shelter, and to construct the three-quarter house industry as it exists today. Thus, to begin understanding the present reality, we must examine the decades of change that helped built its foundation.

When Fiorello Henry La Guardia became mayor of New York City in 1935, he inherited a distressed city, plagued by economic, housing, and health crises spawn by government-led corruption exacerbated by the Great Depression. Businesses had closed, thousands had lost their

jobs, evictions were rampant, and many were left to survive by going to soup kitchens or by searching for scraps of food on the street. As a reformer during the New Deal era, La Guardia began his three-term run by supporting Franklin D. Roosevelt's public services agenda and furthering it on a local level. He famously transformed New York City into a model post-Depression city, by weeding out corruption and adopting policies and infrastructure to combat poverty.

Among many accomplishments, La Guardia is remembered for his work to make public housing accessible to low-income New Yorkers. Until then, over two million of New York's lowest income residents had sought refuge in tenements around the city.[34] These buildings—often made-up of small rooms and lacking sufficient air, light, & indoor plumbing—packed dozens of people into rooms. People living in tenements lived in constant risk of fires and widespread disease. While residents of tenements lived in squalor, tenement owners often enjoyed living in wealth. Housing reformers under La Guardia spoke out: "If you read through the list of wealthy owners of tenements, you will think you are reading the social register."[35] Such major inequalities had become less acceptable and New Yorkers were ushering in new ideas to confront the housing crisis.

Picking up where others before him had left off, in 1934, La Guardia began undertaking the mammoth task of confronting tenements in New York City and creating a more sustainable housing model. He believed that private enterprise and housing should be separated, and that housing—like transportation or sanitation—should be provided by the government. Housing, according to La Guardia, was deeply intertwined with public health. Robert Caro explains, "The Mayor possessed an intense private interest in public housing. Fiorello La Guardia believed it had been the famines and congestion of the tenements in which she had been raised that had

given his beloved first wife tuberculosis that had killed her and their baby…" Further, he vowed to friends and family that he would finally "give poor people in the city a decent, healthy place to live."[36]

The slums—the neighborhoods where many tenements were found—had been observed to have tuberculosis rates that were twice as high as the citywide average.[37] If the government were to control public health, it had to control housing as well. In 1936—at the age of 54—La Guardia told the public, "By the time you reach my age, you will find housing accepted as just as much a function of government as water supply and sewage are now. That is because it plays such an important part in public health, which is one of the basic responsibilities of city government."[38] For the next 12 years in office, La Guardia's Administration worked to create a new public housing model in New York City. The New York City Housing Authority (NYCHA)—the result of his efforts—would serve as a model for other cities to follow.

Public housing would not disappear in New York City, but it would move beyond La Guardia's vision for housing reform and social work, to a business-oriented quantity-versus-quality model.[39] In the process, "slum clearance" would destroy communities and displace thousands of people. Author Samuel Zipp asserts: "[Housing] projects displaced more and more people, swelled public housing lists, taxed already impoverished tenement neighborhoods, and replaced an older world of horizontal affiliations and intimate, cross-class connections with new modern landscapes for a white-collar, cosmopolitan city."[40] Urban renewal policies replaced previous attempts to connect housing reform to public health, and ultimately further marginalized and segregated communities.

As the New Deal era ended and the post-war period progressed, business interests continued to co-opt discussions around housing at the national level. Opponents of public

housing presented it as a threat to American values and freedoms. As Rodney Lockwood—president of the National Association of Home Builders—put it, public housing was a danger to "free American institutions and a free economy based on individual initiative and responsibility…[public housing threatened] our traditional social and political concepts which are founded upon the family unit sheltered in its own dwelling."[41] Once again, uniting around and reforming the traditions of liberalism, real estate interests and politicians banded together to attack big government, defend private interests, and extend neoliberalism's reach into the housing market. Attacks on public housing at the federal and local level eventually led to defunding and shrinking support. The belief that La Guardia so strongly hoped society would adopt—safe housing as a support to public health—would be abandoned. Instead, housing would become another free market commodity. The national discussion around public housing would help to marginalize communities living in public housing projects in New York City and throughout the country.

Adding to the growing housing crisis in New York City, in the 1950s, the city began limiting the use of single-room occupancy (SRO) housing units. In New York City, the appropriately-named SROs have historically provided basic shelter to single adults. As housing advocates Brian Sullivan and Jonathan Burke describe, "Most SRO tenants live in single rooms and share bathroom facilities located in the common areas of the building; lack of access to kitchen facilities of any sort is common."[42] But beyond the basic characteristics, SROs have varied significantly in their uses and their inhabitants over time. Sullivan and Burke explain further, "SRO housing is as old as New York City itself…From the early 1900s, SROs increasingly became housing for single, working-class, and poor men (and, to a lesser extent, women)."[43]

The number of SRO units grew drastically during the years of the Great Depression and the WWII era. In the 1930s and 1940s, landlords began converting large SROs into smaller units to rent to the poor, to workers seeking jobs in the city's factories, to soldiers returning home, and migrants from the South and from Puerto Rico.[44] By the mid-twentieth century, there were approximately 200,000 SRO units in New York City. As SRO housing became more visible and provided housing to New York's neediest, it also drew attention from housing advocates, housing reformers, and social critics. Advocates called for a scaling back of SROs and their replacement with more humane housing while social critics and housing reformers called for modernization.[45]

