A University and a City: Brown’s Financial Relationship with Providence

BY LAURA LEHMAN ’04

“As citizens and as major institutions in the city, we have a stake in the success of the city as great as anybody else.” Ruth Simmons

The growth of Ivy League universities often parallels that of the cities in which they are located. Recently, this symbiotic relationship is being further emphasized. At many schools, the interdependence of city and university is creating changes in both the attitude of the city towards the university and vice versa.

Nonprofit Universities have long existed as tax-exempt institutions nationwide because they service the public interest, noted Richard Spies, Vice-President for Planning and Senior Advisor to the Brown University President. Nonetheless, in the last two decades, many Ivy League institutions such as Harvard, Yale and Princeton began paying a yearly contracted cash payment to their respective city. The reason behind this radical change is the recognition of the fact that, although universities provide countless services and assets to their cities, they also -- however inadvertently -- drain the city of funds. Why? The land that the University buys is tax-exempt which deprives the city of a large amount of property tax. Furthermore, city taxpayers pay for services from which many off-campus university students benefit, including the fire department, police and hospital assistance. Not surprisingly, in 2002, Harvard made a voluntary payment of $10.4 million to Cambridge in taxes, the Providence Journal reported.

Former mayor Buddy Cianci had already pushed Brown and fellow Providence universities to follow this course, but many were reluctant to provide the Cianci administration with free cash. Last year the new mayor of Providence, David Cicilline ’84, was elected, and one of his first proposals was to designate a city tax for Providence’s four private universities: Brown University, Johnson and Wales (J&W), Providence College (PC) and Rhode Island School of Design (RISD). His argument was simple: cash was badly needed to help close a $59-million gap between city government revenues and expenditures for the fiscal year of 2004. Therefore, Brown, among other universities should make financial contributions to the city.

In June of 2003, a memorandum of understanding was drawn between the City of Providence, Brown, RISD, J&W, and PC. In it, the Institutions stated that they acknowledged the importance of the relationship between themselves and the City and, therefore, agreed to make additional contributions to Providence. The annual cash payments will be based roughly on the size of each institution’s budget. For the Fiscal Year of 2004, the City will receive roughly $1.7 million, of which Brown will pay $1,065,161.

The funds paid by the universities will be used to balance the deficit in the city budget. Thus, the compromise struck between Universities and the city of Providence, now affectionately termed,
Brown University encourages students to use resources. A steady stream of viewpoints is bestowed through the institution's open curriculum, and its students are provided with a plethora of ideas and information. This freedom of choice represents an opportunity to invest time and thought into the discovery of truth as well as into a variety of academic disciplines.

An Urban Studies concentrator is awarded with an especially large number of resources. Since the concentration is multidisciplinary, classes from several subjects count towards a completed major. It might seem that a vast array of subjects and classes encompassed within one major inflates and interrupts the focus of the student too significantly, but the opposite is, in fact, true. The interdisciplinary approach allows the student to locate a specific curiosity and relate seemingly dissimilar information into a focal point.

This year’s journal demonstrates an assortment of resources that Urban Studies “investigators” pursue. Laura Lehmann ’04, a student involved in Brown’s development, describes Brown’s newest financial relationship with Providence. Robin Ried ’04 gives a summary of her time as an intern in the policy-making offices of Providence government. Julian Jordan ’04 describes the Senegalese informal economy which he experienced while studying abroad. Hannah Bascom ’05 provides a moving account of her volunteering experiences at a nearby Providence public school. Katie Miller ’04 shares her opinion on the national and local crisis of public housing, highlighting her experience in Providence with the committed assemblage, People to End Homelessness, as the archetype of a non-profit group experience. Christina Cambruzzi ’04 makes it clear in her article, that Brown students should take at least one RISD class. Finally, Ethan Horowitz ’04, an incessant urban studier, gives a description of this year’s Department Undergraduate Group (DUG), which he tirelessly manages.

The urban centers of cities and communities have become significant in defining the attitudes and cultures of whole regions. Knowing that the study of the city’s core factors is crucial, the teachers, staff, and students of Brown’s Urban Studies program employ a multitude of diverse resources to attain knowledge about the conditions of urban places.

