

Metropolitan Action Institute

A nonprofit agency for Research and Action in urban and suburban areas
(Formerly Suburban Action)

REPORT ON THE ORIGINS AND EFFECTS OF DISCRIMINATION AT STARRETT CITY IN THE CONTEXT OF THE METROPOLITAN HOUSING MARKET

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INTRODUCTION

In this lawsuit, I have been called upon as an expert witness in urban housing and planning to examine, first, the impact of the racial quota at Starrett City on black families in the context of New York City's rental housing market. My second charge has been to evaluate, as an urban planner, the decision making process that took place prior to imposing the racial quota at Starrett City.

In examining the housing market for blacks, I have discovered a significant disparity between the racial quota at Starrett City and the proportion of blacks in the market. And this disparity, I have found, understates the acute demand for housing among black families.

In evaluating the decision making process that took place prior to the imposition of the racial quota, I have found a disturbing arbitrariness, a failure to take into account conflicting viewpoints, and an inadequate base of data. The decision was made, largely behind closed doors, without consulting that segment of the population likely to be adversely affected by the decision.

I. AN EVALUATION OF THE RACIAL QUOTA AT STARRETT CITY IN THE CONTEXT OF THE POPULATION AND RENTAL HOUSING MARKET IN BROOKLYN AND NEW YORK CITY

Summary

There is a marked disparity between the racial quota at Starrett City and the population of the Borough of Brooklyn, which is the primary market area for the project. There is also a significant disparity between the racial quota and the citywide population breakdown. The disparity suggests that there is no relation between the

quota and the proportion of blacks and whites in the general population. The effect of the disparity between Starrett City's racial quota and the proportion of blacks is that the quota acts to restrict housing choices for blacks to a much greater extent than for whites.

More importantly, the disparity significantly understates the impact of the racial quota on black families. The demand for housing is actually much greater among black families than their representation in the population suggests. Likewise, the fact that the supply of housing available to blacks is artificially restricted heightens the impact of a ceiling racial quota on black housing choice. There are a number of reasons for the position of black families in the rental housing market, including an upward shift in black income distribution, inadequate current housing conditions for blacks, competition from whites, and the continuing impact of racial discrimination.

The combination of heightened demand and artificially restricted supply of rental housing for blacks in the context of a citywide housing shortage acts to exacerbate the impact of the racial quota which is already set well below even the bare proportion of blacks in the general population

A. THE DISPARITY BETWEEN THE RACIAL QUOTA AND THE BLACK POPULATION

The racial quota at Starrett City of approximately 21% black units¹ is out of proportion with the population breakdowns for the borough of Brooklyn, where 30.9% of the population is black, and 28.9% of all households are black.² Brooklyn is the primary market area for the Starrett City project.³

The quota at Starrett City began at the level of 70% white, 30% minority, including Spanish American, oriental and other minorities. As of June 30, 1979, the racial breakdown of residents of occupied units at Starrett City was 65%/35%, with almost 16% non-black minority residents:⁴

White	3395	(63.58%)
Black	1109	(20.77%)
Sp. Amer.	457	(8.56%)
Oriental	201	(3.76%)
Indian	-	---
Other Min.	177	(3.31%)
Total Occupied Units	5340	

Thus, the proportion of white units to black units at Starrett City is approximately 64% to 21%, or better than 3 to 1. This contrasts sharply with the proportion of whites to blacks in Brooklyn, of approximately 48.6% to 30.9%, or 1.6 to 1. The proportion of white to black households in Brooklyn is approximately 54.2% to 28.9 or 1.8 to 1. Since households occupy units, this figure is an appropriate standard by which to compare the racial quota.

	<u>Starrett City Quota</u>	<u>Brooklyn Total Population</u>	<u>Brooklyn Households</u>
White (non-Spanish origin)	64%	48.6%	54.2%
Black(non-Spanish origin)	21%	30.9%	28.9%

The proportion of whites to blacks throughout New York City is also at odds with the Starrett City racial quota:

	<u>Starrett City Quota</u>	<u>N.Y.C. Total Population</u>	<u>N.Y.C. Households</u>
White (non-Spanish origin)	64%	51.9%	58.6%
Black (non-Spanish origin)	21%	24%	21.7%

Finally, if Starrett City were a microcosm of Brooklyn's rental households, there would be a proportion of 45% white units to 29.8% black units, or 1.5 to 1:

	<u>Starrett City Quota</u>	<u>Brooklyn Rental Households</u>
White (non Spanish origin)	64%	45%
Black (non Spanish origin)	21%	29.8% -

This is, in many ways, the most revealing statistic, as it shows the disparity between the racial quota and the proportion of blacks and white households in the rental market. As we shall see below, even this significant disparity is understated, due to the unequal nature of the rental market, and the acute demand for housing among black families.

SUMMARY TABLE OF RACIAL DISTRIBUTION
FOR NEW YORK CITY AND BROOKLYN, 1980 CENSUS*

Population by Race

	<u>New York City</u>	<u>Brooklyn</u>
Total Population	7,071,639	2,230,936
White (non- Spanish origin)	3,668,945 (51.9%)	1,085,233 (48.6%)
Black (non- Spanish origin)	1,694,127 (24%)	689,626 (30.9%)
Spanish origin	1,406,024 (19.9%)	392,118 (17.6%)
Other	302,545 (4.3%)	63,959 (2.9%)

Household by Race

	<u>New York City</u>	<u>Brooklyn</u>
Total Households	2,788,530	828,257
White (non- Spanish origin)	1,633,979 (58.6%)	448,749 (54.2%)
Black (non- Spanish origin)	605,084 (21.7%)	239,606 (28.9%)
Spanish origin	451,926 (16.2%)	120,637 (14.6%)
Other	97,541 (3.5%)	19,265 (2.3%)

* The 1980 census contains a separate headcount for Spanish origin persons, who are listed as "black" or "white" Spanish origin, but also included in the main count. To isolate Spanish origin minorities as a group, they must be subtracted from the population totals for whites and blacks as we have done.

B. THE QUOTA AND THE HOUSING MARKET

The continuing disparity between the Starrett City racial quota and the proportion of blacks and whites in the population acts to restrict housing choice for blacks to a greater degree than for whites. For if housing supply and demand were equal among blacks and whites -- if the same proportion of blacks as whites were in need of housing -- then a quota reflecting the proportion of blacks to whites in the market area would not restrict either group's housing choice. But where, as here, the quota is set below population levels, blacks are affected disproportionately. More importantly, the disparity between the quota and the population actually understates the impact of the quota on black families, since blacks and whites are not equal participants in the housing market. The demand for rental housing among blacks is much greater than their representation in the population suggests. Likewise, the supply of rental housing for blacks is artificially restricted by the continuing effect of racial discrimination. There are a number of reasons for the weak position of blacks in the rental housing market, each of which acts to heighten the disparity of the impact of a quota such as the one in effect at Starrett City.

First, there has been a dramatic upward shift in black income distribution relative to the total population. This shift has increased black demand relative to white demand for housing in the income range represented at Starrett City. Black housing demand is also enhanced by the higher proportion of blacks living in dilapidated or inadequate housing, and by the fact that black families in the aggregate tend to pay a higher portion of their income for rent than

white families. For lower income black families, who have been eligible for housing at Starrett City since the advent of Section 8 assistance in 1980, the need for decent housing is even more acute. The purchase of a home is not an option for the vast majority of blacks, whose choice is restricted, much more so than whites, to the rental housing market alone.

The disproportionate impact of the racial quota is further heightened by the restriction in the supply of rental housing available to blacks. The primary cause of the restricted supply is continuing racial discrimination in the rental housing market, which acts to exclude blacks from entire areas of the market. This phenomenon is enhanced by a general shortage of middle income housing in New York City and by the net loss of rental housing units that continues to reduce supply. The dimensions of the New York City housing shortage are underscored by an extremely low citywide vacancy rate of 2.13%, and the correspondingly low duration of vacancy in rental housing. Black families in the Starrett City income range are in a supply and demand squeeze, competing for available apartments with a larger, wealthier group of middle income whites and a large number of slightly lower income blacks.

An Upward Shift in Black Income Distribution: Tentative Findings

In preparing analyses of economic class changes, we have found it most useful to examine shifts in family income by sectors, each containing 20% of the population. This method we call "Quintile Analysis", a quintile being one fifth, or 20% of a whole. The advantage of this method is that it encourages a closer look at shifts

in each of five sectors of an income distribution rather than the more general understanding derived from examining only median or average income for different time periods. The quintile analysis has been used in court and congressional testimony and in reports prepared for state agencies. ⁶

Brooklyn

The upward shift in Brooklyn's black family income has been significant. From 1969 to 1979, the distribution of black family income has improved relative to the income of all families in Brooklyn: the proportion of blacks in the top three income quintiles has risen from 44.9% to 51.1% of all black families, and from 16.9% to 26% of all families in the top three quintiles. The improvement in black income distribution is primarily attributable to a dramatic growth the middle income range. This range is in the third and fourth income quintiles, ranging in 1979 from \$11,495 up to \$26,890. This range is roughly equivalent to the 1979 income range for eligibility to apply for the apartments at Starrett City. The number of black families in Brooklyn in the third and fourth quintiles has risen from 54,720 to 67,055. The proportion of blacks to all families in the two quintiles has increased from 20% to 29%. The number and proportion of black families in the fifth, or highest income quintile has also increased significantly, from 14,945 black families in 1969 to 22,802 in 1979, an increase of 52.6%.