Beginning in the 1950s, the city initiated policies that would drastically reduce the number of SRO units available in New York City, including banning construction of new SRO units.[46] Along with banning new construction, Sullivan and Burke write, "[the city] mandated the reconversion of many of the new SRO units,[47] altered building and zoning codes to discourage SRO occupancy,[48] and, from the mid-1970s until the 1980s, provided tax incentives to encourage the conversion of all SRO units to (higher rent) apartments."[49] Following neoliberal trends that were taking hold around the world, the tax program was especially disastrous for SROs as landlords responded to profit-making opportunities in the market. Forcing SRO tenants out, landlords moved to convert buildings into high rent luxury housing. One study by the New York State Assembly found that between 1976 and 1981, the city's tax incentive program caused the elimination of nearly two-thirds of remaining SRO units.[50] By 1993, the *L.A. Times* noted that there were approximately 46,744 SRO units left in New York City.[51] By 2002, the U.S. Census Bureau reported that this number had dropped to 35,227.[52]

What resulted from the destruction of SRO housing stock in New York City was not predicted or prepared for. Attempts to eliminate deteriorating housing stock, to hide the poor, and to modernize New York, left hundreds of thousands of people homeless. In 1980, studies showed that large numbers of men that lived in homeless shelters had previously lived in SROs.[53] As city officials began dealing with the leftovers of the anti-SRO movement, the city passed policies and laws to defend the little SRO housing stock that was left.

While housing options for single adults dwindled in New York City, other major changes were taking place at the federal level that would contribute to the national housing crisis. Under President Ronald Reagan, the nation saw a decade of drastic cuts to federal spending. Among the greatest cuts were for low-income housing subsidies. According to urban policy analyst Peter Dreier, Reagan cut the budget for public housing and section 8 housing subsidies in half during his first year in office.[54] This move, along with cuts to social service programs and a stagnant minimum wage, contributed to a widening gap between the rich and the poor. Between 1979 and 1988, the number of people living beneath the federal poverty line rose from 26.1 million to 32.7 million.[55]

As the number of people living in poverty increased, so did homelessness. In just three years, the number of homeless people in the New York City shelter system rose from 7,500 in 1982 to 21,000 in 1985.[56] Government officials blamed Reagan's policies: Cesar A. Perales—the New York State Commissioner of Social Services in 1984—decried, "Unless we have a national low-income housing policy, we're going to see more and more poor families unable to find accommodations. The public housing program came to halt with the election of Ronald Reagan…New York City is the first of older cities that has come to grips with what is almost an overwhelming problem."[57] Further underscoring his Administration's view on homelessness, in a

1984 interview on the television network ABC, Reagan proclaimed, "What we have found in this country, and we're more aware of it now, is one problem that we've had, even in the best of times, and that is the people who are sleeping on the grates, the homeless who are homeless, you might say, by choice."[58]

As the Reagan-era came to an end in the late 1980s, the housing crisis was on the minds of New Yorkers. With record breaking levels of homelessness, people's perception of disorder and threats to quality of life had increased. In 1987, *The New York Times* reported that New Yorkers thought crime to be the number one problem in the city, outweighing education, housing, or transportation.[59] When the city did not see more immediate relief under a new federal administration and local government, they sought change in the following mayoral election. Defeating incumbent David Dinkins, Rudy Giuliani was elected Mayor of New York City in 1994. Whereas Dinkins had focused on framing the homelessness problem as one pertaining to social services, Giuliani strived to reshape the discussion by appealing to traditional liberalist values: individualism and freedom. Giuliani—a former federal prosecutor—won on promises of fighting crime and restoring order to New York City.

As soon as he entered office, Giuliani initiated the creation of "independent living plans": a proposal limiting the time that people could stay in shelters to ninety days, requiring people to agree to a treatment regiment, and requiring people to pay a part of the cost for their shelter.[60] At the same time, Vitale notes, "The mayor began to reduce support to housing and treatment programs. Giuliani's most serious move was the scaling back of the city's subsidy program to house homeless families."[61] This "tough love" approach to social services would leave people without the important services they needed, and would further jeopardize their attempts to get ahead.

While Giuliani scaled back access to social services, he also made unprecedented changes to policing and enforcement. In appointing Chief William Bratton to Police Commissioner of the New York City Police Department (NYPD), Giuliani authorized a new series of "crime-fighting" strategies for the NYPD. One such strategy, called "Reclaiming the Public Spaces of New York," aimed to use "broken windows" theory to "[restore] order through the aggressive enforcement of minor crimes such as prostitution, graffiti, loud music, public drinking,[62] and "the specific crime and quality-of-life problems facing each community"[63]…which included new laws against aggressive panhandling and panhandling near ATM machines, regulations against sitting on the sidewalk, and rules forbidding the blocking of subway platforms."[64]

These aggressive enforcement measures were not intended to solve homelessness in New York City. Instead, they were intended to limit the visibility of homelessness and create a new perception of quality of life for upper and middle class New Yorkers. Giuliani's practice focused on confronting deep social problems as a crisis of social tolerance amongst some groups, rather than a failing economic system. This harsh strategy fell directly in line with the national agenda to promote neoliberal economic interests.

Cities and towns across the nation were developing similar policing strategies. By the 1990s, former President Bill Clinton had readily adopted Reagan's drug war. The War on Drugs had garnered enormous support nationwide and the private prison industry was booming. Its campaign had succeeded at saturating the media with images of black and brown "crack whores," "crack dealers," and "crack babies."[65] Advertisements no longer needed to reference race directly, as the face of drugs, crime, and deviance were embodied by people of color in the media. These images helped fuel racial hostility, spread widespread fear about crime and

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disorder, and helped support efforts by local police departments to adopt crime-fighting strategies like those adopted under Mayor Giuliani. The destruction that these strategies would have on the African American community would be astronomical.