This journal is produced by Brown Undergraduate students in the Urban Studies department. Please read this Journal as a personal and unique perspective on Brown students and their interests. Also, please email me with any questions. Thank you!

-Lee Reynolds ’05

Lee_Reynolds@brown.edu
As urban studies concentrators at an international institution, we are privileged to have the resources and faculty to examine urban issues of policy, planning, socioeconomics, the environment and education in cities throughout the world. Yet, while these opportunities should be fully explored, the rich setting that our own city of Providence offers should not be overlooked. The Providence Mayoral Fellowship provides an excellent opportunity for urban studies students to become involved in the city and learn about urban issues first hand.

The Fellowship program kicked off last summer at City Hall during the start of the Cicilline administration. The Providence Mayoral Fellowship provides a six-week intensive program that pairs upcoming seniors or recent graduates with a Department Chief or Director to work on issues pertinent to that department. Depending on the student’s interest, he or she is placed in a choice of departments including Policy, Planning, Legal, or Police.

As someone interested in environmental policy and planning and community revitalization, I worked with the Chief of Policy, Carolyn Benedict-Drew, in the Policy Department. Over the six weeks, I researched and created policies for projects relating to health, the environment, and urban finance. At the end of the six weeks, I formally presented one of my projects which concerns cigarette use in under-age children to Mayor Cicilline and the board of chiefs.

The experience of working at City Hall gave me new perspectives of Providence.

Currently, Providence is in a unique position politically for several reasons. Based on the principles of an ‘open government,’ the city government under the Cicilline administration is, for the first time in thirty years, opening itself to its communities and uniting local experts with policymakers to help formulate new directions for the city. This pivotal time is an excellent opportunity to take an in-depth look at the way the public policy world operates. Through the fellowship, I saw first-hand the creative thought and dedication needed to enhance city development and how policymakers adapt allotted federal funds to foremost city concerns.

The fellowship also provided a chance to look beyond the problems in Providence and realize the city’s wealth of opportunities and culture. For example, Providence has very active ethnic communities, particularly of Dominican and Southeast Asian origins. These and other communities contribute much to Providence and surrounding areas culturally and serve to strengthen the city as a whole.

For these and many other reasons, the Providence Mayoral Fellowship is challenging and exciting. It is a great way to get off College Hill for a little while and get your hands dirty in actual urban issues in a welcoming political environment. For more information about the fellowship, please contact Ann Gooding at (401) 421-2489.
I hop off the back of the moving van into a frenzy of traffic, pedestrians, and street vendors. This abrupt form of descent is common in Dakar, the bustling capital of Senegal. Since I have been in this city for several months on a study abroad program, I have become accustomed to dismounting from these vans, known as *car rapides*, while still in motion. This somewhat precarious form of transportation represents something greater than just a cheap ride; it also exemplifies part of a thriving, multifaceted Senegalese market known as the “informal economy.”

“The Subterranean Economy” and “The Underground Economy” are terms that refer to the economic activities which are not regulated by the state, even though activities similar to them are regulated. In Senegal, two main informal economic systems are the transportation system which runs routes as extensive as, or more extensive than, the state-funded buses, and the Sandaga, a massive outdoor market located near the edge of Downtown Dakar.

It is here, at the Sandaga, where I disembark. I make my way into the labyrinth of boutiques, booths, stalls, and mobile merchants where I can find anything from the latest Western rap CD, “knock-off” perfume from Paris, to plastic toys from Asia. Sandaga is, arguably, the site of the majority of economic activity in the whole country. The market is the core of the informal economy in this developing African nation. It provides a good deal of employment as well as a critical channel which integrates Senegal into the global economy.

Sandaga demonstrates an economic niche that is found in most developing countries in post-colonial periods of nation-state construction: an unofficial financial system carved by entrepreneurial individuals. These persons, in order to survive, find their refuge in informal ways like operating *car rapides*, or trading at the market. This system of survival is common to a state which does not encompass a sufficient economy to attend to the demands of its civil society and disadvantaged classes.

