

Benjamin Boykin II

Chairman of the Board
Legislator, 5th District

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**MEMORANDUM**

FROM: Ben Boykin, Chairman of the Board, Legislator – 5th District

DATE: August 29, 2019

RE: E-mail Correspondence and attached article from Damon Maher –
ShelterForce -10-14-2015 – In Defense of the Poor Door

Please add the attached correspondence and article to the September 16th Agenda for referral to the proper committees. I suggest it be forwarded to the following committee:

- Social Services
- Budget & Appropriations
- Labor & Housing

-----Original Message-----

From: Damon R. Maher <dmaher@levydavis.com>

To: Ben Boykin (benboy78@aol.com) <benboy78@aol.com>; Alfreda Williams (alfreda.wms@gmail.com) <alfreda.wms@gmail.com>; Catherine Parker <catherinefparker07@gmail.com>; mjshimsky@verizon.net <mjshimsky@verizon.net>; catherine.borgia@gmail.com <catherine.borgia@gmail.com>; lyndondwilliams@aol.com <lyndondwilliams@aol.com>; Nancy Barr (nancybarr06@gmail.com) <nancybarr06@gmail.com>; Kitley Covill <covillesq@aol.com>; Chris Johnson (cajohnson7@gmail.com) <cajohnson7@gmail.com>; Clements, Terry (KickoffTD@aol.com) <KickoffTD@aol.com>; Melanie Montalto (melanie12080@gmail.com) <melanie12080@gmail.com>

Cc: mpw@ddw-law.com <mpw@ddw-law.com>

Sent: Wed, Aug 28, 2019 11:52 am

Subject: More on 11 Garden Street

All:

I want to re-emphasize that I in no way meant to impugn the integrity of Mark Weingarten, whom I am cc'ing in here, either at Monday morning's committee meeting or in questions I've posed in other formats. I am sure that he was relying on the often overly enthusiastic Commissioner Aragon's representations as to the support, as to the particulars of the tenant base, by public officials. Further I could easily believe that his client RXR may have neglected to fill him in on certain details that others might find relevant. In 39 years of private practice, mostly in civil litigation, I certainly know how that can happen. Also, in my three years as an independently elected Trustee of the New Rochelle Public Library dealing with RXR, I'll just say that transparency has not been one of their hallmarks.

Furthermore, I have just found a well-reasoned and persuasive article to Mark's point that the location of AH in a neighborhood where the affluent live may be much more important than being in the same apartment building as those better off:

https://shelterforce.org/2015/10/14/in_defense_of_the_poor_door/

That said, I think I'm looking for a couple of changes in the project that would be very much appreciated by my constituents and wouldn't seem to be a major lift for RXR.

Mr. Chair, I would suggest that the above article be made a part of this record and also forwarded as correspondence to the Social Services, Budget & Appropriations and Labor & Housing committees.

--- Damon

In Defense of the ‘Poor Door’

By Rick Jacobus -
October 14, 2015



“Poor door” by Liz Jones via flickr, CC BY 2.0

The other day a 12 year-old schooled me in the difference between equity and equality. “Equity,” he said, is about fairness and “equality” is about sameness. I guess they’re teaching this kind of thing in middle schools these days.

Some students, he said, find math easy and others struggle. If you give the kids who need it the most help, that is “equity” but if you give everyone the same amount of help, that is “equality.”

“Equity” does not require that everything be the same for everyone or even that everyone end up with the same outcome. Not every math student needs to end up with the skills to be a professional mathematician, for example.

I find that this is a very hard concept for adults to grasp, which is unfortunate because it’s key to so many of our social policy decisions.

Take the controversy over so called “poor door” developments which spread from New York to London and more recently to Vancouver. In case you missed it, the controversy began with a story in *The New York Times* about a luxury tower built by Extell Development that received tax benefits for providing affordable housing but elected to build the affordable units in a separate building on the same site. New York had been allowing this practice for years and the *Times* had even criticized it previously, but the phrase ‘poor door’ captured the public imagination and reminded many of segregation in the Jim Crow South.

Mayor Bill de Blasio had no choice but to distance himself from the practice and push state legislation to ban 'poor door,' though he presumably recognizes that this may mean fewer affordable units get built in higher income areas. Developers in New York are (so far) not required to include affordable units. They voluntarily include them in exchange for tax and other benefits. In this context, anything that lowers a developer's cost increases the number of projects that will voluntarily include affordable units.