New York City

New York City, a secondary market area for Starrett City, has also experienced a significant upward shift in black family income distribution relative to all families in the city. The proportion of black families in the two lowest income quintiles declined from 57.3% of all black families in 1969 to 52.3% in 1979. However, the absolute number of families declined only slightly, and due to the general loss in population, the percentage of black families, as compared with all families in the two lowest quintiles, increased from 27.5% to 31.5%. The number of black families in the third and fourth income quintiles grew by 20,474, an increase of 15.4%. As a percentage of all black families, blacks in the third and fourth quintiles increased from 33.7% to 36%. As a percentage of all families in the third and fourth quintiles, black families increased from 16.2% to 21.7% of all families in this middle range. As in Brooklyn the number and proportion of black families in the fifth, or highest quintile, also increased substantially, from 35,076 in 1969 to 50,099 in 1979, an increase of 42.8%.

CHANGE IN BLACK FAMILY INCOME DISTRIBUTION AMONG
INCOME QUINTILES FOR BROOKLYN FAMILIES 1969-1979

1969 Kings County

	<u>Quintile</u>	<u># of Black Families</u>	<u>% of Quintile that is Black</u>	<u>% of Total # of Blk. Fam. in Quintile</u>
Q ₁	Less than \$4,338	44,060	32.1%	28.4%
Q ₂	\$4,338 to \$7,388	41,450	30.3%	26.7%
Q ₃	\$7,388 to \$10,486	30,833	22.5%	19.9%
Q ₄	\$10,486 to \$14,726	23,887	17.4%	15.4%
Q ₅	Greater than \$14,726	14,945	10.9%	9.6%
		155,175		

(137,106 per quintile)

1979 Kings County

Q ₁	less than 6,039	46,970	40.7%	26.7%
Q ₂	\$6,039 to \$11,495	39,214	34%	22.3%
Q ₃	\$11,495 to \$18,037	36,982	32%	21%
Q ₄	\$18,037 to \$26,890	30,073	26.1%	17.1%
Q ₅	Greater than \$26,890	22,802	19.8%	13%
		176,041		

(115,408 per quintile)

CHANGE IN BLACK FAMILY INCOME DISTRIBUTION AMONG
INCOME QUINTILES FOR ALL N.Y.C. FAMILIES 1969-1979

1969 N.Y.C.

	<u>Quintile</u>	<u># of Black Families</u>	<u>% of Quintile that is Black</u>	<u>% of Total Blks. in Quintile</u>
Q ₁	Less than \$4,839	119,040	28.9%	30.1%
Q ₂	\$4,839 - \$8,089	107,577	26.1%	27.2%
Q ₃	\$8,089 - \$11,372	75,603	18.4%	19.1%
Q ₄	\$11,372 - \$17,049	57,610	14%	14.6%
Q ₅	Greater than \$17,049	35,076	8.5%	8.9%
		394,904		

(411,789 per Quintile)

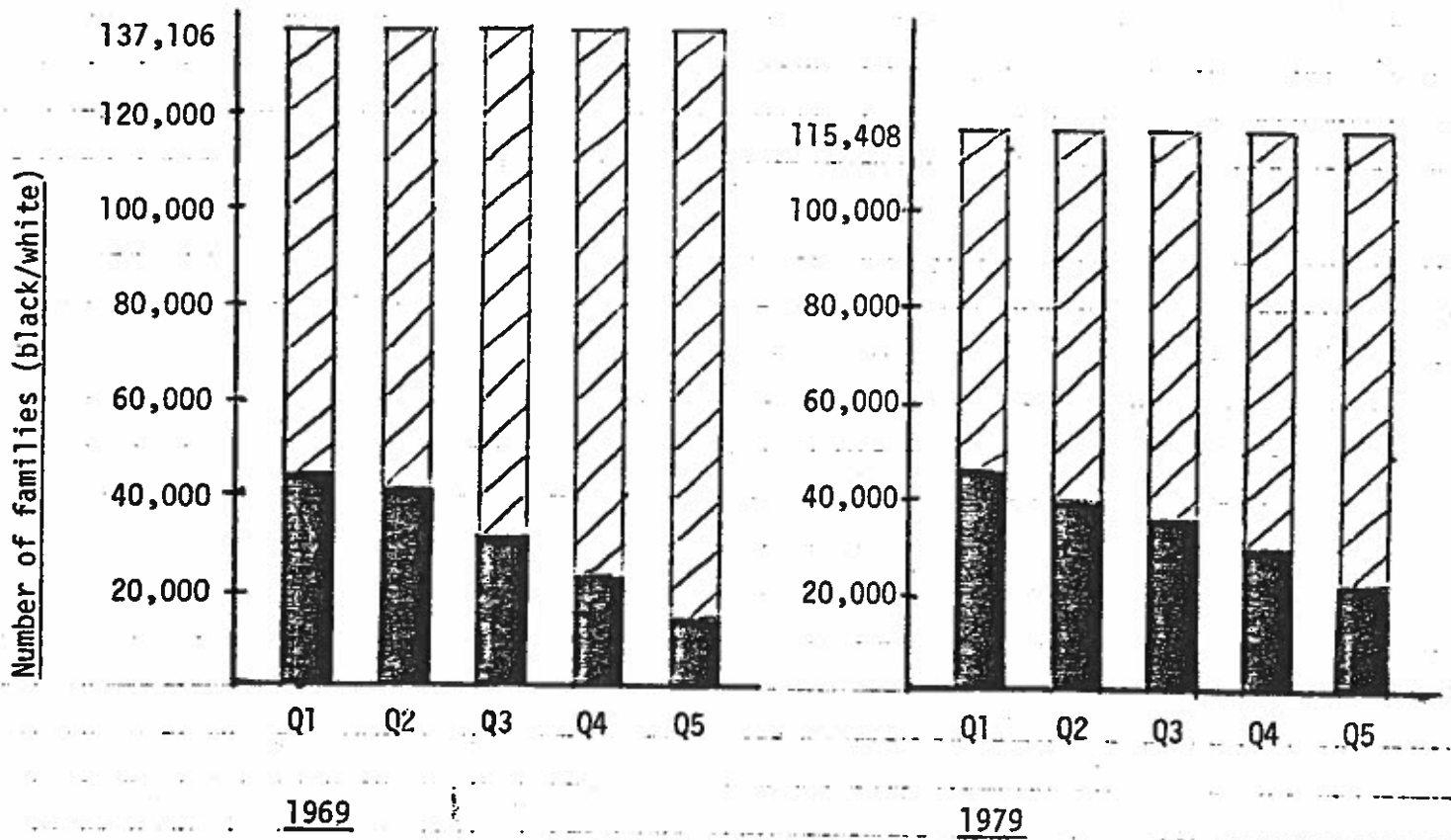
1979 N.Y.C.

Q ₁	Less than \$7,026	123,244	34.8%	28.9%
Q ₂	\$7,026 - \$13,324	99,850	28.2%	23.4%
Q ₃	\$13,324 - \$20,632	88,319	24.9%	20.7%
Q ₄	\$20,632 - \$30,620	65,368	18.5%	15.3%
Q ₅	Greater than \$30,620	50,099	14.1%	11.7%
		426,880		

(354,200 per Quintile)

NUMBER AND PROPORTION OF BLACK FAMILIES IN BROOKLYN

IN EACH INCOME QUINTILE FOR ALL BROOKLYN FAMILIES, 1969 & 1979



Starrett City Income Categories

The market for Starrett City rental units among black families may be analyzed by reference to the project's own income eligibility requirements.

Income requirements in 1979 (prior to the inclusion of Section 8 Units) ranged from a low minimum income of \$10,753 (for one person occupying a studio) to a high maximum income of \$23,962 (for a 6 person family occupying a 3 bedroom balcony apartment). Between these extremes, a substantial number of apartments are available for families with incomes from \$16,847 to \$23,962. (\$16,847 was the starting income for most three bedroom apartments at Starrett in 1979).

36.9% of all black families in Brooklyn (64,906 families) fall within these broad income requirements (\$10,753-\$23,962). Starrett's City's higher income range (\$16,847-\$23,962) includes 28,788 black Brooklyn families -- roughly 16.4% of all black families in Brooklyn. As noted above, this figure is roughly parallel to the fourth income quintile for black Brooklyn families.

Citywide, 155,782 black families fall within the broad income requirements at Starrett City (36.5% of black families in New York City), and 70,565 fall within the \$16,847-\$23,962 range. (16.5% of black families in New York City).

The impact of Starrett City's racial quota is even starker when compared with the vast number of black low income residents in Brooklyn and New York City. These families face poorer housing conditions, and are in greater need of decent housing than blacks in the \$10,753 to 23,962 range. In Brooklyn, 91,004 white families

(26.7% of white families) and 76,561 black families (43.5% of black families) have incomes below \$10,000.

Black Housing Conditions

As a group, blacks are forced to live with less satisfactory housing conditions than whites. The effect of this situation is to increase the need and demand for alternative housing among blacks, as compared with demand among whites, whose housing, on the whole, is more satisfactory.