The informal economy in Senegal is successful. It has become economically viable to the point where merchants make more money than employees in the formal economy. Also, all Senegalese support the proliferation of the informal economy by using it as a source for procuring valuable foreign exchange and buying everyday products from local informal boutiques.

As I mill through the crowded downtown commercial center, I am absorbed by the bustling atmosphere and captivated by the sound of multiple foreign languages and the plethora of goods imported from Asia, North America and Europe. I realize here, in the market, that the underground economy, inherently defined by its deviation from the formal sector, is more than a means of avoiding regulation and taxes. It is a central part of the Senegalese culture. It defines a form of urban economic interactions and their spill-over effects into a broader economy. Lastly, it delineates, for its employees, a feeling of interaction with a global economy.

Recently, while walking in New York City, USA, near 28th and Broadway, I observed Senegalese vendors selling goods from the United States, Africa, and Europe. These street merchants, part of the Senegalese trade Diaspora, are an extension of the Sandaga. They bring the Senegalese market’s goods to the global City of New York. I stop and bargain with a vendor and realize that through these participants in the informal economy, these two cities, New York and Dakar, are connected.
As I see it, this is a story about an attack on a whole lot of non-profit organizations that were involved in tenant organizing. Mel Martinez, head of the Department of Housing and Urban Development (HUD), the branch of the government in charge of housing policy and administration, has consistently supported and created policies benefitting private corporations that run buildings funded by HUD. The victims are the tenants, who are evicted more and more each year as public housing rents become less and less affordable. Three years ago, HUD illegally cut funding for tenant organizing around these issues in Rhode Island. Though HUD restored the funding, they have since cut the funds again.

The housing market in Providence is tighter now than it has been in years. Rents are skyrocketing, and more people are being evicted without being able to find new housing. The number of homeless people in Providence has jumped dramatically in the past few years: between 2001 and 2002 the number of homeless people in Rhode Island nearly doubled, and there is an increasing number of women and children with no place left to go but to shelters that are often full. HUD is not solely to blame—the Boston housing market is insanely tight right now, and with the commuter rail to help, more people who work in Boston and don’t want to pay the exorbitant rents there are moving to Providence. Also, our “revitalized downtown” is luring more professionals to live in newly created lofts.

But there is one thing contributing to all of this that you won’t learn about in an Urban Studies course at Brown: private contractors that own HUD subsidized Section 8 projects are opting out of their contracts with HUD, usually by breach of contract with the tenants, and HUD is failing to enforce its own rules.

CITY POLITICS, SECTION 8

Section 8 is a voucher program run by HUD in which tenants pay about 30 percent of their income for rent, while the rest is paid with federal money. Tenants who use this program either look for apartments that are at or below the Fair Market Rent that is set arbitrarily by the federal government, or they live in projects owned by private contractors that were built specifically for tenants with Section 8 vouchers.

The creation of the Section 8 program was a response to the perceived failure of government-run projects. The idea was that by handing the management of the buildings over to private contractors, the problems facing the projects would be worked out more efficiently than if the government managed them. Contractors receive money from the government, and in return they are held to a contract that outlines who can live in the housing units, how much rent they can collect, and how long the housing units need to remain affordable.

During the Clinton administration, contracts with these private companies were beginning to run out. Many of the companies that managed the projects were opting out of the contracts and returning the project’s rents to market-rates, making it impossible for the residents to continue living there. In response to this, HUD created the Outreach, Training and Assistance Grant (OTAG), to help tenants of government-subsidized housing organize to keep the owners from opting out of the Section 8 project program.

WITH OR WITHOUT HUD: THE STORY OF THE WHOLE THING

People to End Homelessness (PEH) is an advocacy organization that is fighting for more affordable housing in Rhode Island. I spent last summer helping PEH improve the documentation of shelter residents. During the summer, I met many dedicated people who had been struggling against HUD for years. I ate dinners at the soup kitchens with residents and I spent several nights camped out with people spending the summer in tents. When the cops came to harass them, we relied on my Brown ID for protection.

People to End Homelessness operates under the premise that more affordable housing will reduce the competition for (continued on page 8)
Since last winter’s newsletter, urban studies concentrators have been busily continuing the tradition of a revived Department Undergraduate Group (DUG), re-established by Dan Restuccia ’02 two years ago, in order to provide urban studies students and other interested undergraduates with extra-curricular programming on city-oriented topics.