As societal perceptions changed to focus on concerns of crime, an era of mass incarceration began. Author of *The New Jim Crow*, Michele Alexander, uses the term mass incarceration to refer to "the larger web of laws, rules, policies, and customs that control those labeled criminals both in and out of prison."[66] Hence, as more and more people were incarcerated, more and more people would then be disenfranchised and legally discriminated against when they were subsequently released. "In 1972," Alexander writes, "fewer than 350,000 people were being held in prisons and jails nationwide, compared with more than 2 million people today."[67] Most of the crimes committed were drug convictions and other low-level offenses.[68] Further illustrating the devastating impact such policies have had on the African American community, in 2002, Dr. Paul Smith of the Chicago Urban League reported, "Blacks are 12.3 percent of the U.S. population, but they compromise roughly half of the roughly 2 million Americans currently behind bars."[69] Further, he cites that nearly one in three black men in the United States possesses a felony record.

Mass incarceration has had devastating effects on individuals and their families across the nation. Alexander writes, "Like Jim Crow, mass incarceration authorizes discrimination against them in voting, employment, housing, education, public benefits, and jury service."[70] Housing discrimination is no better illustrated than in the policies that have been established to keep formerly incarcerated individuals out of public housing. The Anti-Drug Abuse Act of 1986 gave public housing authorities the power to evict any tenant who allowed drug-related criminal activity to occur on or near public housing.[71] Ten years later, Alexander chronicles, "[President]

Clinton also made it easier for federally assisted public housing projects to exclude anyone with a criminal history—an extraordinarily harsh step in the midst of a drug war aimed at racial and ethnic minorities."[72] He publicly encouraged public housing authorities to develop their own criteria for exclusion and show no leniency for tenants or guests who had engaged in criminal activity of any kind—no matter how minor the offense.

President Clinton's approach—known as the "One Strike and You're Out" legislation—continues to be enacted today. NYCHA's permanent exclusion policy stipulates that even an arrest that ends in no conviction, can be grounds enough to permanently exclude a family member or guest of a tenant. The law contains no requirement to inform the legal tenant of the drug usage or criminal activity for this to take place. In order for tenants to stay in their home, they must agree to the exclusion of "non-desirable" tenants or guests from all NYCHA premises, permanently. Between 2007 and 2014, NYCHA has permanently excluded 4,698 individuals from public housing.[73] Housing and reentry advocates denounce NYCHA's policy, citing destruction to families and support systems and increased homelessness among the results.

Looking back, Mayor La Guardia fought hard to make others believe that housing was a universal right for all, and that providing it related to the good of the broader community. While he made great strides and created permanent public housing that still exists today, his belief that housing was important for public health failed to prevail as he had predicted. The need for truly affordable housing in New York City continues to outweigh what is available to individuals who live in the city. Many of neediest New Yorkers have insurmountable obstacles blocking them from having access to the little housing stock that is available. Be it the little commitment that has been made to provide affordable housing in the last decades, the giveaways to developers for high-rent commercial and luxury housing, or the constant attacks on the poor, it is of no surprise

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that an illicit housing market has developed to provide housing to New York's most vulnerable individuals. If individuals cannot return home to their families, if they are barred from public housing, if they do not qualify for housing subsidies, and if they lack the same opportunities to find employment that can pay for legitimate housing, where else can they turn to but to the shelter system or some other illegitimate housing industry? Mayor La Guardia's legacy lives on in New York City today, as housing advocates continue to fight for housing options for low income communities, with the belief that housing is an essential component to the health of the society.

INSIDE THE THREE-QUARTER HOUSE

"I want to first make a statement that three-quarter houses are a needed housing situation, and you can get people from any walk of life living in them. I ended up there not because I didn't want to work but because I was living with my grandmother and she died and I couldn't afford the house anymore. We're still human beings, and money is being paid for rent. We deserve a decent place to live."
—55-year-old male tenant of a three-quarter house[74]

Many people have never heard of the three-quarter house industry in New York City. That may be because three-quarter houses are largely invisible to most people. As one tenant puts it, "It's really hidden into the community 'cause that's the way they like it. They want to keep it that way. Like, the community doesn't really want us there."[75] Buildings are privately operated, for-profit, and lack any regulation or government oversight. They look like any other

building on a given block, often being made up of one- and two-family homes or larger apartment buildings.[76]

Inside they are used by a population who deals with a host of difficult circumstances and are unable to rely on the few other housing options that exist for low-income New Yorkers. In a city that continues to become more expensive, this invisible housing stock has become a vital housing option for many and it is estimated that upwards of 10,000 New Yorkers rely on them at any given time for ultra low-cost housing.[77] Though a passerby may not see the realities from the outside, just past the front door, tenants are squeezed into 4-, 6-, even 16-person rooms in some cases.[78] While no systematic research has been conducted to count or document the number of three-quarter houses that exist in New York, the city estimates that there may be up to 600.[79] Because houses open, close, change their names, and move to other locations, advocates cite the difficulty in tracking houses and properly diagnosing how large the problem is.

In 2013, the Prisoner Reentry Institute (PRI) at John Jay College of Criminal Justice, City University of New York, conducted nearly a year of research that included focus groups and in-depth interviews with 43 current and recent tenants of three-quarter houses in New York City. The goal of the study was to reach a deeper understanding of the three-quarter house industry and the experiences of tenants, as very little concrete information exists about the underground industry. The findings raised questions about the government's role in the three-quarter house industry, the seemingly invincible house operators, and the futures of the tenants that reside there.

Three-quarter houses provide a crucial source of housing to many New Yorkers. A vast majority of tenants are black or Latino, many of whom are facing major life crises or transitions while they reside there. Many tenants report having been formerly incarcerated,

chronically homeless, and are struggling with substance use disorders, unemployment, mental health conditions and medical issues.[80] Most tenants subsist on public assistance benefits from the New York City Human Resource Administration (HRA). Though no data on the racial or ethnic composition of three-quarter house tenants exists, one can infer that a majority are black or Latino based on recipient data of public assistance benefits. In 2011, 16.4 percent of all households in New York City received public assistance. Of that group, 81.4 percent were of Puerto Rican, black, or non-Puerto Rican Hispanic households.[81] The "shelter allowance" which has not been raised by the state since 1988, promises a maximum of $215 per month for single adults.[82] Unable to access the regular housing market with so little income, tenants find shelter in the three-quarter house industry instead.