One of the chief Census measures of housing quality is "dilapidated" housing. In the most recent New York City Housing Census, 5.9% of blacks were identified as living in dilapidated housing, as compared to only 2.5% of the white population. This measure is most significant, however, in describing conditions in the low-income sector of the market.⁷

A related index of housing quality that better addresses housing quality through a wider range in the rental market is the percentage of households living in housing "with three or more maintenance deficiencies." In the latest New York City Housing Census, the percent of black households in such deficient units was 34.5% -- as compared with only 12.5% of white households!⁸

Another indication of possible black dissatisfaction with their current housing is that blacks, on the whole, pay a higher proportion of their income for rent than whites. The median rent-income ratio is 26.3% for whites, and 28.8% for blacks.⁹

Finally, because of the income differential between blacks and whites, the vast majority of black families are restricted to the

rental housing market. A higher proportion of white families own housing in New York City, and many other white families have the option of purchasing. Thus, any action restricting choice on the rental housing market potentially affects a greater proportion of black families than white families.

Restriction of the Supply of Rental Housing for Black Families:
Tentative Findings

New York City is in the midst of a serious prolonged housing shortage that is almost as acute for middle income families as it is for poorer families.

New York City has sustained a significant loss of 321,000 total housing units from 1970 to 1981.¹⁰ In Brooklyn, a total of 105,288 units have been lost, more than the decline in the number of families. The supply of middle income rental housing has been particularly hard hit by the boom in cooperative and condominium conversions throughout the city.

The citywide housing vacancy rate for rental apartments is 2.13% -- lower than it has been since the early 1970's. As Stegman points out, "A 2 percent vacancy rate is so low as to suggest serious restrictions on market choices and mobility, and increasing upward pressure on rents."¹¹ The net vacancy rate in Brooklyn is even lower, at 2.11%, down from 3.07% in 1978. Citywide, the median duration of vacancy has dropped from 2.3 months in 1978 to 1.9 months in 1981.¹²

In New York City, the crisis in middle income rental housing has promoted action by a number of civic groups, notably the New York

City Housing Partnership, a group formed specifically to spur middle income housing development. According to David Rockefeller, founder of the program, "New York City has become increasingly a city where only the rich and the very poor live, and the middle-income citizen finds virtually no place to live."¹³

The Effect of Continuing Racial Discrimination

Racial discrimination is a pervasive, continuing fact of metropolitan life. Racial discrimination in the sale and rental of housing operates to severely restrict the choice and supply of housing available to black families. A recent, comprehensive H.U.D. study of racial discrimination in housing nationwide concluded:

Principal Findings The study provides definitive evidence that blacks are discriminated against in the sale and rental of housing. Blacks were systematically treated less favorably with regard to housing availability, were treated less courteously, and were asked for more information than were whites. For example, with respect to an index of housing availability -- the most important of the discrimination measures reported -- discrimination in the rental market was 27 percent and in the sales market 15 percent. The effect on housing searches of blacks may be cumulative; if 27 percent of rental agents discriminate, then a black who visits four rental agents can expect to encounter at least one instance of discrimination 72 percent of the time; if 15 percent of sales agents discriminate, a black who visits four sales agents can expect to encounter one or more instances of discrimination 48 percent of the time.

Discriminatory treatment as measured by other indices of discrimination usually exhibited smaller, but still statistically significant, differences unfavorable to blacks. Discriminatory treatment of blacks appears to vary regionally and by size of metropolitan area, although the precise factors influencing discriminatory treatment of blacks have not been fully explored.¹⁴

The corresponding regional figures on discrimination in housing availability are 20 % for the Northeast, and 38 % for the New York metropolitan area.¹⁵ Many blacks in America experience

discrimination, and blacks of every income group may be subject to discrimination throughout the housing market. But it is particularly those blacks eligible for Starrett City apartments and living in Brooklyn and New York City, that we are concerned with. These black families have increased in numbers, and become a more stable market force. At the same time, the citywide housing vacancy rate has decreased, and an acute crisis has developed in middle-income rental housing, with greater effects on blacks due to continued housing discrimination. The effect on black families of a 21% quota is especially devastating under these circumstances. Blacks were becoming a larger and larger proportion of the Starrett City eligible population, even before the advent of Section 8 Assistance in 1980. Blacks as a group were already restricted in their housing choice. The Starrett quota only acted to further restrict black housing opportunity.

How can these findings be used to analyze the effects of discrimination in New York City? Since discrimination acts to exclude blacks from entire neighborhoods, one means of analyzing the effect of discrimination on housing availability in the Starrett market area is to focus on the degree of segregation¹⁶ in Brooklyn residential neighborhoods. Where blacks make up a particularly small proportion of the population, the assumption can be made that serious discrimination is likely to exist in that neighborhood, and that the total number of units in that neighborhood is off limits and therefore unavailable to blacks in any practical sense. This type of analysis could be used throughout the borough of Brooklyn to estimate the reduction of the available supply of housing for blacks. For example,

directly across from Starrett City is the neighborhood of Canarsie, with a population of 94.8% white and 2.3% black. Based on these percentages alone, it is unlikely that many of the housing units in Canarsie would be shown or rented to blacks by brokers or landlords.

A Supply and Demand Squeeze

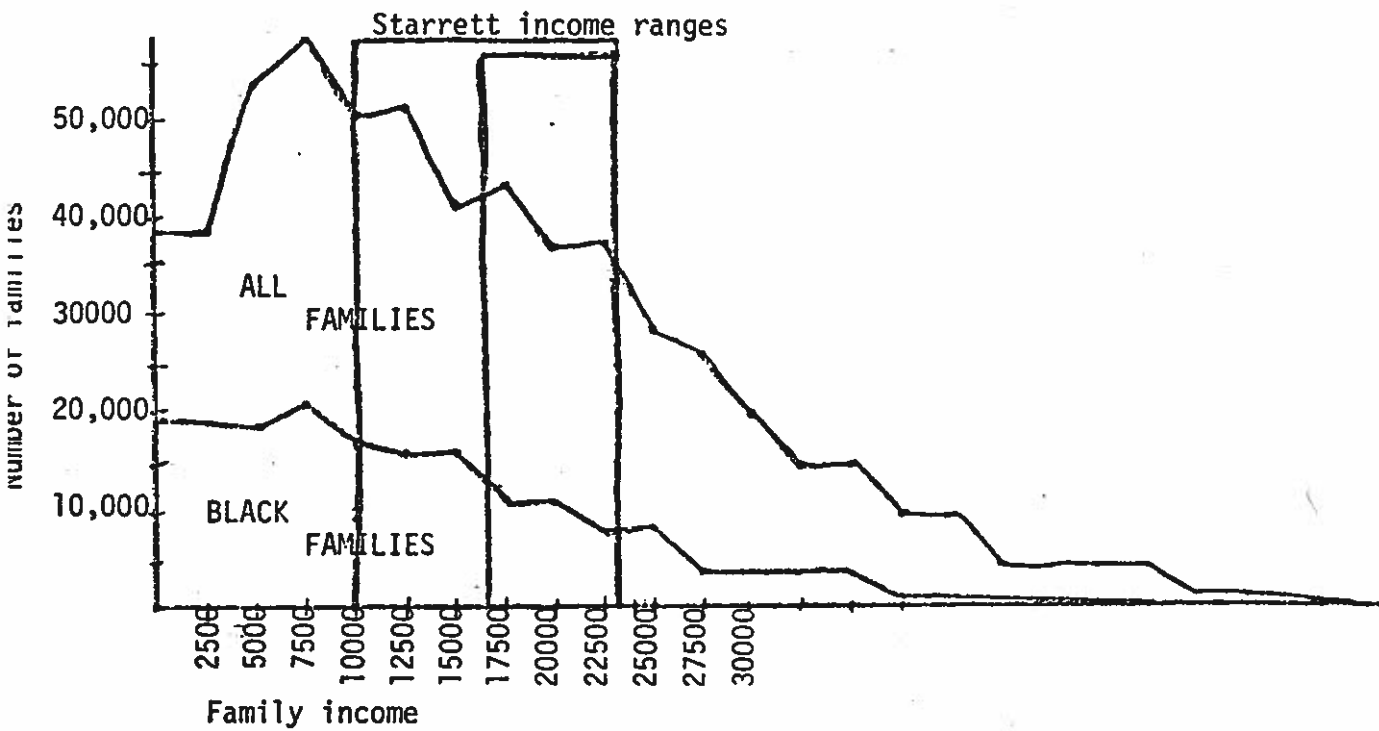
Black families in the middle income range are in a classic supply and demand squeeze, competing for available apartments with a larger, and wealthier group of middle income whites, and a large number of slightly lower income blacks, who, due to the extreme shortage of housing are often forced to pay a higher proportion of their income in rent. See attached chart comparing income levels with affordable rent levels.

