Another explanation for why S.A. is so economically segregated

Fernando Centeno, For the Express-News  Updated 5:31 pm CST, Sunday, January 14, 2018

Trinity professor Christine Drennon’s recent response (“Explaining economic segregation; Is San Antonio really the most economically segregated city in the U.S.?” Dec. 24, Opinion) to an assessment by the Economic Innovation Group in Washington, D.C., prompts me to respond in turn — in the context of having studied our socioeconomic record and as a native San Antonian.

Of particular interest these past 30 years is the examination of the ways and means local officials and their management teams have conceptualized the diverse challenges all urban centers face. Especially in economic policy terms, too few are critically
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Regrettably, the city’s record has left much to be desired, given our long-standing status as a “poor city” and our current national ranking in economic segregation.

Laura Drennon’s analysis of the San Antonio Association of Realtors’ map speaks to the controversy surrounding the effects of deed restrictions on people of color, and the buildup of high-quality new developments along the periphery in unrestricted areas by Anglo families.

While Drennon’s analysis correctly explains the deterring effects of deed restrictions on people of color, sustaining a racial-ethnic divide for 50 years, and the buildup of high-quality new developments along the periphery in unrestricted areas by Anglo families, her thesis leaves out class distinctions in income and wealth. These account for this lack of upward mobility opportunities.

A recent analysis showed that a local resident in the lowest income quintile had only a 6.5 percent probability of rising to the top quintile in his or her lifetime.

Drennon’s chastisement of co-author Steven Glickman’s analysis is that it “fails to distinguish” between different forms of political geography. She cited Rochester, New York, which is fairly homogeneously poor and low-income but is surrounded by middle- and high-income suburbs.

In contrast, San Antonio is characterized within its boundaries by both low- and high-income neighborhoods. Drennon concludes “that means that we can redistribute funds from one area to another.”

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She wrote, “In this way, property wealth may rise in our poorer school districts — producing a real distribution of wealth.”
History and lawsuits notwithstanding, this has not happened, and it is market forces that largely determine local property values.

The claim of “redistribution of wealth” also needs clarifying. Citing Rochester as a point of comparison doesn’t serve our need to better understand the tools and politics necessary to achieve property value parity.

Drennon’s opinion regarding our wealth divide could have been written 30 years ago by a Trinity University professor neither born nor raised here. This, too, has been our history. It isn’t that Drennon is a poor analyst, it is just that over many years, locals have only been the backdrop as urban planners explain to us what we already know.

Eighteen months after this EIG report, the city has not officially responded, nor is its strategy discussed in its comprehensive plan.

A counterargument could be made that ever since the city changed its at-large voter system to the current 10-district model, “minority” representation has had a major voice in the city’s affairs. While true, the city hasn’t leveraged that power to effect institutional change or devise policymaking instruments to produce more effective socioeconomic outcomes.

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Instead, the mindset has been to offer new “innovations,” “programs,” “projects,” “initiatives” and “activities” represented as “policy direction” — but no actual written policies that can be evaluated for their efficiency or effectiveness.

In addition, our business-development approach has remained unchanged. The city’s “economic growth” agenda remains central to its identity and purpose, tapping new revenues by systematically expanding its tax base, via all annexation permitted by law.

Yet council members largely represent low- and middle-income families that are struggling. How do they actually benefit from the city’s growth agenda?

Do we need to continue to expand the safety net via soft money from Washington while our hard dollars go to create a metro monster?
This built-environment agenda has always been heavily subsidized, so while the commercial real estate industry has seen good returns on its investments, where are the corresponding public benefits in net personal terms? And how does the “equity lens” — posing as a panacea — “redistribute wealth” when this involves public works projects, supplementing the record-setting $900 million bond issue in 2017?

Yes, there are indirect quality-of-life gains, but we know nothing about any causal effects to support upward mobility, income or wealth creation. With intergenerational poverty of 20 percent, this represents 280,000 residents; 8 percent live in concentrated poverty, which means living day to day.

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When EIG’s report became known, the city asked Housing and Urban Development for
technical assistance. No surprise, as the city’s primary interest is in land development, not in human capital investment. Its “urban planning” model measures success in business terms, rather than in socioeconomic terms; as such, it does not have the capacity for equity planning, not even with its new $2.7 billion budget.

We need to clean up our terminology as well.

While the city spends millions in the name of “economic development,” it has no operating definition for it — it just sounds gratifying and pro-business. However, this is a public-sector term that has been hijacked by public officials as a mechanism to subsidize private-sector metro growth in market-ready areas, leaving the taxpayer holding the bag.

I describe this situation as a runaway train.

Coming with this superficial, distorted success, we market our bilingual, Hispanic culture as a tourist magnet and promote investment opportunities to national and international markets. These constitute rising burdens to our environment, infrastructure, water resources and air quality. And with it also comes rising fees, taxes, utility costs, gentrification (the bad kind), public health issues and more economic segregation.

So we come to a major fork in the road. Does our city leadership have the moral courage to shift gears to align its resources toward raising standards of living and net personal-income gains via strategic objectives — using its hard dollars?

Understand that the city’s agenda is to become a metroplex to rival Austin, Dallas and Houston. It is eager to welcome another 1.1 million residents and to densify, as this would signify business prowess and economic vibrancy. Rapid, subsidized growth justifies the manufactured need to build mega projects, raise executive salaries, and continue artificial growth because of its heavy hand in our market economy.

This is the city’s vision of itself — to become a “world class” city by 2020.

When officials speak of “San Antonio,” they are not referring to our actual city, they are referring to their metro vision — an area involving eight counties and 7,400 square
Given these fiscal, resource and equity challenges, it is the right time for residents to “redesign” its destiny in the anniversary of its founding, to achieve broader and deeper prosperity, and erase our national ranking as an economically segregated city.

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