Much of the information that exists about the inhabitants of three-quarter houses is based on data about New York State prisons, New York City jails, and the city's homeless shelters. As noted in the PRI report, "An estimated 25,000 people are released from New York State prisons each year, and of these, nearly half return to New York City."[83] In addition to the 25,000 people that are released from New York State prisons, within the parameters of the city, jails hold nearly another 12,000 individuals.[84] People released from prison and jail that live in New York City are often cycled into the city's homeless shelter system. In 2010, research showed that "discharge from the criminal justice system is now a primary institutional precursor to shelter use."[85] As individuals return to New York City, many are barred from public housing, from moving in with family members, and few have enough economic resources to find their own housing.

The findings of the 2013 PRI report also suggest that many tenants of three-quarter houses experience high rates of mental health conditions and substance use disorders. , in 2007 eighty-three percent of individuals incarcerated in New York State prisons had an identified

chemical dependency.[86] Rates of drug and alcohol dependency are similarly high in the homeless community. This situation, combined with often unsupported mental health conditions, has been found to lead to frequent accessing of emergency services.[87]

Along with mental health conditions and substance use disorders, many three-quarter house tenants struggle with ongoing general health problems. This statistic, of course, falls in line with the wide body of knowledge that states that socioeconomic status has much to do with disparities in public health. Doctors Stephen Isaacs and Steven Schroeder explain, "The poorer a person is, the more likely it is that he or she will have to struggle to meet the basic necessities of life (such as obtaining food, shelter, and medicine, when necessary), to live in a dangerous neighborhood, and to endure the hardships of everyday living."[88] Many academics even believe that income is the single most powerful predictor of mortality.[89] In the case of individuals living in three-quarter houses, almost all of the respondents interviewed for the PRI publication reported receiving Medicaid and food stamps, and over ninety percent reported being unemployed, further underscoring how economically disadvantaged three quarter tenants tend to be. Residents described inoperable kitchens or no kitchens at all, forcing them to eat out and buy the cheapest and often least healthy option available—McDonald's, Burger King, and other fast food restaurants being a common choice for many.[90] In sum, limited access to jobs and income can cause major obstacles to health-promoting goods and services, and cause major psychological stresses that are detrimental to physical and cognitive functioning.[91]
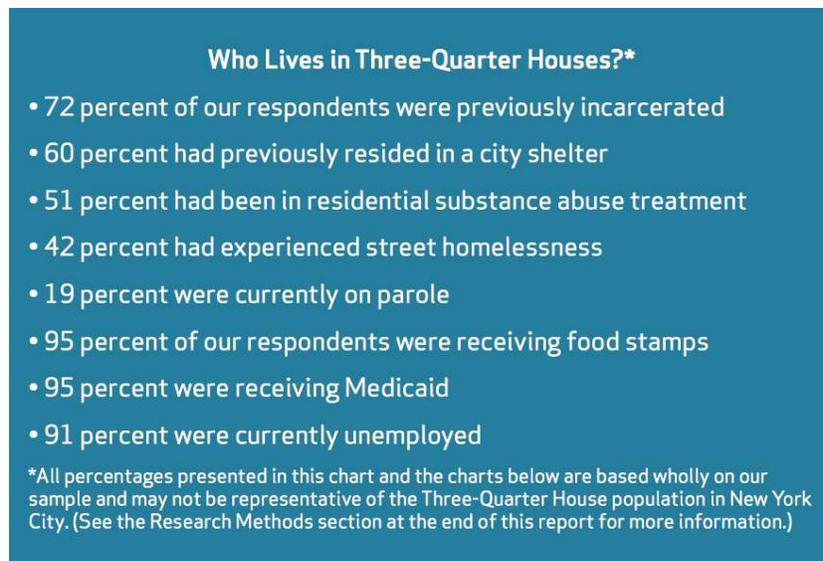
Who Lives in Three-Quarter Houses?*

- 72 percent of our respondents were previously incarcerated
- 60 percent had previously resided in a city shelter
- 51 percent had been in residential substance abuse treatment
- 42 percent had experienced street homelessness
- 19 percent were currently on parole
- 95 percent of our respondents were receiving food stamps
- 95 percent were receiving Medicaid
- 91 percent were currently unemployed

*All percentages presented in this chart and the charts below are based wholly on our sample and may not be representative of the Three-Quarter House population in New York City. (See the Research Methods section at the end of this report for more information.)

Figure 1. Background on three-quarter house tenants[92]

Individuals come to live at three-quarter houses through a variety of ways. To prospective tenants, operators promote their houses as "programs," often calling them "sober homes" or "transitional houses" and giving them names like "Back on Track"[93] or "Freedom Houses."[94] The majority of tenants described finding their three-quarter house through a drug or alcohol treatment program. Other tenants hear about three-quarter houses through people they know; some are recruited by operators at prisons, jails, soup kitchens, or other service providers, and some are referred there directly by the New York City Department of Homeless Services (DHS) and by parole.[95] As the PRI report aptly describes, "Three-quarter houses now serve alongside the shelter system as an informal, unregulated arm of the city's apparatus for housing its homeless population."[96] As existing housing options for low income people have steadily decreased—such as Section 8 subsidies awarded by DHS—city and state agencies have scrambled to find other alternatives. The PRI report states that, "While placements of homeless adults into subsidized housing dropped by 64 percent from 2004 to 2007, placements in residences described as "family or independent living" residences, the category that includes