Perhaps the biggest contribution to the larger urban studies community at Brown has been the establishment of an annual Harriet David Goldberg Conference on Urban Affairs, funded by generous contributions from the Harriet David Goldberg fund, the Brown Urban Studies Program and other University administrative departments. Last year’s conference “Community Organizing and the Future of American Cities,” held in April, brought five nationally renowned community activists/intellectuals to campus to discuss the potential impact that grassroots community organizing may have on the revival of disenfranchised and resource-deprived urban centers. These five guests shared their decades of community organizing experience with students through two animated discussion panels as well as a series of activism workshops. The panels and workshops not only drew Brown students but academics and students from other universities as well as Providence-area community activists.

This year’s Goldberg conference “Providence on the Move: The Highway and the City,” organized by Caci Cambruzzi ’04, will treat the impact that highway/transportation planning projects have made on the city of Providence. The conference will deal specifically with the most recent round of federal highway projects to affect the city – the reconstruction of the Washington Bridge, the relocation of Interstate 195 and the redevelopment of the Jewelry District. Although plans for the conference are still tentative, Caci hopes to line up a variety of speakers to address the complexities of this ambitious transportation project, including Providence politicians and planners, real estate developers, preservation experts, representatives from the state and federal departments of transportation and academic experts on the interrelation between highways and cities. The conference is scheduled to take place in February of 2004.

Beyond the large conferences, urban studies students have also been active in working with program faculty to make changes to the existing urban studies program curriculum. After more than a semester of discussion, students submitted a proposal to the program chair in September that outlined a broad strategy for reorganizing and broadening the current selection of courses offered by the program. Although the faculty is still discussing much of the proposal, efforts have already been made to reach out to a number of professors in the English, Hispanic Studies and Comparative Literature departments in order to incorporate literature courses and literature academics into the urban studies core curriculum. Faculty members have also written a brief curriculum guide, dividing urban studies courses into three sections (Literature and Arts, Social Sciences and Urban Built Environment), to help concentrators better plan a course of study around their individual interests.

The DUG has also continued to bring a number of speakers to campus to discuss urban-related issues with students. In October, Ned Connors, the former research director for Grow Smart Rhode Island, talked with urban studies students, over Indian food, about the problems of metropolitan sprawl and the lack of growth management policy in Rhode Island. In November, Mike Cassidy and Barney Heath, the Director and Assistant Director of the Pawtucket Planning Department, spoke about the planning profession and various planning projects currently underway in our neighboring city to the north. Although the second semester will be dominated by the conference, the DUG will continue to capitalize on students’ suggestions by bringing interesting speakers and free food to urban studies concentrators.
"What do you think it would take to fix this school?" "Bulldozers." ~ Teacher in Providence Public High School

The social factors studied at Brown such as urban inequality, poverty, and demographic shifts rarely present themselves in physical form on campus. However, in Public Schools nearby, these social facets are apparent. A personal experience in these schools has revealed the sheer determination of students and teachers despite the bleak educational facilities.

"I’m not saying this is a bad school, Miss. But I want my brothers to go to a better school." ~ High school student who immigrated to Providence two and a half years ago

For the past three years, I have taught classes at a Providence middle school through a program called Communities in Classroom. This year I also began spending time in high school classrooms. At first, I went to see what Providence was really like, for a dose of reality outside of Brown. Now, I keep going back because I have discovered that although the reality of the conditions is harsh, the attitudes of the kids are, quite truthfully, miraculous.

In the halls of Providence’s public schools, the emotions are real. I have seen violence, frustration and despair. I have also seen camaraderie, strength and resolution. I am constantly amazed at the victories achieved within these schools every day. Often I am discouraged because of inadequate support systems, and insufficient resources. I know many of these students will not live up to their full potential because of a school that does not teach them, encourage them and provide them fully with the means that they need. I am startled at how poorly many of them write and at their improperly spoken English. However, the kids take responsibility for themselves. I am repeatedly amazed by their maturity and their optimism.