The press accounts tended to suggest that developers chose separate doors, not as a cost cutting measure, but in order to cater to the prejudices of wealthy residents. There is no doubt that most well-off Americans would strongly prefer to live in economic isolation, but we have seen few examples of market-rate housing residents resisting low-income neighbors in their buildings. But for the most part, they simply ignore them. It is hard to believe that having a low-income housing project next door is much more attractive to the higher-income residents who would presumably prefer the affordable housing be located across town.

Market rate condos in Extell's "poor door" project start at \$7 million, so you can imagine the size of the tax benefit that would be necessary to convince a developer to instead rent one of those units for roughly \$800 per month. Instead of requiring "luxury" affordable units, many cities allow developers to choose to build separate affordable buildings, and that is essentially what Extell has done. They built a six-story rental building immediately next to their 43-story luxury tower. What is odd about this project is not that it has two doors, but that it is considered one building at all.

Units in a six-story building are both less expensive to build and less valuable to sell. Smart cities share in this benefit by requiring developers to offer more units when they build off site, but there is no question that off site provision of affordable units can be far more efficient. The question for most cities is: are we willing to give up integration in exchange for more total housing units? It is a complex question but, fortunately, one for which there is compelling research to help us draw the right line.

Concentrating affordable housing in low-cost neighborhoods is clearly the most cost-effective way to provide affordable shelter, but a growing body of research shows that concentrated poverty leads to many terrible outcomes and economic integration in mixed-income communities offers dramatic benefits, especially to low-income children.

But the same research consistently finds that the benefits of integration come from locating in opportunity rich, healthier, and safer neighborhoods and not from direct social interaction with higher-income neighbors. People in all income groups don't interact that much with their neighbors. So neighbors are not generally providing job leads or helping lower-income residents build "social capital." This means that while neighborhood-level integration is essential, building-by-building integration may offer no additional benefit.

For inclusionary housing programs, I think this research says that if offsite units are located in a distressed part of town, the public loses something valuable. Cities require onsite units, not because they expect neighbors to barbecue together, but because onsite affordable units provide the best way to actually get affordable homes in higher income neighborhoods where

NIMBYs routinely block development of dedicated affordable buildings. But when market-rate builders include affordable buildings on adjacent land, we have a rare opportunity for an even better outcome—we can build more units and help more families without giving up any of the proven benefits of neighborhood integration.

New York has now banned immediately adjacent affordable developments, but they continue to allow across-town offsite development. In fact, most Manhattan developers are providing their affordable housing not next door but in the Bronx.

The intensity of the public outcry against placing low-income units adjacent to luxury development is deeply ironic. Somehow the “poor doors,” by making economic separation present and visible, cause a discomfort that we can easily ignore when income groups are segregated by neighborhood. Elected officials and journalists were outraged that low-income residents were unfairly denied access to the luxury pool and spas. But the buyers of Extell’s \$7 million condos are similarly “disadvantaged” by their lack of access to the private pools of the \$25 million dollar penthouse units. That is the extreme world we have come to live in.

Given this extreme economic inequality, we have to be clearer about what we mean when we call for more equity—we have to focus on what people need. People need more than shelter: our affordable housing needs to offer access to high opportunity neighborhoods. That matters. But achieving that goal does not require us to provide equal access to luxury—not if that means providing for the needs of fewer families.

Real and meaningful economic integration will necessarily be uncomfortable. Some people will have more of everything and when we live together that difference will be awkward. To me, the ‘poor door’ controversy is all about avoiding that awkwardness.

I am not the only one who thinks that a little awkwardness is a fair price for the benefits of neighborhood integration. When Extell’s “poor door” units came up for rent earlier this year, 88,000 New York families applied for only 55 units. That is a lot of people willing to put up with some discomfort in order to get the affordable housing that their families really need.



Rick Jacobus

<http://streetleveladvisors.com>

Rick Jacobus, a national expert in inclusionary housing and affordable homeownership, is the principal of Street Level Urban Impact Advisors. He serves as a strategic advisor to Grounded Solutions Network, a national initiative focused on building more inclusive communities.