three-quarter houses, rose by 93 percent during that same period."[97] Homeless advocates denounce DHS referrals as a convenient way that the city can claim lower homeless numbers in the shelter system, as three-quarter house tenants are not considered homeless once placed.[98]
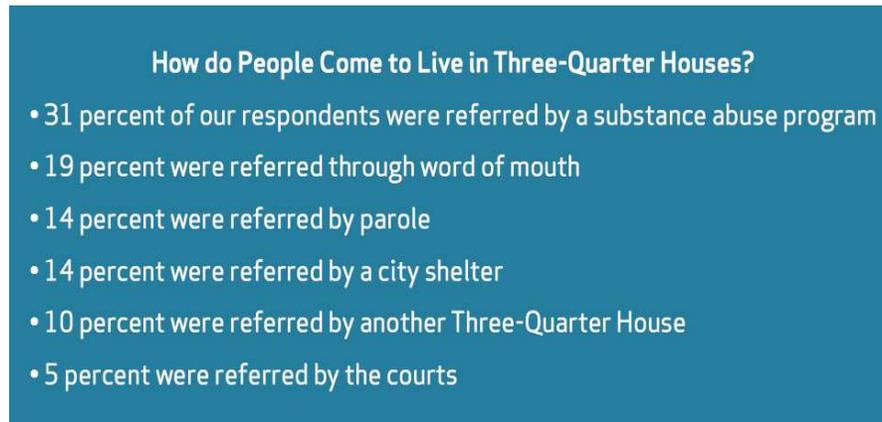
> **How do People Come to Live in Three-Quarter Houses?**
> - 31 percent of our respondents were referred by a substance abuse program
> - 19 percent were referred through word of mouth
> - 14 percent were referred by parole
> - 14 percent were referred by a city shelter
> - 10 percent were referred by another Three-Quarter House
> - 5 percent were referred by the courts

Figure 2. Referrals to three-quarter houses[99]

The three-quarter house private, for-profit business model operates almost entirely through fees paid for by public funds. Houses are generally leased out to be operated by a single person, a nonprofit, or a limited liability corporation.[100] House operators often manage more than one house—in one case an operator was found to operate eighteen houses at a given time.[101] Rents vary depending on a tenant's particular circumstances: some may receive the public assistance shelter allowance of $215 per month; others may receive Social Security Disability (SSD), Supplemental Security Income (SSI), unemployment insurance benefits; still others may be employed and pay out-of-pocket. Those who do not receive the shelter allowance are often charged more than the $215 assessed to public assistance recipients.[102] The total amount of public funds paid out to three-quarter house operators is unknown. However, in 2014 alone, the HRA paid one well-known operator amongst three-quarter house tenants—who has been sued on multiple occasions for violating tenants' rights—$148,000 in housing assistance.[103]

Much more alarming than the revenue produced from rent payments to three-quarter

house operators, is the alleged money-making relationships that operators keep with particular

treatment programs that are licensed by the state agency, the Office of Alcohol and Substance

Abuse Services (OASAS).[104] As the PRI explains, "Evidence suggests that these programs may

be paying houses kickbacks for referrals of clients. Many houses mandate that tenants attend the

program with which they have an arrangement and then hand in proof of attendance after every

single treatment session. Tenants offer accounts of being evicted without court process or

threatened with eviction if they fail to prove they attended program…"[105] Drug and alcohol

treatment is covered by Medicaid, which many three-quarter house tenants receive.

While operators allegedly make high profits from tax payer dollars, tenants are faced with

precarious housing conditions. Dangerous physical conditions of buildings pose a hazard to

tenants and surrounding communities, though most go unnoticed due to a lack of regulation and

enforcement of building codes. Along with alarming levels of overcrowding, windows and

means of egress are frequently blocked, making houses potential firetraps.[106] Houses are often

unsanitary, as operators rarely attend to routine maintenance. Minor leaks become major

plumbing issues and common sightings of vermin become infestations throughout the building.

Tenants expressed fear of retaliation for reporting problems to the city, and when they do report,

house operators often prevent inspectors from gaining access to buildings.[107]

Along with hazardous living conditions, tenants described rampant violations of their

rights and persistent obstructions to recovery and reintegration.[108] With no government

oversight, house operators can do business as they please, and can maximize profits in whatever

way possible: "Tenants report problematic activities ranging from illegal evictions, extensive

drug use among residents, house-mandated substance abuse treatment, and questionable

appropriation of public assistance and Medicaid funds."[109] Under New York City and New York

State law, tenants who have resided in a dwelling for thirty days or more cannot be evicted

without court process.[110] Despite this statute, operators rely on the practice or threat of illegal

eviction to maximize profits and control tenants, pushing one tenant out only to immediately

refill the bed with somebody else. Tenants are commonly evicted for advocating on their own

behalf (such as asking for heat in the winter months), breaking "house rules," or completing their

house-mandated treatment program. Many times these self-help evictions take place with no

prior notice, in the early morning hours, and during the harsh winter months.[111] When tenants are

illegally put out and neglect to stop rent payments, operators may continue collecting rent from

them months later. Of all of the unjust treatment that the tenants face, illegal eviction is said to be

one of the most egregious acts against people living in three-quarter houses

Illegal evictions can have devastating effects on residents' lives. Tenants who are put out

from one day to the next face many avoidable risks and dangers: parolees who lose their place of

residence can be sent back to jail or others, who struggle with chemical dependency, may

relapse. The fear of losing one's home is so strong, PRI reports, that tenants feel "a perverse

incentive . . . to make themselves continually eligible for treatment in order to avoid being

evicted, whether by exaggerating or fabricating substance abuse histories, or even relapsing."[112]

One tenant even disclosed going through four programs in a span of two and half years, simply

to keep the bed at his three-quarter house.[113] As tenants live in a state of uncertainty, unable to

predict what their lives will look like from one day to the next, they often do whatever possible

to keep one thing stable: their housing.

