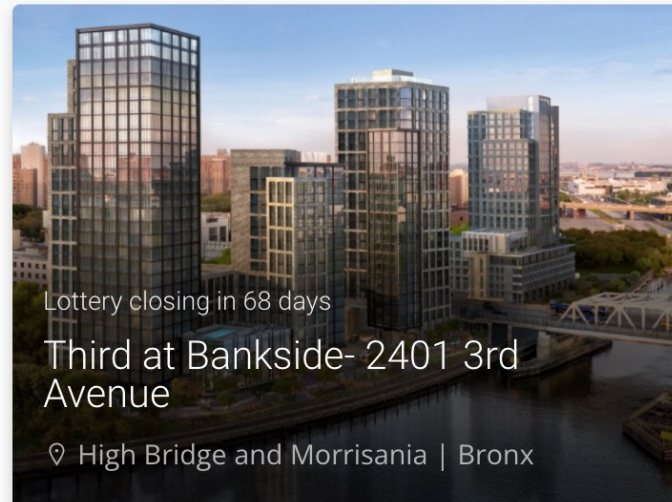


# Do “Community Preference” Policies Violate the Fair Housing Act?

## Part 2: Examining the City’s Defense

Nick Arnosti (not a legal scholar)

# New York Affordable Housing Lotteries



Lottery closing in 68 days

**Third at Bankside- 2401 3rd Avenue**

📍 High Bridge and Morrisania | Bronx

**134 Units Available**

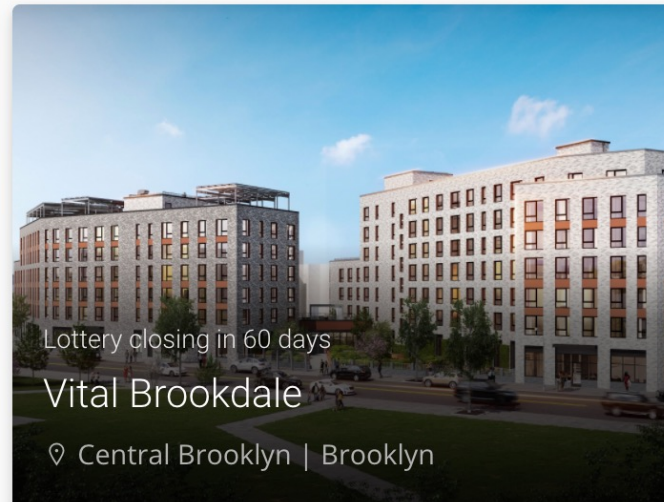
**Nearby Transit**



Summary

Details

Map



Lottery closing in 60 days

**Vital Brookdale**

📍 Central Brooklyn | Brooklyn

**117 Units Available**

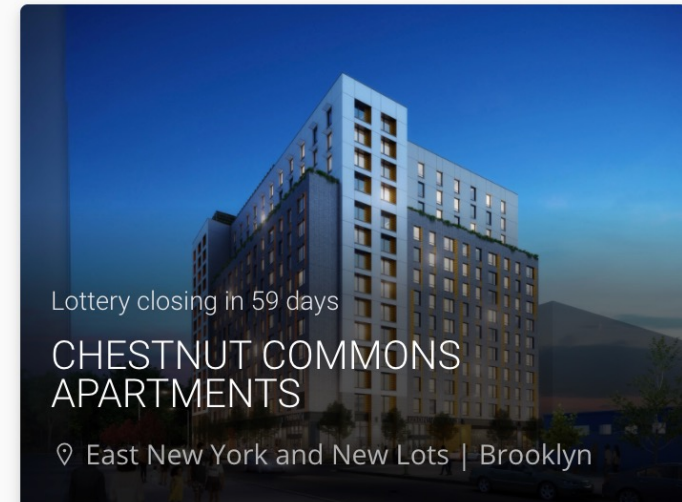
**Nearby Transit**



Summary

Details

Map



Lottery closing in 59 days

**CHESTNUT COMMONS APARTMENTS**

📍 East New York and New Lots | Brooklyn

**219 Units Available**

**Nearby Transit**



Summary

Details

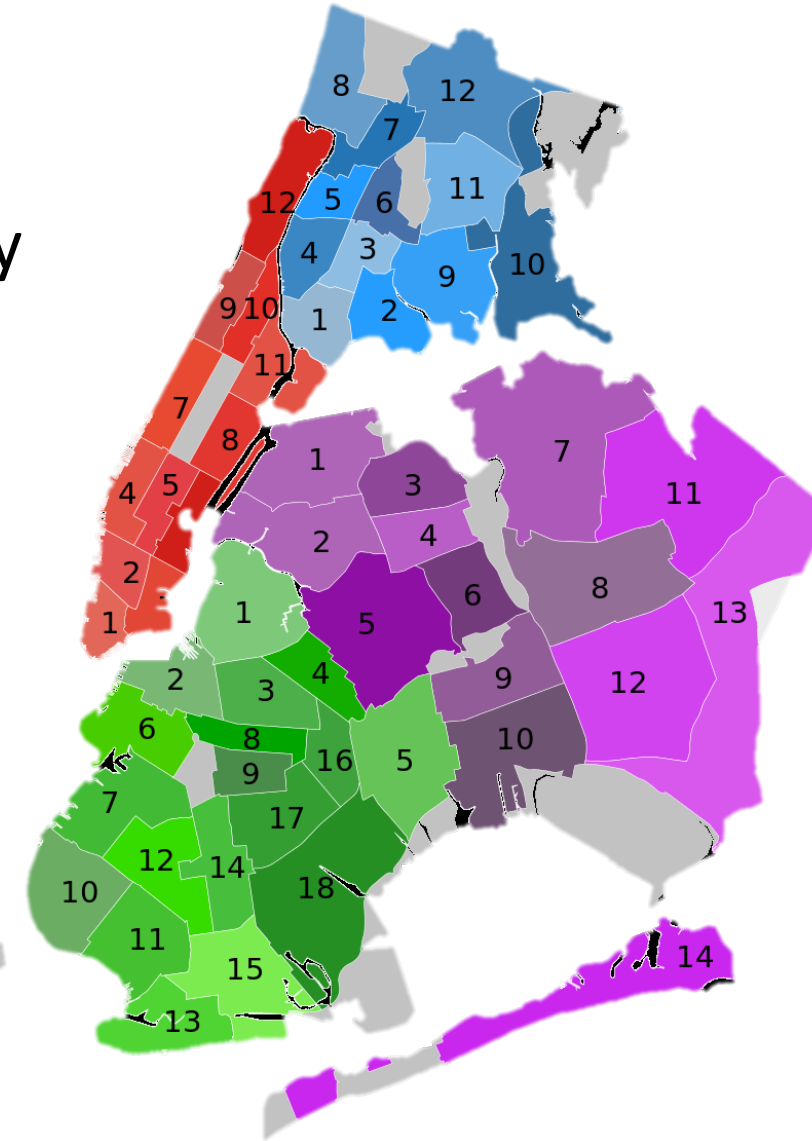
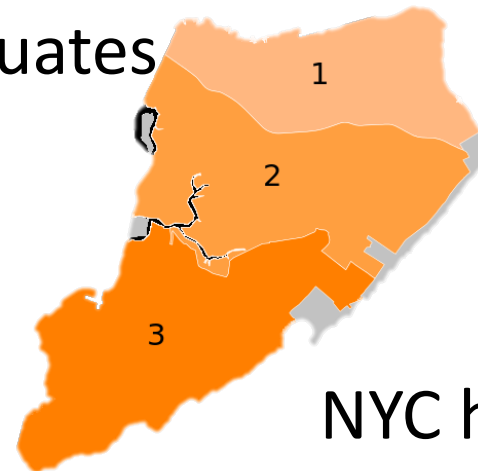
Map

# Community Preference Policy

Community Preference is a longstanding NYC policy that **reserves 50% of units in most subsidized affordable housing developments** for residents of the local Community District.

## Lawsuit!

Plaintiffs claim that the policy has racially discriminatory impacts and perpetuates the harmful legacy of segregation.



NYC has 59 Community Districts

How to establish  
“disparate impact on the basis of race”?

Data analysis: 10,245 units in 168 lotteries from 2012-2018.

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I offer my own take. [Part 3](#)

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# Recap: My Critique of Beveridge's Report

To study a policy's impact,  