Within the upper end of the Starrett income eligibility range, from \$16,847 to \$23,962, there are 28,788 black Brooklyn families competing with 74,539 other Brooklyn families for approximately 38,000 rental apartments at rent levels of 25 to 30% of monthly income, approximately \$350 to \$600 per month.¹⁷

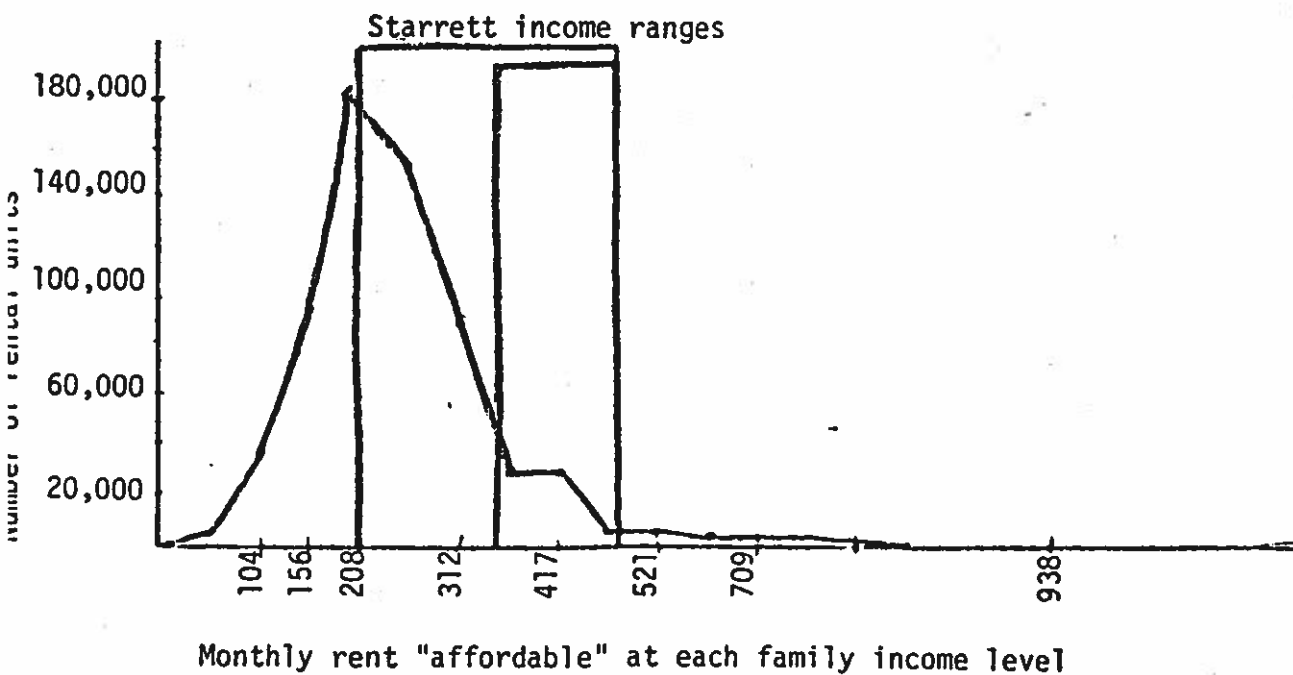
The lack of rental apartments at higher rent levels increases competition for these units among higher income families who choose not to purchase their housing. Above \$500 rent, the 1980 Census lists only 4000 apartments in Brooklyn.

KINGS COUNTY 1979: COMPARISON OF FAMILY INCOME LEVELS & "AFFORDABLE" RENT LEVELS

FAMILY INCOME LEVELS



AFFORDABLE RENT LEVELS



II. AN EVALUATION OF THE DECISION MAKING PROCESS USED TO ARRIVE AT THE STARRETT CITY QUOTA

A. THE CHOICE BETWEEN INTEGRATION AND DISCRIMINATION

Starrett City's use of a racial quota to achieve integration may have arisen out of a belief that racial integration is a fundamental good that must be sought in all endeavors. Alternatively, the integration objective can be seen as a political requirement resulting from pressure from community groups not wanting Starrett City to become predominantly black. In either circumstance, the decision to employ an integration objective had serious consequences for the potential black applicant population, consequences so serious that they required Starrett to engage in a thoughtful evaluation of the issues. My review of the depositions of Starrett City and state officials leads to the conclusion that such an evaluation was not made. At best, the decision making process was haphazard, at worst, it was discriminatory.

The depositions make it quite clear that Starrett City was forced to commit itself to a racial quota for the purpose of gaining the support required to win approval of their plan to build a rental project from the Board of Estimate. In order to assure white residents of Carnarsie that the project would not become all or mostly black, the developers promised to market Starrett City units so as to attract a 70 percent white occupancy. Moreover, they were committed to attracting the highest income group possible. Robert Rosenberg explains in his deposition (p. 229) that while there had been no opposition to the cooperative planned on the site by United Housing Fund, when Starrett City announced its plans to make it a rental project, there was fear that it would become a "ghetto" project.

"Apparently they felt that a rental project would end up being a ghetto, and harmful to the borough of Brooklyn and particularly to that area." (Rosenberg deposition, p. 228)

Rosenberg stated in his deposition (p. 262-63) that Starrett City "could have been rented with or without the integration goals" but with integration "I think you would have a different type of tenant. . . They wouldn't have the same income. They couldn't have had over the maximum, but they probably would have had a lower income . . . that is what would have attracted to a ghetto. You would not attract middle income. . . . You would have had more people at the lower end of the economic scale and no more people at the upper end."

In order to have a project acceptable to community groups, Starrett City had promised to build a predominantly white development. It is possible that Starrett City also sought integration for social purposes as well as for political approval. But no matter what the reason, the choice of a project restricting minorities to 30% occupancy and blacks to just above 20% had very serious consequences for low and moderate income blacks who might have otherwise had an opportunity to find decent affordable housing.

Be it political realism or pandering, Starrett City's use of the 70/30 ratio had and continues to have serious implications for lower income blacks in that neighborhood and throughout Brooklyn. The decision to exclude portions of the population because they would make the project appear as if it were a "ghetto" is a momentous decision. It is a decision that engaged Starrett City in discrimination against black and minority housing applicants. It was a decision that needed careful appraisal before being made final. But the Starrett City

management did not make a careful study of the consequences of its racial quota choice. They did not choose to study what it would mean to those who were denied access to decent affordable housing, or were made to wait a long time before gaining admission. They did not compare the relative hardship on excluded blacks and minorities with the effect had there been no racial quota. It is precisely because of the economically and politically weak position of blacks in housing as well as other markets that due consideration should have been given to their viewpoint.

I would like to add a personal note at this point. My appraisal of the decision making process regarding the racial quota in use at Starrett is based on two decades of work advocating the planning and creation of an inclusionary society, a society that includes all people in communities and excludes none. Most recently with Metropolitan Action, my work has focused on fair housing issues, but in general my concern as a planner has been with developing democratic, non-arbitrary, non-discriminatory, forms of planning and decision making. In developing a theory of advocacy and pluralism in planning I have sought to create a process that is open and fair. These democratic standards, or pluralist principles of planning, are a standard for evaluating major public decisions. They are a professional rather than a legal standard, but they are related to, and drawn from constitutional principles of due process:

The idealized political process in a democracy serves the search for truth in much the same manner as due process in law. Fair notice and hearings, production of supporting evidence, cross examination, reasoned decision are all means employed to arrive at relative truth: a just decision. Due process and two-(or more) party political contention both rely heavily upon strong advocacy by a professional. The advocate represents a individual, group, or organization. He affirms their position in language understandable to his client and to the decision makers he seeks to convince.¹⁸

The Haphazard and Discriminatory Decision Making Process

The decision to restrict the number of minorities deserved far more serious attention than it received. An examination of comments by Starrett City and state officials in their depositions reveals that the decision to exclude large numbers of minorities from Starrett City was done in a rather informal and haphazard manner. To demonstrate this, I should like to pose a series of questions about what Starrett and state officials might have sought, and then I will refer to some of the issues related to the establishment of a quota to demonstrate the absence of thoughtful decision making processes.

It is important to observe at this point that at all times alternatives were open to Starrett and the state to exercise less discriminatory measures and to employ solutions that would broaden housing opportunities, particularly for lower income blacks and other minorities.

In evaluating the decision making process that took place ~~among the Starrett management, H.U.D. and the State Housing Agency,~~ recognition must be made of the unresolved and highly controversial policy issues at stake. No state or national consensus had been reached on the controversial issue of racial quotas in housing. The extreme importance of the issue and its complete lack of resolution heightened the burden ~~on Starrett City and the state~~ to include as many views and sectors of the community as possible. Specifically, was there any opportunity for meaningful public input? Were draft guidelines published for comment? Was there any publicity about the proposed quota? Was there a notice and comment period? Were any meetings held with representatives of the affected black community?

Were any public meetings of any kind held? What meetings were held within the government and Starrett management? Which divisions of the state agency were involved? Was any research done on previous use of racial quotas, on housing needs in the market area, or on the effect of the quota on black residents of the area? How was the specific figure of ~~70% white -- 30% minority~~ arrived at? The decision made ~~at Starrett~~ far-reaching one. Was it made behind closed doors, or in an open and democratic context?

B. THE LACK OF PUBLIC INVOLVEMENT IN THE QUOTA DECISION

There is no evidence in the depositions of any public involvement whatsoever in the decision to use a racial quota for the purposes of integration. There were some community meetings, but all of these took place after the decision was made. There was no open debate of the appropriateness of such a policy, no publicity during the decision making process, and no officially designated comment period after the decision was reached.