A *New York Times* exposé in May 2015 spotlights one particularly bad landlord named

Yury Baumblit, who mandated treatment at specific programs, regardless of whether tenants

needed it or were satisfied with the services they were receiving. Along with mandating

treatment, he verbally abused tenants, threatened them with illegal eviction, kicked people out in

the dead of winter, and even pocketed some of the tenants' disability checks.

In one particularly obscene turn of events, Baumblit, who had leased 12 apartment

buildings from one owner in Brooklyn, had stopped paying the rent but had continued payment

collections from tenants. When Baumblit was evicted from the houses for failure to pay rent to

the building owner, he agreed to vacate the premises and committed to help relocate the tenants

in the 12 houses to other three-quarter houses. Kim Barker, author of the *New York Times*

exposé, writes:

> But none of the residents were told. Eviction notices were thrown away, and Mr.
> Baumblit kept moving in new tenants. On Dec. 17, the city marshals showed up. They
> locked up six of the 12 apartments, giving the few residents who were not at group[114] 15
> minutes to grab what they could. On the streets, tenants huddled, wondering whether this
> was really happening. The week before Christmas, 60 people were suddenly homeless.[115]

While an extreme case of abusive practices, the example of Yury Baumblit highlights the lack of

protections and supports in place for three-quarter house tenants and the lack of enforcement

measures to stop operators from taking advantage of vulnerable individuals.

Three-quarter houses label themselves as "programs" and promise various supports to

potential clients, but many houses actually hinder tenants' efforts to maintain sobriety or

transition after being incarcerated.[116] And yet, despite serious problems and risks, tenants

describe this housing stock as a critical option for people who do not want to live in a homeless

shelter or on the street. Unlike homeless shelters, three-quarter houses offer "a degree of

independence, striking a balance between freedom and structure, and enabling supportive

relationships among tenants."[117] While many difficult aspects of three-quarter houses clearly

exist, these characteristics are important points to remember when considering the three-quarter house industry.

Though three-quarter houses are invisible to many, the housing crisis in New York City is not. Press coverage has brought three-quarter houses to light in a new way, but much more must be done to diagnose just how large the illicit housing industry is, whom exactly it serves, and why it is necessary. As one former tenant describes it, people will continue cycling between homelessness, chemical dependency, three-quarter houses, and prison as long as the system exists and as long as things stay as they are today.[118]

RESIST OR REFORM

"As we live in the wealthiest country in the world, we have a moral obligation to ensure that people are not made vulnerable as a consequence of the profitability of the housing market. Homeless people have been at the receiving end of broken policies and economic dogmas that have dictated the fundamental aspects of their lives, and they have had no agency in sculpting them."
—William S. Burnett, a housing campaign leader and board member at Picture the Homeless, is homeless.[119]

Reforms to tackle inequality in New York City have not gone far enough. These attempts have attacked symptoms of problems and have left their roots to give birth to the same issue in a new context. Housing policies confronted illegal tenements, only for three-quarter houses to be constructed. Jim Crow laws were banned, only for mass incarceration to arise as a new system of

control. "This method," Friedrich Engles argues, "is called 'Haussman'[120]… No matter how different the reasons may be, the result is always the same; the scandalous alleys and lanes disappear to the accompaniment of lavish self-praise from the bourgeoisie on account of this tremendous success, but they appear again immediately somewhere else . . . The same economic necessity which produced them in the first place, produces them in the next place.[121] Keeping this in mind, we examine responses to the housing crisis and discuss what is actually necessary if we hope to provide dignified living environments for all of our communities.

New York City — "a gated community for the rich" — has become a more and more difficult place to live for many people. Amongst those that struggle the most are those that are homeless. In October of 2014, 64,000 people resided at homeless shelters throughout the city—the largest number ever recorded.[122] That number has since decreased, but the problem persists. The city reports homelessness based on individuals living in the New York City shelter system. Along with three-quarter houses, there are many other forms of precarious housing that the city neglects to count. This includes domestic violence shelters, LGBTQ shelters, unaccompanied minor shelters, the street homeless count, illegal SROs, and the many individuals that are living on friends' or families' couches because they have nowhere else to go. While there is no calculation of what the numbers amount to, one can only imagine how astounding the figure actually is.

As if record-breaking homelessness were not enough, the complex, the three-quarter house industry adds another thorn to the housing crisis that each Mayor of New York City has promised to confront. In May 2014, Mayor de Blasio unveiled his new housing plan: 80,000 new low-cost homes and 120,000 homes preserved. He proclaimed, "This plan will create opportunity for so many people who are currently being priced out of our city. It will create affordability in

the midst of what has been the greatest affordability crisis this city has ever experienced."[123] His

affordable housing plans rely on a tool called inclusionary zoning, in which private developers

can incorporate some percentage of below-market-rate units into their new developments so that

they may be rented or at least targeted towards households within specific income brackets.[124]

De Blasio's rezoning plan would require builders to set aside 25 percent of units for

families meeting a certain area median income. One of the critiques of inclusionary zoning,

Professor Samuel Stein writes, is that "the "affordable housing" that is available is not affordable

to most New Yorkers.[125] As with a lot of other programs, inclusionary rents are based on Area

Median Incomes (AMI) — the federal government's calculation based on incomes, rents, and

construction cots in the city and its wealthier suburbs." Between 25% and 30% of new

apartments would be set aside for tenants earning between $47,000 and $93,000 a year

(calculated for a family of three).[126] Along with this limitation, inclusionary zoning is said to

produce too few units to even keep up with population growth, and that it radically transforms

neighborhoods and displaces entire communities that cannot keep up with rising costs of

living.[127]

According to Stein, the mayor is walking closely behind his predecessor Michael

Bloomberg, who used the same tools to promote his affordable housing plan. "By

wholeheartedly embracing inclusionary zoning," he writes, "the new mayor gets to put forth a

big, bold plan for reducing inequalities without fundamentally challenging the dynamics between

developers and communities, landlords and tenants, or housing and the market."[128] Like previous

attempts, mandatory inclusionary zoning will fail to reach communities that need housing the

most, such as three-quarter house tenants.