"What they lack in background, they make up for in enthusiasm and perseverance." ~ Principal of a Providence High School

Getting a high school education cannot always be the first priority for a teenage mom or a brother who works to support his family. In the current era of the No Child Left Behind controversy, debate rages on school reform. How can we make our schools better?

I believe that we have to recognize the reality of circumstances in the lives of these students before anything will change. Standardized testing cannot change the culture of a poorly performing school, nor can it compensate for a student’s underprivileged background. We need a system that supports kids throughout their lives and gives them the skills to thrive in today’s competitive economy.

These kids have the determination; they have the dreams. We need to build upon this already established determination and further encourage it.

"My big dream right now is to get into MIT. I think it’s going to be pretty hard, but I’ll try. If I don’t get into MIT, I’ll go to Brown. I’ll see you there." ~ High school student who immigrated to Providence two and a half years ago

The patience of the teachers and the confidence of the students give me faith for success in education reform. Change is never easy, especially in the environment that exists in the majority of public schools in Providence and elsewhere in the country. However difficult, I hope to contribute to finding a way of change that can and must be achieved to instill confidence into High School students.

"Why do you still teach if you’re so embittered with the system?" "The students, I really love these kids." ~ Teacher
housing units and open them up to a larger population, leading to more stable housing situations for everyone. In 1998 People to End Homelessness applied for and received an OTAG grant, and used the money to hire Maggie McCann specifically to organize around the issue of contractors opting out of Rhode Island contracts.

It didn’t take McCann very long to find violations of contract by Hedco, a corporation that was running Section 8 projects that made up 200 units of affordable housing in Rhode Island. In its contract, Hedco is required to give the tenants two years notice before opting out of the section 8 voucher program. But McCann found that the company was giving tenants as little as two months notice, and evicting them when they couldn’t meet escalating payments. In turn, People to End Homelessness sued HUD for not enforcing the rules written up in its contract with Hedco. Meanwhile, George Bush was elected president and appointed Mel Martinez, director of HUD. When it became apparent that tenant groups were using HUD money to organize and sue HUD for not enforcing contracts with groups like Hedco, Martinez cut all funding for OTAG. The organizations receiving the funding lashed back, though, and funding was restored. Only months later, an auditor sent by HUD showed up at People to End Homelessness. Ostensibly there to make sure there was no fraud in the way the HUD money was being spent, the auditor was actually little concerned with People to End Homelessness’ accounting—the auditor was a ploy by Martinez to shut down the OTAG-funded organization.

This auditor was one of a slew sent to all organizations receiving OTAG money. This man proceeded to pick through all of the files in the office, which were packed away in boxes because People to End Homelessness had just changed offices. Overwhelmed by the disorder at People to End Homelessness, the auditor concluded that they lacked the “internal controls” to properly administer the funds. People to End Homelessness is an organization of homeless people—it’s not run like your typical non-profit. Because of its grassroots structure and transitional office, it was no surprise that the auditor found chaos.

The only misused funds that the auditor could find were several hundred dollars spent on parking that they hadn’t received a receipt for, though they had the cleared checks. HUD grabbed at this and again cut all of People to End Homelessness’s funding from OTAG. People to End Homelessness contested the cut in funds, mostly because they had already spent some of the money that they had received. However, the funding still has not been restored. An audit is an extremely powerful way for the government to justify cutting funding for programs that it doesn’t like any more. Under the guise of “creating accountability,” the government has cut funding for public schools, homeless programs, and Head Start. I’m sure there are other cut programs that I don’t know about. The repercussions of this in Rhode Island are huge. Hedco is going to lose favor with policy makers. The reality, though, is that the housing market is extremely tight right now, forcing up rents when the economy is in a worse state than it has been in since the 1980’s. Advocates should not be content with only an additional 100 units of affordable housing.