Division of Housing and Community Renewal Commissioner Goodwin testified she spoke with "endless numbers" of community groups about the 70/30 figures and its implementation. (Goodwin deposition, p. 48). All the meeting took place after the decision and none of the results of the discussions were publicized in any way. Lester Eisner, her deputy commissioner, didn't even know about them.

The most important public meeting took place at the Board of Estimate meeting concerning Starrett City's change from a cooperative to a rental project. There was a large gathering of Carnarsie community groups concerned that if the development became rental, it

would not be a balanced project. (Olnick deposition, p. 16). The attendance at the meeting was predominantly white. Olnick had spoken to elected officials, he did not specify whom, prior to the meeting and may have talked about racial percentages and what was necessary to prevent tipping. (Olnick deposition, p. 19, 20).

Commissioner Goodwin did speak to public officials regarding construction and rent up phases of Starrett, but only with respect to the workings of the program. There was no discussion of violations of Human Rights Laws. (Goodwin deposition, p. 47). Mayor Beame visited the site once but didn't discuss integration policies. Eisner pointed out in explanation for the lack of public comment that the quota was an issue no one wanted to hear about. (Eisner deposition, p. 43).

C. WHY A 70/30 QUOTA?

Perhaps most revealing about the decision making process at Starrett is the absence of a serious study of the reason for a quota and the exact quota that should be established. Here, if the depositions are to be believed, was an example of slipshod decision making. Were there alternatives to a quota? Were there community actions that might have been taken to avoid the use of a quota? These questions seem not to have been asked. Nor were questions about the level at which a quota would be set. Why was a quota established that provided lesser representation for blacks and minorities than their real numbers in the population? Why, if the blacks and other minorities have particularly greater burdens to overcome in the housing market because of its discrimination against blacks, was a quota that furthered that discrimination employed?

There was very little, if any, discussion among officials about where this goal came from and how appropriate it might be to Starrett. Eisner's testimony sums it up best. "I have no idea where that (the quota figures) would have been created, some sociologist someplace." (Eisner deposition, p. 19).

Commissioner Goodwin testified that there were no studies done on the 70/30 figure while she was commissioner. It was generally considered a desirable goal, she says, and probably had its roots in the efforts of the Rockefeller administration to achieve racial and economic integration in the 60s.

Rosenberg recalls no discussions with Goodwin or any other public or governmental officials about the propriety of this particular goal. Eisner assumed 30% was the tipping point but never actually observed this. (Eisner deposition, p. 9) Olnick assumed this figure to be accurate and says he relied on his own experience "in watching projects develop where there was a minority participation greater than a third that it was progressive tipping and soon became all minority." (Olnick deposition, p. 20). No one actually claims responsibility for the figures.

Starrett City Empirical Evidence

How did Starrett City officials know that the market for their housing would be sought primarily by blacks, if no quota was employed? They gained much of their insight from the report of a "man in the trailer" (Goodwin deposition p. 16, 17, 18 and Rosenberg deposition p. 247, 248). A man sitting in a trailer at the construction site was signing up applicants for the new project and

reported that 99 percent of those who signed in were black. It was evident that there was an uneven racial balance of applicants. Was this the primary reason that it was necessary to use some form of quota to achieve integration? There was no documented attempt to determine the exact racial breakdown of the applicant list, other than the fact that it was predominantly minorities.

But the man in the trailer appears to be Starrett City's only window on the world. They did not attempt to find alternative means to advertise their product to a much larger audience. Without first exhausting the possible means to achieve a balanced project, Starrett and state officials accepted the need for a quota. It is astounding that no market study was done prior to the construction of this project.

Again the important point of all of this is the fact that the quota created discrimination against blacks and other minorities at a time and place where they were already suffering greatly from discrimination. Certainly there were steps short of the discriminatory quota that might have been explored to resolve the issue in a way far less harmful to blacks.

FOOTNOTES

1. The figures describing the racial quota at Starrett City are based on the percentage of units available to each racial group. An analysis based on extrapolation of apartment size breakdowns by race indicates that the black percentage of resident population at Starrett may be somewhat higher. However, the unit figure is more appropriate to our analysis, as it indicates availability of apartments on the market. It is also more accurate than the extrapolated population estimates.
2. The primary sources of data used in this analysis are the 1970 Census, published by the U.S. Bureau of the Census, selected data from the 1980 Census, supplied in printout form by the C.U.N.Y. Data Service, and Micheal A. Stegman's Report, The Dynamics of Rental Housing in New York City (February 1982) (hereinafter "Stegman").
3. As is true in other New York City housing projects, the primary market for Starrett City is the borough in which it is located, Brooklyn. This observation is borne out by a survey of "Traffic Reports" compiled by Starrett management over a period of 2-3 years. These reports identified the present address of individuals making "walk-in" inquiries. On the 43 forms provided, Brooklyn was reported as the residence of between 65% and 84.2% of walk-ins, for an average weekly rate of 71.9%. The remainder of walk-in inquiries are from other boroughs of New York City, plus a few individuals from Long Island and out of state. For purposes of our analysis, New York City is an appropriate larger or secondary market area.

A breakdown by borough and zipcode of a random sample of waitlist applicants confirms the importance of Brooklyn as a primary market area, followed by the other boroughs of New York City. Out of 703 applications surveyed, 59.5% were from Brooklyn, with 20.2% from Queens, 5.6% from Manhattan, 5.1% from the Bronx, and 1.6% from Staten Island. In addition, 6.4% of applications were from other New York cities and towns (primarily Long Island), and 1.7% were from out of state. (The waitlist applications provided by the Starrett City management included every eighth applicant on the waitlist.)

4. HUD Occupancy Report, June 30, 1979.
5. The Starrett City category for hispanics is "Spanish American," while the U.S. Census category is "Spanish speaking." The Census category of "Spanish speaking" has been subtracted from the totals for whites and blacks to permit comparison with the Starrett City racial breakdowns.
6. For a discussion of the use and calculation of income quintiles, see Suburban Action Institute, A Study of Exclusion, Volume I, Commonwealth of Pennsylvania, Department of Community Affairs, December 1973 (See especially Appendix A: Quintile Analysis Method and Example). These quintiles, as well as other figures in this report, were arrived at by linear interpolation among census categories.

7. Stegman, p. 119.
8. Stegman, p. 119.
9. Stegman, p. 159
10. Stegman, p. 177.
11. Stegman, p. 93.
12. Stegman, p. 96.-97.
13. (N.Y.T., October 24, 1982, p. 48). The shortage of rental housing for middle income families is a serious problem nationwide. See Rental Housing: A National Problem that Needs Immediate Attention, General Accounting Office, November 1979.
14. Wienk, Ronald E. et al, Measuring Racial Discrimination in American Housing Markets: The Housing Market Practices Survey, H.U.D. Office of Policy Development and Research, April 1979 (hereafter "Wienk").
15. Wienk, pp. 58, 181. See also Pushkarev, Borris, Segregation and Opportunity in the Region's Housing, Regional Plan Association, July 1979.

16. Segregation indexing has a long and complicated history, see Taeuber, Negroes in Cities, for example. For the purposes of this report it will suffice to examine census tract data for the relevant market area (Brooklyn).
17. The 25-30% figure can only be a benchmark since rent-income ratios tend to range evenly from below 15% to over 40% of monthly income (Stegman, pp. 90-91). The median rent-income ratio is 26.3% for whites and 28.8% for blacks (Stegman, p. 159).
18. Paul Davidoff, "Advocacy and Pluralism in Planning," *Journal of the American Institute of Planners* 31 (Nov. 1965) 331, 332.

APPENDIX A : Comparison of racial distribution in N.Y.C.
and Brooklyn, counting Spanish origin house-
holds and individuals

Preface: On page 7 of the main report, racial distribution for New York City and Brooklyn was calculated by subtracting spanish-origin individuals from both the "white" and "black" totals. This includes individuals who identified themselves as both spanish and white or black. The purpose of this was to permit comparison with the Starrett quota, and to conform with the demographic reality. The inclusion of spanish origin individuals and households raises both black and white totals, as the following chart shows:

Population by Race

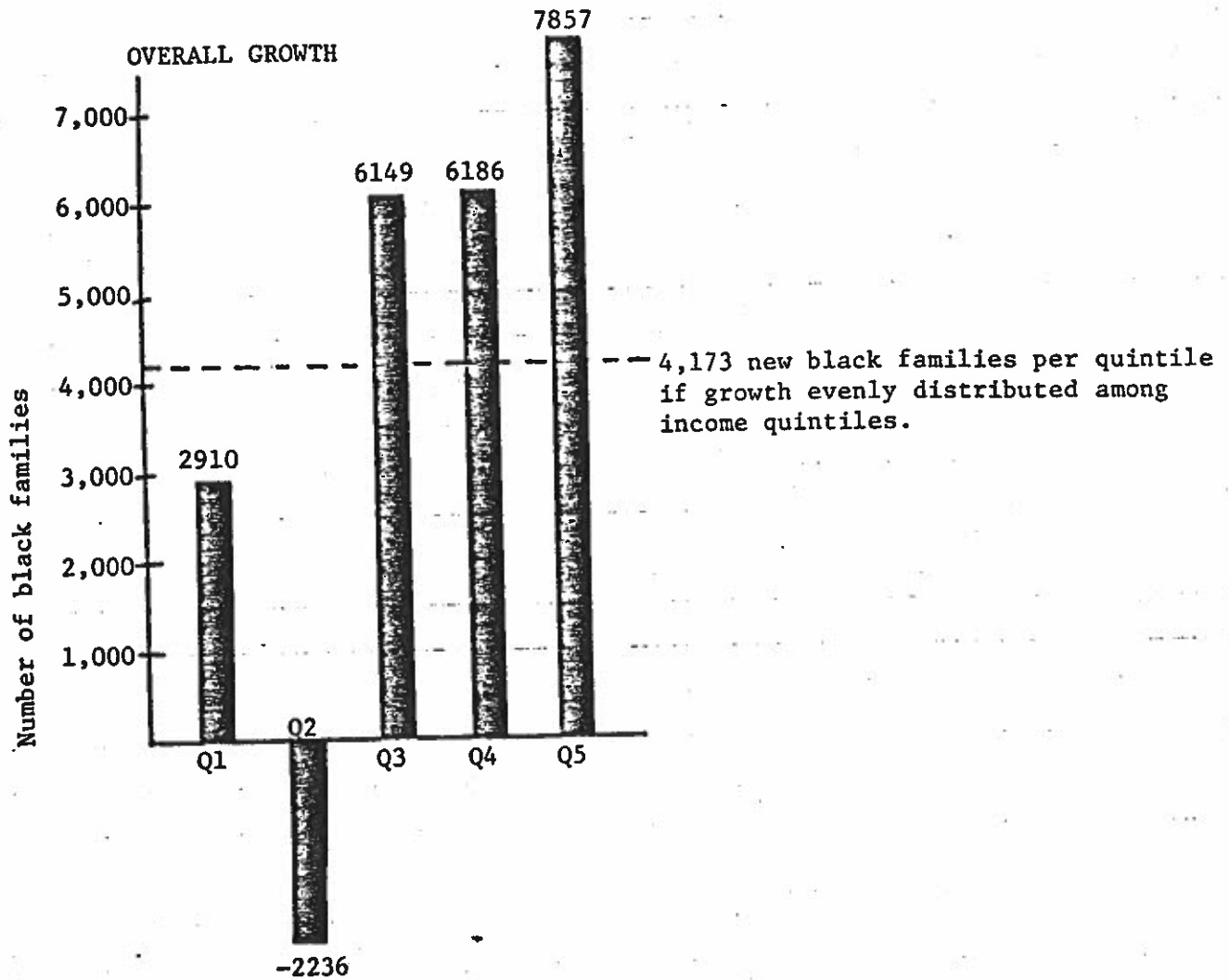
	<u>New York City</u>	<u>Brooklyn</u>
Total Population	7,071,639	2,230,936
White (including Spanish origin)	4,294,075 (60.7%)	1,249,486 (56%)
Black (including Spanish origin (not white or black)	1,784,337 (25.2%)	722,812 (32.4%)
	690,684 (9.8%)	194,679 (8.7%)
Other	302,545 (4.3%)	63,959 (2.9%)

Household by Race

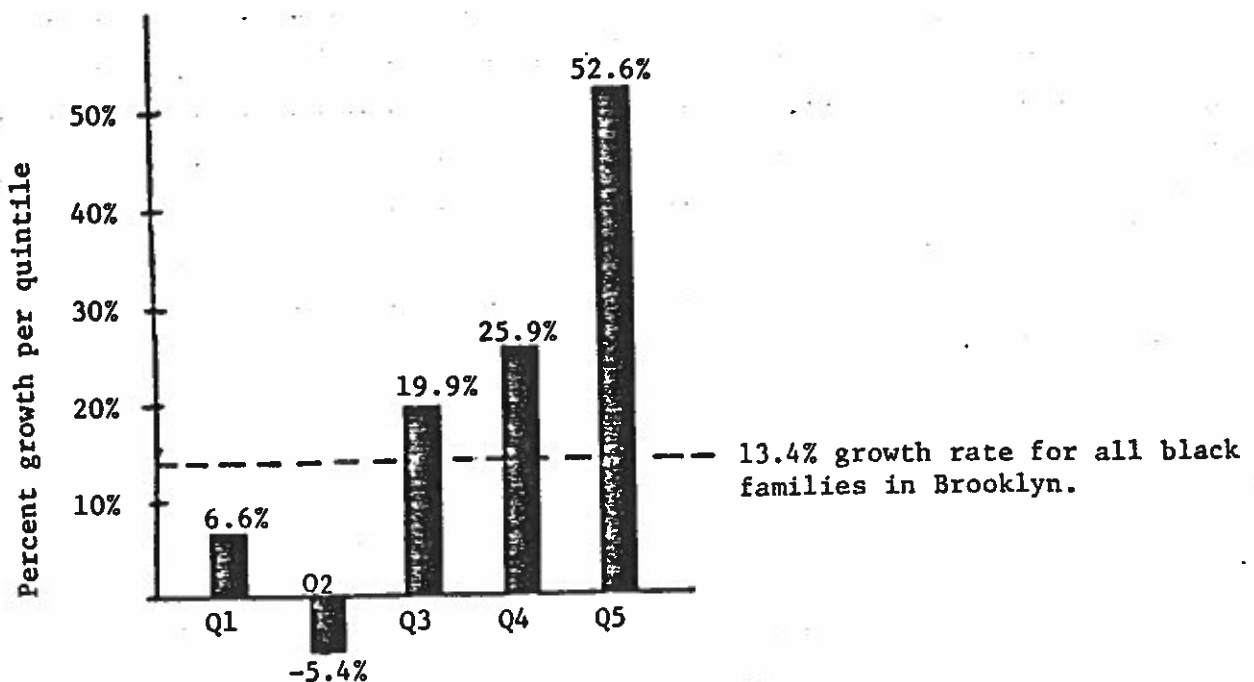
	<u>New York City</u>	<u>Brooklyn</u>
Total Households	2,788,530	828,257
White (including Spanish origin)	1,838,676 (65.9%)	499,641 (60.3%)
Black (including Spanish origin	635,302 (22.8%)	250,621 (30.3%)
Spanish origin (not white or black)	217,011 (7.8%)	58,730 (7.1%)
Other	97,541 (3.5%)	19,265 (2.3%)

APPENDIX B

ACTUAL VS. EXPECTED BROOKLYN BLACK FAMILY POPULATION GROWTH 1969-1979



VARIATION FROM EXPECTED BLACK POPULATION GROWTH RATE IN EACH QUINTILE (BASED ON 1969 PROPORTION OF BLACK FAMILIES)



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APPENDIX: RESPONSE TO CRITICISMS BY DR. OSCAR NEWMAN

In the original "report" I reached two major conclusions: 1) that the quota used at Starrett City had severe discriminatory effects and 2) that the process used to arrive at the quota was haphazard and discriminatory. The discriminatory effects of the quota were highlighted by comparing it to the racial composition of Brooklyn and the city as a whole, and to the racial composition of income-eligible families. The resulting disparity was interpreted in the context of the Brooklyn and New York City rental markets—markets which were shown to behave in ways which exacerbate the discriminatory effects of the quota. In his report to the court, Oscar Newman¹ raised questions regarding my testimony and offered an inappropriate counter-argument. In this appendix, I will clear up any confusion on the points made in the original report, and offer a more detailed analysis of Starrett City's "market."

Specifically, Dr. Newman raised questions regarding my choice of an income-based model rather than a rent-based model in analyzing qualifying households, my reference to "1979" income data, my use of the terms "primary" and "secondary" market area, and my choice of Brooklyn as the primary market area. I will address each of these issues in turn.

The Superiority of an Income-Based Model

I used income ranges to identify households qualifying for apartments because admission to Starrett City is based on income criteria, not previous rent payments. Dr.

Newman's repeated contention that households reporting rents between \$250-\$399 in the 1980 census are "qualifying households" is simply false. Furthermore, there is no assumption regarding discrimination inherent in an income-based model, and there is no consensus, as Newman suggests, on the use of a rent-based model for market analysis—particularly where eligibility for the project in question is based on strict income guidelines. The use of an income range is also preferable in that it avoids the inclusion of households that pay rent comparable to Starrett City rent, yet have incomes above Starrett City maximums.

My Use of 1979 Income Data

The income data used in my original report was taken from printouts of 1980 U.S. Census Tapes provided by the C.U.N.Y. Data Service.² The census always asks for income realized in the previous year, hence the 1980 census reveals 1979 income data.³ As I noted in my report, simple interpolation was used to more closely approximate the Starrett City income categories, where they were inconsistent with the income categories used by the U.S. Census. (For example, if a Starrett City income cutoff fell halfway between the cutoff points for a census income range, then one-half of the households in that range would be added to the total.)

The "Market Area" for Starrett City

Housing market analysis is hardly an exact science, despite Dr. Newman's suggestions to the contrary. The context of my report clearly shows that the term "primary" market was used to emphasize the area which is most important to look at in assessing discriminatory impact and "secondary" market was used to indicate an area which is not as important as a unit of analysis but which may be useful to look at as a more conservative case. Brooklyn was chosen as the primary market area because it is home

to Starrett City and to nearly 60% of its applicants.⁴ And as Newman indicates, each borough is generally thought of as a distinct market.⁵

Newman's first alternative approach to my analysis is to draw a large circle on a map with Starrett City at the center. Such an approach fails to take into account public and private transportation networks, and includes areas of Queens and Manhattan which cannot conceivably be considered as part of Starrett City's market area. This approach also fails to take into account any preference on the part of eligible families to remain within their borough.