The scope of the housing crisis is hard to grasp. However, solutions are not. Stein writes, "Politicians and policymakers treat housing like a puzzle to be solved with the right balance of subsidies and profits. But affordable housing isn't a mystery, it's a contradiction: it can't be done in a way that benefits both capital and workers in equal measure."[129] Understanding that local government interests are so deeply aligned with the global neoliberal doctrine, we should not expect radically different policies to be proposed anytime soon. If policy makers and advocates hope to help combat systems of inequality, then they must do so through two approaches: 1) alleviating the immediate needs of community members and 2) helping to organize those that are most directly affected by the systems of oppression. Only then will they help build the type of city that so many desperately want and need.

Meeting the immediate needs of community members is an important tool to achieve long-term change. The Sylvia Rivera Law Project describes this as service, which "encompasses work that directly serves oppressed people and helps stabilize their lives and promote their survival."[130] Individuals who have stability in their lives and their basic needs met, are more able to engage politically and work to make systemic change for themselves and their communities. In the context of the three-quarter house industry, helping a person keep a roof over his/her head, find a good doctor, or appeal a denial for public benefits, may grant that person opportunities to think of not just the symptoms of a problem, but where the roots of the three-quarter house industry lie. Similarly, passing legislation to reform or regulate the three-quarter house system may help provide stability to tenants, so that they may have space to make change in other ways.

Though providing crucial services to people makes an immediate difference, services will not transform the underclass that is made up of poor people of color, which three-quarter house tenants are a part of. Further, these services should not be viewed as the solution to the three-

quarter house problem, but as a tool to change the system that created the three-quarter house

industry to begin with. Using this tool and others, advocates must work to organize the

community. In 1970, Professor Stephen Wexler, discussed this solution in his famous call to

action, "Practicing Law for Poor People." In it, he writes:

> Poverty will not be stopped by people who are not poor. If poverty is stopped, it will be
> stopped by poor people. And poor people can stop poverty only if they work at it
> together. The lawyer who wants to serve poor people must put his skills to the task of
> helping poor people organize themselves…The proper job for a poor people's lawyer is
> helping poor people organize themselves to change things so that either no one is poor or
> (less radically) so that poverty does not entail misery…The lawyer must seek to
> strengthen existing organizations of poor people, and to help poor people start
> organizations where none exist.[131]

Until now, any strides that our society has made to curb inequality have only been made possible

through demands by communities who were most affected. People's common visions for change

and common experiences have the potential to lift individuals out of isolation and into unified

groups that have the power to reshape environments. This idea, first proposed by sociologist and

philosopher Henri Lefebrve, is famously known as the "Right to the City." David Harvey defines

the Right to the City as such:

> The question of what kind of city we want cannot be divorced from that of what kind of
> social ties, relationship to nature, lifestyles, technologies and aesthetic values we desire.
> The right to the city is far more than the individual liberty to access urban resources: it is
> a right to change ourselves by changing the city. It is, moreover, a common rather than an
> individual right since this transformation inevitably depends upon the exercise of a
> collective power to reshape the processes of urbanization. The freedom to make and
> remake our cities and ourselves is, I want to argue, one of the most precious yet most
> neglected of our human rights.[132]

Right to the City movements have a history as long as cities themselves. That demand and cry for help from communities—as Harvey puts it—has always held the potential to create something radically different. It is with this in mind that three-quarter house tenants have been organizing. The Three-Quarter House Tenant Organizing Project (TOP) is a tenants' union made up of former and current three-quarter house tenants. The union works to improve housing conditions, to put an end to illegal treatment of tenants, and to achieve social justice for people living in houses and the communities in which they live.[133] TOP is a Right to the City movement.

Strides continue to be made in the direction of progress. While more work needs to be done to organize communities, work must also focus on connecting social movements. At the heart of all progressive social movements, is a struggle against the same machine that oppresses certain communities and privileges others: neoliberalism. In New York City, more and more often we see coalitions forming between community-based organizations, unions, and advocacy groups. Labor scholar Janice Fine, writes "For a growing number of community organizations and unions scattered across the country, the line separating "community issues" from "labor issues" is breaking down—just as it always has in the lives of poor and working-class families."[134] These coalitions signal change from traditional, single-issue approaches that have driven organizations in the past.

The Homes for Every New Yorker coalition is working to find solutions to mass homelessness in New York City. The coalition has brought together groups that typically fight for distinct causes: housing, the economy, access to health care, immigrant rights, LGBTQ rights, and an end to mass incarceration and the War on Drugs. Together, they have launched a campaign to pressure Mayor de Blasio and Governor Cuomo to change the city and state strategy

on homelessness. They are pushing the Mayor to adopt a proposal that ensures his affordable housing plan allocate at least 10% of all new housing units to homeless families and individuals. It also calls on the Mayor to allocate at least 2,500 NYCHA public housing apartments each year to homeless families and individuals. In addition to their housing related policy agenda, they have called on the state to raise the minimum wage in New York City to $15 and that any new city-led developments be partnered with organized labor and the building trades to construct and operate buildings. In a report released in April 2015, the coalition presented these and other strategies detailing how the city and state can eradicate homelessness by 2020.[135] The coalition is not just targeting the housing crisis, but instead is aiming to confront systemic inequality as a whole, by bringing district groups to the table and by fighting for diverse, yet related causes.

