Will Housing Project “Alumni” Give Back to a Crumbling System?

Nostalgia and pride are powerful motivators for philanthropy, which are how college endowments at the nation’s elite universities got as large as they are today. While thinking back fondly of your alma mater is common enough, now an ambitious new fundraising initiative is testing whether the same attitudes be harnessed to raise money for an institution that needs the cash even more: the New York City housing projects.

“I take great pride in the fact that I’m a wonderful American dream story,” says Jeff Levine, a wealthy real estate developer who lives on Long Island with his wife and kids—a far cry from where he grew up. Recently, he got to take his children on a field trip to his stomping grounds as a child: his old apartment at Linden Houses in Brooklyn’s East New York neighborhood.

Public housing is very different today than it was in the late 1950s and early 1960s when Levine resided there. At the time, Linden Houses had just been opened, and along with the shiny new construction, Levine remembers a diverse community that shaped his identity and a city that afforded him every opportunity, including an undergraduate degree from City College, where he remembers paying $32 a credit. Goldman Sachs CEO Lloyd Blankfein, who also grew up in Linden Houses, may have been one of his neighbors.

Today, after decades of white flight, disinvestment in the neighborhood, normal building wear-and-tear, and budget cuts, Linden Houses—like much of the New York City Housing Authority’s more than 2,500 buildings and nearly 200,000 apartments—is in a state of aging disrepair. Residents complain of lead paint, insufficient heating, and repairs so slow that a huge, gaping hole in an apartment wall can last for months. Renovations aren’t quick in coming: the housing authority, known as NYCHA and the nation’s largest landlord, is projected to run a $60 million budget shortfall out of an annual $3 billion operating budget this year. It also has $17 billion backlog in repairs, maintenance, and other capital spending needs.

Levine is now one of first donors in an effort to bring an influx of private cash to the cause of public housing.

Recently, after the tour of his old haunting grounds, he wrote a check for $100,000 to the Fund For Public Housing, a new nonprofit set up by New York City that seeks to raise $200 million over the next three years.
“We’re NYCHA’s innovation escape hatch.”

Rasmia Kirmani-Frye, president of the new fund as well as the agency’s director of public-private partnerships, calls the goal “ambitious and aggressive.” Though $200 million is still a drop in the bucket to NYCHA’s broader needs, what they do is give NYCHA flexibility to experiment with new and creative ways to address its long slate of problems. “We’re NYCHA’s innovation escape hatch,” Kirmani-Frye says.

The Fund For Public Housing was a bullet point in Mayor Bill de Blasio’s NextGen NYCHA strategic plan, an effort to reform the agency and prevent a federal takeover that would inevitably shut down housing sites. The idea for the fund was buried in the report, but made a priority by the new administration and incorporated in January.

Private foundations are common ways for government agencies to raise money today. From the Central Park Conservancy to the Fund for Public Schools, people are donating above and beyond their tax dollars to preserve and improve the city’s resources that are important to them. But, until now, no fund in the country has existed to benefit public housing. These are places that, by definition, don’t attract the attention or visits of people with lots of cash to spare—even if the “projects” do capture a piece of our cultural imagination (For example: You may have heard Jay Z mention that he grew up in Marcy Houses).

Aside from Levine, the fund’s first two major donors have been two large corporations, Deutsche Bank and Capital One. But a big part of Kirmani-Frye’s strategy is to cultivate an alumni donor base from many people who have come through NYCHA’s apartments and have gone on to lead successful lives.

Levine never thought of himself as an “alum,” before he heard about the Fund through his own affordable housing work as as developer (“to my recollection, there was no graduation ceremony,” he says.) But Kirmani-Frye hopes to have an alumni database soon to engage these would-be donors and get them thinking in that vein. One idea is launching a site that would allow anyone to tell their public housing stories, StoryCorps-style, and make donations.

“People have a real connection to where they grew up. I think a lot of alumni, if they were to give their own TED talk, would say in the first two sentences that they grew up in public housing,” she says.

NO BEACH VOLLEYBALL HERE

From San Francisco to Seattle to Washington, DC, as income inequality and an affordable housing crisis become major issues in the nation’s most attractive urban areas, there is an increasing effort to harness private wealth to benefit cash-starved public initiatives and experiments, including through increasingly popular social impact bonds. But these initiatives can be unsustainable or subject to the whims and desires of the elite (see Mark Zuckerberg’s famously failed $100 million gift to Newark’s school system as an example).

Kirmani-Frye understands that pitfall, but says it is a privileged point of view. ”The truth is there is no federal government fairy that is going to come and make things better,” she says. “This is not about: how many rich people is it going to take to save public housing. This is about how are we going to value public housing and its residents differently—and it’s going to require an investment that the federal government has not made.”
This concern extends to how the donated funds will be spent. Right now in its early days, the Fund is “open for business” and is encouraging investments that fit in the very broad categories of “people,” “place,” and “work.” Kirmani-Frye, who has hired no staff yet, is working with each donor to decide what they would like their money to fund. Deutsche Bank’s $100,000 will fund an overhaul of NYCHA’s design guidelines. Capital One’s money will fund youth councils at NYCHA sites, and Levine—who understands that undergraduate education costs more these days—will create a 10-year scholarship program to City College for NYCHA residents.

This will be a careful balancing act of tailoring projects to the donor’s interest and making sure they fulfill a real need of NYCHA and its residents. “If you were to sit here and you’re from the National Volleyball Association, and you want to give a development a beach volleyball court, I don’t think we would do that unless residents said, Oh we’ve always wanted beach volleyball. It’s a negotiation. All of this is about relationships,” she says.

Still, the design guidelines funded by Deutsche Bank are of a different kind of need than desperately needed plumbing repairs. Diatre Padilla, 24, one of the two board members of the Fund For Public Housing who represents resident interests, says that’s a good thing. He lives with his grandmother at the Soundview Houses in the Bronx, while going to college and now working at the Architectural League of New York, and he and his family have seen everything from mold and mildew problems to elevator breakdowns and insect infestations.

“NYCHA has problems that run the gamut, but I’m skeptical that there is a starting point and that there is a priority. A lot of the time, when it comes to these massive public agencies—the time it takes to find the priority or debate over what is a priority ends up hampering the entire process of trying to improve the place in the first place,” he says.

“The fund also allows us to do unorthodox things that a massive municipal agencies just cannot do. We can try new things. We can use money that might not translate when NYCHA is filing their annual report.”

For now, the Fund for Public Housing is still developing how to scale up a fundraising strategy and raise the first $10 million—let alone the hit the $200 million goal. The target, Kirmani-Frye says, will allow her to create a kind of permanent endowment for the fund.

Padilla, for his part, hopes that creative projects can help send a message that public housing residents respond to and help them feel better about where they live. “It’s like a tipping point issue, in the words of Malcolm Gladwell,” he says.