Dr. Newman's second approach uses the geographic origin of waitlist applicants to define the market area. Although I did not use this method in my original report, it is an acceptable standard by which to assess the disparity between the Starrett City quota and the racial composition of qualifying families. However, Dr. Newman's version of a weighted geographic analysis overstates the number of whites in the market. Dr. Newman uses borough-wide population totals in his analysis, when in fact, Starrett City applicants reside primarily in a few predominantly minority areas within each borough. In the next section, I apply Dr. Newman's weighted geographic analysis to the qualifying income range of families within the specific geographic subareas represented by Starrett City applicants. This analysis will generate a precise definition of the Starrett City market area and of the racial composition of qualifying families in the market area. I will also point out that the most direct approach, if the market is to be defined in retrospect, is to look at the racial makeup of the actual residents plus applicants to Starrett City, for they represent the "true" market.

Racial Composition of Qualifying Families in the Actual Starrett City Market Area

In my original "Report", data on the origin of Starrett City wait list applicants were summarized to the borough level from the zip code level to simplify presentation.

However, the distribution of applicants varies widely within each borough, not only among them. Nearly half of the wait list sample came from only 15 zip code areas (out of more than 160 zip code areas in the four largest boroughs alone); over three quarters came from the top 56 zip areas. Broadly defined, vaguely reasoned prospective estimates of the market area are not necessary when the wait list is used as an empirical retrospective definition of the market. To assess the discriminatory impact of the quota, it is useful to compare it to the racial composition of the market area as represented by the wait list applicants. The method used to determine the racial composition of the market was as follows:

1. Compile 1980 census tracts into zip code areas in the four largest borough⁶;
2. Using 1980 census tape STF 3,⁷ the racial composition (isolating spanish origin) of families that meet the income test can be extracted for each zip code area;
3. A weight was assigned to each zip code (or county) equal to the number of applicants in that zip code (divided by the total number of applicants in the sample);
4. The racial composition of each zip code area was multiplied by the assigned weight;
5. The absolute values of the weighted racial compositions were summed;
6. The percentage of the summed racial composition was calculated.⁸

When the market area for Starrett City is defined in this way, using the actual neighborhoods of origin of waitlist applicants, the results are startling. In fact, the disparity between the 21% quota for blacks at Starrett City and the racial composition of qualifying families is far more profound than I had originally suspected. About 40% of qualifying households in the market area are black. Hispanics account for 15% of

qualifying households. Totals for each category are listed below:

Percentage of white, black and hispanic families in market area defined by zip code of origin of Starrett City sample of waitlist applicants⁹

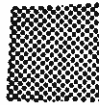
White (non spanish origin)	36.2%
Black (non spanish origin)	40.4%
Hispanic	15.2%
Other	9.1%

The use of geographic origin of waitlist applicants to determine market area, as offered by Dr. Newman and further refined here, is essentially a retrospective method that may have been unavailable to Starrett management in the initial planning of the quota (although there are indications that the management was aware of a high proportion of minority applicants). In this sense, the rough prospective analysis I presented in my original report may be more appropriate in evaluating the decision-making process leading up to the imposition of a quota. However, if a retrospective definition of the market and its racial composition is to be used, why not simply look to the racial composition of the waitlist applicants themselves?

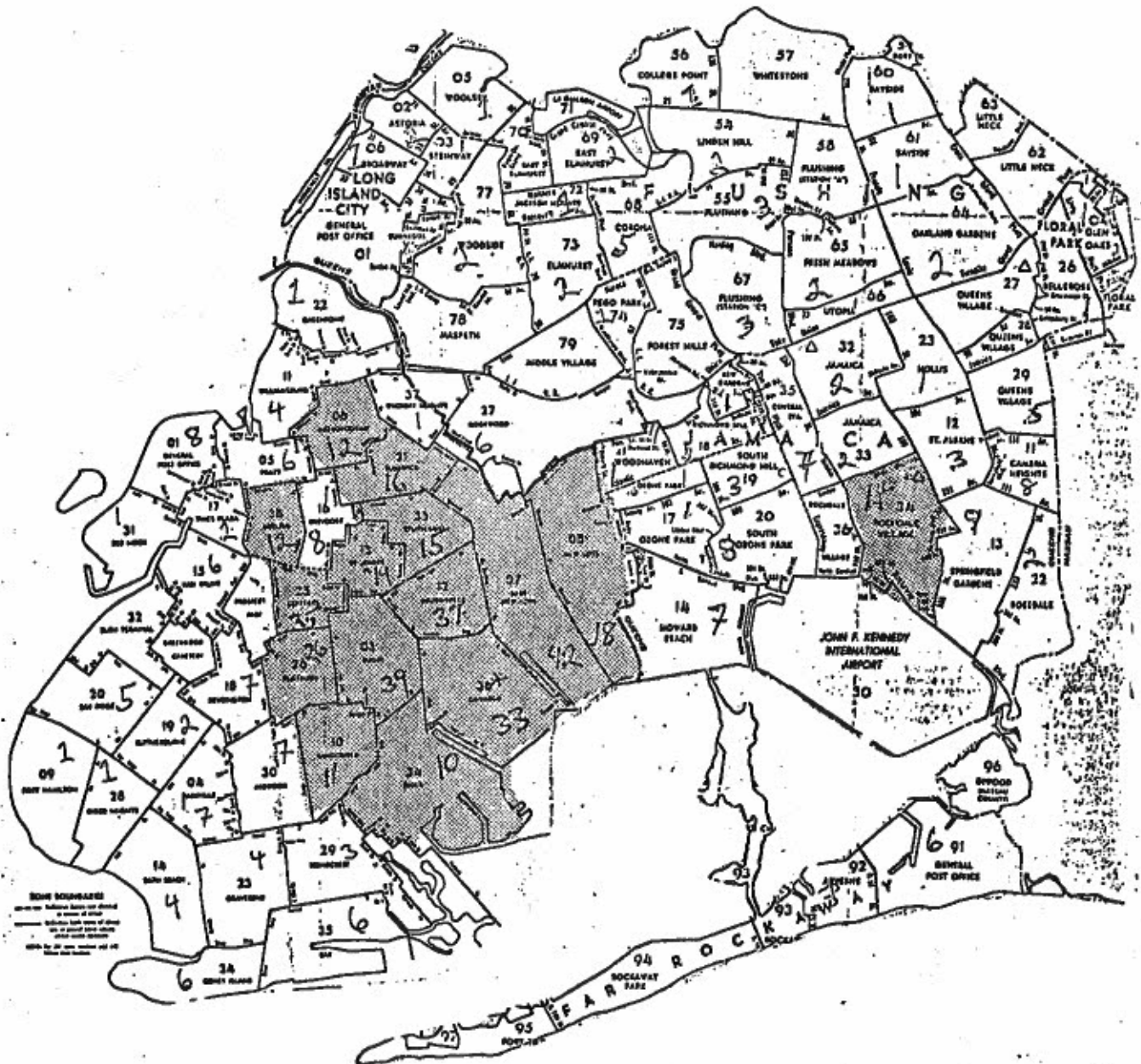
	Starrett City Waitlist (percentage of sample reporting their race) ¹⁰	Waitlist plus current occupants (approximate) ¹¹	Quota (1983) ¹²
Black	51.9	36.45	21
Hispanic	14.6	11.3	8
White	24.3	44.15	64
Asian	1.7	2.85	4
Other	7.6	7.3	3

Paul Davidoff
February 7, 1984

DISTRIBUTION OF SAMPLE GROUP WAITLIST APPLICANTS BY ZIP CODE
BROOKLYN AND QUEENS



Zip code areas with 10 or more sample group waitlist applicants



Zip code areas with 4-6 applications outside Brooklyn and Queens include two areas on the Lower East Side of Manhattan (10009 & 10002), West Harlem (10031), two areas in the South Bronx (10456 & 10452) and Bronx zip code area 10469, near Coop City.

NOTES

1. Newman, Integration=Intervention: The Use of Occupancy Controls at Starrett City, Great Neck, NY, Institute for Community Design Analysis, August 1983.
2. The printouts for Brooklyn and New York City, as used in the original report, are attached. The CUNY Data Service is a non-profit service run for the benefit of CUNY faculty.
3. U.S. 1980 Census of Population and Housing: Summary Characteristics for Governmental Units and Standard Metropolitan Statistical Areas (N.Y.): page B-4
4. Sample of 705 applications provided by Starrett City management which represents approximately 12.5% of the total. The use of Brooklyn as the primary focus of analysis is further supported by the 1980 Census, which reveals that 65% of new Starrett residents since 1975 came from the same county. (Summary Tape File 3: 6813 out of 10514 living "in a different house" in same county in 1975) The statistical significance of the sample of 705 is quite high. The error of an estimate of 55.4% with a level of confidence of 99% would be +/- 4.5%; that of 22.7%, +/- 3.8%; that of 16.4%, +/- 3.3%, that of 6.3%, +/- 2.2%. This high level of confidence should be contrasted with the likely error implicit in some of the analyses conducted by Dr. Kenneth Clark, based on a sample of 67 out of 5800 units. At the same level of confidence, Dr. Clark's margin of error would range from a level of +/- 15% for an estimate of 50% down to a margin of +/- 9.4% for an estimate of 10%. Where Dr. Clark attempts to make generalizations about subgroups of the sample of 67 (e.g. blacks), his margin of error may be even higher.
5. Newman, p.A4
6. The borders of tracts and zip areas do not correspond exactly. The match is close and would not greatly affect the results in any direction.