Some of the same community-based organizations and unions that are involved in the Homes for Every New Yorker Coalition are also involved in the Fight for 15: a labor protest movement that began nearly three years ago and spread across the country. In July of 2015, the group celebrated a major win, when a panel appointed by Governor Andrew Cuomo recommended that the minimum wage be raised to $15 for employees of fast-food chain restaurants throughout the state. James R. Knickman, President of the New York State Health Foundation and friend to the Fight for 15, hailed the recommendation as the most important public health advancement of 2015.[136] Without the labor-community partnership, representing an array of issues, this victory would not have been celebrated.

David Harvey argues that when groups come together to reshape the city, their success will rely on a simple principle: whether or not they demand greater democratic control over the production and use of surplus value. Surplus value is no longer created through the traditional workplace studied by Karl Marx and other economic philosophers. Nor is class exploitation

isolated to the workplace. The factory has changed, Harvey writes, and "surplus value is now accumulated in the physical representations of the city."[137] As communities organize and movements unite, methods of social change must keep this in mind. It can be done: the less privileged can reshape the city, by setting a new acceptable standard of living—one that does not require people to sleep in crowded rooms or in poor neighborhoods. As community organizer Saul Alinsky said, the job then, for advocates, is to get "the people to move, to act, to participate; in short, to develop and harness the necessary power to effectively conflict with the prevailing patterns and change them."[138]

CONCLUSION

The New York City housing crisis affects those of many different incomes, but its effects have been most deeply felt by minority groups and by low-income New Yorkers. Though it is complex and relates to many other societal problems, a deepening crisis is entirely avoidable and the current crisis can be fixed. What stands between where we are now and where we could be, lies in the hands of policy makers, advocates, and most importantly in the communities affected.

The roots of the three-quarter house industry and the broader housing crisis have grown stronger in the era of neoliberalism. Neoliberalism was not always the dominant doctrine that governed in New York City or around the world. In fact, it has only been within the last fifty years that neoliberalism has very strategically become what it is today. Thanks to certain economic and social conditions, and our deep, cultural ties to liberalism, powerful interests succeeded at diluting or reversing systems of support that had previously created a vibrant working class, only to restore class power into the hands of a small minority. This small minority

now controls much of the wealth in the United States (and world), while so many others are left to live in situations like three-quarter houses. Communities of color have felt the effects of neoliberalism in an especially harsh way—becoming the targets of quality-of-life campaigns, discriminatory policing and public housing policies, mass incarceration & the failed War on Drugs.

The rise of the three-quarter house industry has only been made possible through neoliberalism. Under this framework, housing has moved from being considered a basic need, to becoming a free-market commodity like any other. Coupled with this, a decrease in supportive services for people with mental health conditions, substance use disorders, and policies that unfairly target and criminalize poor communities of color, has led to a skyrocketing, permanent class of homeless New Yorkers. The need for *any* type of shelter far outweighs what is actually available and within reach for people. Exploiting this dramatic need, the three-quarter house industry has exploded and hundreds of houses exist throughout the city.

Three-quarter house tenants suffer from a combination of struggles. In addition to being lucrative targets for unscrupulous landlords, tenants often struggle with drug and alcohol dependency, mental health conditions, other medical conditions, unemployment, and severe poverty. In addition, they are left to navigate a confusing system of government agencies and community resources on their own. Chances of finding the support they need are slim. While dealing with these already difficult circumstances, people may face further destabilizing crises like illegal evictions, arrest and incarceration, interruptions to public benefits, and medical or family emergencies. In short, tenants are victimized by a multitude of unfortunate circumstances, and then served as prey to the web of the abusive three-quarter housing industry.

Time and again, we see reformist attempts fall short of confronting the root causes of social crises in the United States. Therapeutic attempts to help symptoms of problems, while simultaneously encouraging de-regulation and free-market approaches, have left us with what we have today. Mayor de Blasio's proposals to curb the housing crisis are inadequate and will likely lead to a deeper housing crisis years down the road, unless something changes. It is not said lightly; however, in order to stop the housing crisis, nothing short of a halting of neoliberal momentum, an undoing of generations of neoliberal policies, and a dramatic shift in consciousness will work. Communities must organize, band together across diverse platforms, and must demand the changes they wish to see.

The goal of this paper was to broadly examine the historical circumstances that gave rise to the three-quarter house industry, to examine the industry itself, and to examine the major shortcomings of current government attempts to confront the greatest housing crisis New York City has ever seen. While it may have succeeded at briefly exploring these topics, it has only scraped the surface of a multitude of issues, such as housing, criminal justice, and economic inequality. The specific three-quarter house issue is largely unaccounted for in academic research and requires much more attention if we hope to understand the intricacies of the industry and needs of the affected community. In particular, more research must be done to hear from tenants, understand their diverse experiences in three-quarter housing, and to help elevate their identified needs.

Similarly, the contemporary focus of this paper examines policies under Mayor de Blasio. To better understand where the three-quarter house system exists today within the housing crisis, the state and federal levels deserve more scrutiny, both through a policy lens and through a theoretical lens. Many of our "progressive" leaders in halls of government, advance the

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neoliberal agenda as much as their conservative counterparts. For individuals who are working to change the current landscape, shortfalls of progressive politics should be made clear, both to empower our communities and to understand what kind of tools such levels of government can actually provide to social movements.

Recalling Lewis Mumford's writings in "What is the City," he argues that to best promote human potential, the social needs of a community must come before markets and industries. Today, powerful leaders and business interests have embraced a system that prioritizes profit over people. As this occurs, not only do certain individuals suffer enormous costs, but the wider society does, as well. This reality is well exemplified in the case of the three-quarter house system, where social and economic costs to the individual and on society are harrowing. Rather than continue to let the voices of a few prioritize the "needs" of our society and thus define the potential of our city, we must work collectively to ensure that the social needs of the city are justly defined, and that entrepreneurial freedoms are subservient to those needs. If we succeed, three-quarter house tenants stand to benefit, as do the readers of this paper.

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