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Beveridge fails to do this.

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	Incorporates <b>Outcomes</b>	Clear what would happen <b>without CP</b>
Table 1	✓	✗
Table 2	✗	✓
Table 3	✗	✓
Table 4	✓	✗
Table 5	✗	✓
Table 6	✗	✓
Table 7	✓	✗
Table 8	✓	✗



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# My Critique of Siskin's Report

To study a policy's impact,  
must compare **outcomes**  
with and **without** it!

Siskin does this, but chooses  
the wrong outcomes!

(Also some questions about  
his methods.)

# Siskin's Analysis

*I have conducted my analysis in three ways...*

- 1. First, I demonstrate that African Americans and Hispanics are overrepresented in the City's affordable housing units as compared to their representation among low income New York City residents.*
- 2. The second analysis compares lottery results with the CP policy and without the CP policy.*
- 3. The third analysis examines... the Consideration Stage, [which] is the only stage where the CP policy has an impact.*

# Siskin's First Point is Irrelevant

*The City's affordable housing projects overwhelmingly serve people of color, even in majority white areas.*

*African Americans and Hispanics are awarded affordable housing through the City's housing lottery in disproportionate numbers in their favor compared to their representation among New Yorker City residents with incomes [that] would make them eligible for the City's affordable housing lotteries.*

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**This has nothing to do with the effect of Community Preference.**