Housing: More Valuable

Housing: More Valuable

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Housing: More Valuable

This will exacerbate the housing crisis in Rhode Island. Usually, during the summer, homeless shelters clear out as people are more able to find temporary housing or sleep outside comfortably, but this year the shelters were full and people have been turned away on a number of nights. This has elicited protest from many advocates for affordable housing. In response, Governor Carcieri approved the allocation of $100,000 for the building of 100 new units of subsidized housing. This has served to quiet the protests from advocacy groups who say that they just won a major battle and think that they shouldn’t agitate more or they will lose favor with policy makers. The reality, though, is that the housing market is extremely tight right now, forcing up rents when the economy is in a worse state than it has been in since the 1980’s. Advocates should not be content with only an additional 100 units of affordable housing.

HUD defines its first priority as increasing homeownership. While I understand the value in owning property, the reality is that many people cannot own homes independently. Homelessness is an unfortunate outcome for many as a result of HUD’s ineptitude, and comes with huge societal effects. It makes employment harder to maintain and find for the homeless; it makes voting nearly impossible; it places a burden upon taxpayers, and it has countless psychological effects. The federal government needs to put money into providing affordable housing and stop deferring to private companies, especially private companies which cheat their tenants, or homelessness will only continue to increase. To do this, the federal government needs to increase and not take away funding for the local governments and community organizations that understand the needs of the populace.
Payment In Lieu Of Taxes (PILOT), establishes new means for Brown and the City to reduce the budget deficit. PILOT offers remedial help to the city in the short term, but questions remain about how this extra funding from the universities will stabilize the city’s budgeting process.

Another interesting quality of the contract concerns property tax: under the new contract, schools will make time-calculated disbursements for taxable properties bought in Providence instead of paying property taxes. This will lessen the financial strain on the city. In the past, once a school bought property, it was no longer taxed and this sudden loss of income put a great strain on the city. To remedy this loss, it was agreed under the new contract, that the institutions would ease the transition for newly bought buildings by paying a decreasing percentage of the initial property tax for 15 years. The institutions will pay 100 percent of the assessed rate for the first five years they own a property, and then decrease the sum to 66 percent for the next five years and 33 percent for the final five years. After 15 years, the properties would become fully tax-exempt, according to Vice-President Spies.

Universities across the country are beginning to realize their roles in their respective cities. “The ivory tower is being chipped away,” Richard Spies said, alluding to the idea that universities are now thoroughly involved with their cities. Brown has become an “institutional citizen,” Spies enthused. Brown, now more than ever, is interlocked with the future of Providence, through its financial assistance. As this relationship unfolds, an innovative and optimistic attitude should form between Providence’s private universities and the City of Providence.

**What's Happening In The Department......**

**Faculty Profile: David Meyer**
Professor David Meyer's book, *The Roots of American Industrialization*, was published in May 2003. Recently, he sent a manuscript for a new book to be published entitled *Networked Machinists Forge America's First High Efficiency Industries*.

Professor Meyer left for Hong Kong this December to continue his studies in Asian businesses. During this specific trip, he intends to focus on the analysis of Chinese-born businesspersons who have acquired business degrees while studying abroad. This group, he says, encompasses the Chinese business networks because they were not only born in China, but because they also have foreign degrees. He will also be studying major Chinese family firms and their interaction with each other in the business world.

Professor Meyer loves the city of Hong Kong. He uses the words, "dynamic," "sublime," and "A fairyland of modernity" to describe this city. Professor Meyer says, “If you go to Hong Kong, you have to handle cognitive dissonance.” Perhaps the stimulating architectural and cultural facets in Hong Kong mirror the dynamic personality of this professor. David Meyer is a favorite of his students. His knowledge, energy and enthusiasm make him an essential part of the Brown Urban Studies program.

**Student Profile: Caci Cambruzzi**
Christina (Caci) Cambruzzi will graduate in the Spring of 2004. She is interested in attending graduate school to acquire a degree in Urban Planning.

Caci is especially interested in transportation within cities. She is writing her thesis about the relocation of I-195 and its effects on Providence. Under Brown's Harriet David Goldberg grant, she researched the I-195 project this past summer. Caci also ventured into the City of New York last summer while working under Kate Kerrigan'99 at the Downtown Alliance during an internship which focused on the reconstruction of Lower Manhattan.

Caci is an avid runner of both track and cross country. After her 10-mile runs in New York City, she would hop on a bus or a subway and is quoted as saying, “I love public transportation.”