7. Census Tape STF 3 was recalled by the census bureau shortly after the analysis of data was completed! Data will be rerun as soon as the tape is rereleased to assure that the figures remain constant.

8. Weighted zip code totals were tabulated for four boroughs only. In the other areas of origin (Staten Island, New Jersey, Long Island, Westchester/Connecticut, and out of state) the total percentage of families, by race, was multiplied by the weight assigned to each geographic area, and the resulting figure was added to the race percentage total. Note that U.S. totals were used for "out of state" and Westchester totals were used for Westchester/Connecticut applicants.

9. Computer analysis undertaken by consultant Andrew Beveridge, professor of Sociology, Queens College, under direction and supervision of Paul Davidoff and the staff of Metropolitan Action Institute.

10. The actual minority totals for the waitlist are probably somewhat higher, as 11.5% of the applicants in the sample group did not report their race. The actual totals for the sample of 705 applications (every 8th application) surveyed in September 1980 is set out below. This table is compared to a separate survey of the waitlist, not used in my report, conducted by HUD in January and February 1979:

	Plaintiff survey of 705(1980)	HUD survey(1979)
White	21.5	23.4
Black	45.9	47.4
Hispanic	12.9	11.4
Asian	1.5	2.8
Other	6.7	3.6
Not reporting	11.5	11.4

11. "Waitlist plus current occupants" total arrived at by averaging waitlist sample and existing occupants' racial percentages, assuming an approximately equal number of households in Starrett City and on the waitlist (5800). A more accurate means of arriving at figure for the total applicant pool might be to conduct an analysis of "applicant flow data", which was unavailable for this report. An average of existing occupants and waitlist applicants should achieve a similar result.

12. The quota during 1979-80 (the time period used for much of the data in this report) was slightly different:

White	64%
Black	20%
Hispanic	8%
Other	8%

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PAUL DAVIDOFF'S ANSWERS TO STARRETT CITY DEPOSITION HYPOTHETICAL QUESTIONS POSED TO MORRIS MILGRAM ON APRIL 29, 1983

At Morris Mil gram's deposition in the Starrett City case, plaintiff's attorney posed the following questions:

Predict the impact of the following changes on occupancy by race, after 1 year, 3 years, 5 years, 10 years:

A-1. Drop all percentage limits

A-2. Change percentages to 55% white, 30% Black, 8% Hispanic, 7% Oriental;

A-3. Change percentages to 50% White, 35% Black, 8% Hispanic, 7% Oriental;

A-4. Change percentages to 40% White, 40% Black, 12% Hispanic, 7% Oriental;

B-1. Drop all percentages; attempt to use persuasion;

B-2. Drop all percentages; give minorities list of available alternative apartments;

B-3. Drop all percentages; give blacks preference on waiting lists of 80% white tenanted state projects in city.

These questions are all closely related and depend, to a large extent, on residents' attitudes and expectations, management behavior, and the condition of the New York City housing market. The court should consider the following factors:

1. If the rate of turnover were to remain stable the impact of lifting the quota would

not be very severe. If black families leave at the same rate as other families, and 52% of waitlist applicants are black, the net gain in black-occupied units in the first year will be only 155 units--out of 5800 total units. If the turnover rate remains stable, the net increase in black occupied units will decrease each year--as the numbers of black residents increase, so too will the numbers of blacks leaving the project each year. After 8 or 10 years, the white and black population at Starrett would be roughly equal at about 40% each. The population of the project would continue to move slowly towards the racial mix represented by the current waitlist.

2. White Attitudes toward living in an integrated community. Whites now living Starrett City accept living with black neighbors; in fact many may actually prefer a racially integrated environment. If whites can be convinced that their white neighbors will not leave en masse, and that the increase of incoming blacks will only incrementally change the racial makeup of the project, then the rate of white turnover can be kept fairly stable.
3. Effective Organization and Education of current residents--both white and black--to resist efforts of some whites to depart because of changed racial policies. An important result of improved organization will be communication among diverse groups in the project to quell imagined fears of "other" families leaving the project.
4. Management Behavior. Management has a key role to play, not only in education and organizing of current tenants, but also in maintaining a high quality of services and maintenance. Any suggestion that management would reduce its quality or

standards because of the reduction in the number of whites would tend to scare more whites and lead them to depart from Starrett City. Finally, management should remain vigilant in its tenant selection policies to ensure a continuing high quality among incoming tenants, both black and white.

5. Property Values. Since residents of Starrett City are exclusively renters, there will be none of the financial pressure to move that occurs in suburban homeowner areas.
6. Age of Current Residents. The vast majority of older Starrett City residents are white. 25% of Starrett City residents are 55 or older, and they occupy more units per person than young families. With no children at home, these residents may be less concerned with the racial mix in the local schools, and they will probably be more inclined to remain in their apartments. More than 80% of the 2500 Starrett City residents over the age of 65 are white (1980 census).
7. Future Composition of the Waitlist. At the current rate of turnover, (500 units/year), the current waitlist will be depleted in about 11 years (sooner, as applicants find other housing). Therefore, the long term racial mix of the project is dependent on the outreach efforts of management to achieve a racial balance among new project applicants.

QUESTION A-1

The answer to this question depends entirely on the response of management and white residents to the change as well as on the outcome of the other factors discussed

above. To illustrate my point, consider the following projected changes if turnover remains stable after the quota is lifted—in other words, if Starrett residents resist the pressures of white flight.

Open Admissions: Pace of Racial Change with no White Flight

	<u>White</u>	<u>Black</u>	<u>Hispanic & Asian</u>
<u>Current Mix</u>	64%	21%	12%
<u>First Year</u>	60%	23%	12%
<u>Third Year</u>	54%	28%	13%
<u>Fifth Year</u>	49%	32%	14%
<u>Tenth Year</u>	40%	39%	15%
<u>Thirtieth Year</u>	24%	52%	16%

(Assuming turnover of 500 units/year, in proportion to mix of current residents; and assuming the following percentages of waitlist applicants: white:24%, black 52%, Hispanic 14.6%, Asian 1.7%. Percentages derived from survey of every eighth application, 1980; total of 705 applications.)

This projection, of course, is likely to underestimate the impacts of racial change. It assumes no "white flight". It assumes that blacks and other minorities will leave Starrett City in an equal proportion to their representation in the project in the previous year. It does not take into account the possibility that the waitlist will be more heavily weighted with black applicants in the first few years, and it assumes that the racial mix of the waitlist will remain constant after 8-10 years, when the current applicants will have been accommodated.

In spite of these optimistic assumptions, the projections above serve as a useful yardstick of Starrett City's ability to cope with a change in admissions policy. The greater the efforts at the education, organizing, and management quality, the closer the actual numbers will come to this ideal.

QUESTION A-2

I don't think this change would bring about a significant change in one, three or ten years, particularly if tenants organize to resist racial change. With no increased white flight, the new quota level would be attained in about 3 years, and remain there as long as white families were available to fill vacant apartments.

QUESTION A-3

Same answer as A-2. With no white flight, it would take about 5 years to reach this level. Note that in both A-2 and A-3, if the "front end" of the waitlist is more heavily weighted toward minorities, the quota level will be reached in a much shorter time.

Question A-4

Same answer as A-2 and A-3, except for greater need to strengthen white resistance to racial change. In all the cases, A-1 through A-4, resistance to fear of change is the key to avoiding white flight. Certainly management's role in this work is very important. If as a result of a court order, the ratio is altered toward committing a greater number of minorities, a management intent on maintaining integration must work harder to persuade white tenants that Starrett City will remain an excellent housing buy and a wonderful place to live. If management and residents are successful in preventing white flight, this quota level will be reached in about 10 years, sooner with higher turnover, fewer movouts by minority tenants, or major changes in the current makeup of the waitlist.

QUESTION B-1

I do not think this would work unless it contained some incentive such as the kind offered in B-2 and in particular in B-3. However, some of the blacks comprising

52% of the waiting list might step aside if the waiting list were not too long. I would guess that perhaps those might comprise about 14% of the black list.

QUESTION B-2

I think this might have the same effect as the request in B-1. Rather than step aside as in B-1 about the same number might get off the list and take vacant units, but the key question here is how many vacancies can be found in a tight market. I would think very few. A better alternative might be to hire an experienced full-time rental agent (at the management's expense) to actually find and place willing waitlist applicants in alternative private housing. However, apartments in the private market will tend to be higher-priced and less attractive than equivalent units at Starrett City.

QUESTION B-3

This is the best answer of all. This would slow the pace of racial change at Starrett and also increase the integration of other virtually all-white projects with willing blacks from the Starrett City waiting list. For some, the alternative units offered would not suffice and a "forced choice" should not be required. But for some, the alternative, not previously available, might be preferable in terms of location, neighborhood or some personal reason.

I would believe that this solution might maintain Starrett City's current ratio or something close to it for the next 10 years.

Paul Davidoff
February 7, 1984