# Siskin's Second Point, Part 1: CP has Little Effect on Race of Awardees City-Wide

<u>Race of Awardee</u>	<u>Awards*</u> <u>CP Policy</u>		<u>Difference</u> <u>With-Without</u>	<u>Percent</u> <u>Increase with</u> <u>CP in Effect</u>
	<u>In Effect</u>	<u>Not in Effect</u>		
White	883	851	32	3.7%
African American	3,740	3,761	-21	-0.6%
Hispanic	3,770	3,734	36	1.0%
Asian	566	604	-38	-6.3%
Other	634	638	-4	-0.6%
Refuse	653	658	-5	-0.8%
Total	10,245	10,245		

*“The CP policy applies citywide.... And thus the analysis should have been done citywide.”*

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*“The CP policy applies citywide.... And thus the analysis should have been done citywide.”*

**Cannot address plaintiff's claim that CP promotes segregation.**

Many illegal policies maintain city-wide racial composition of awardees. (Example: specify where each race can live).



# Siskin's Second Point, Part 2: CP has Little Effect on City-Wide Measures of Segregation

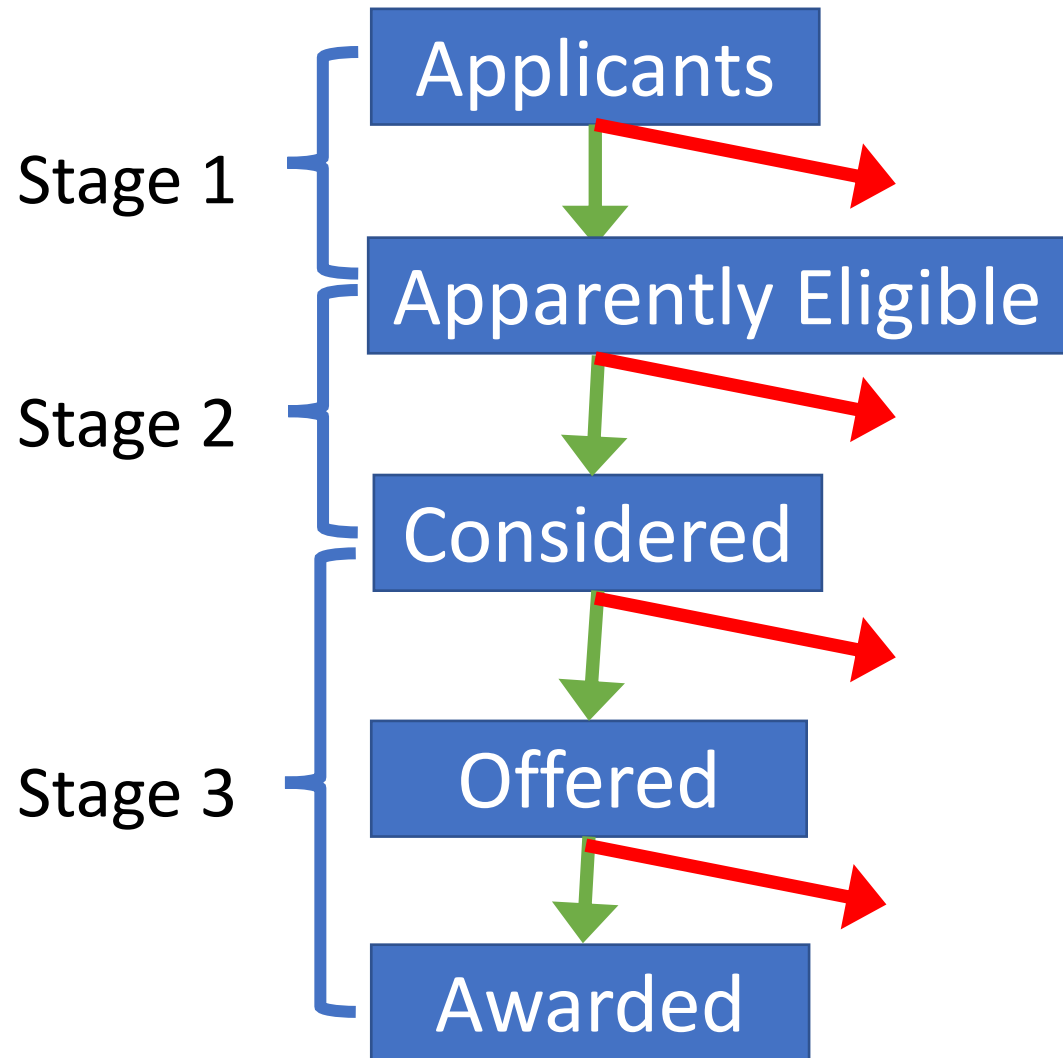
*“even if one were to select awardees with the goal of increasing (or decreasing) the Dissimilarity Index, the result would have a small impact on the Dissimilarity Index between African Americans and whites. This is primarily due to the fact that the **housing lottery units make up only a very small portion of the housing stock in New York City.**”*

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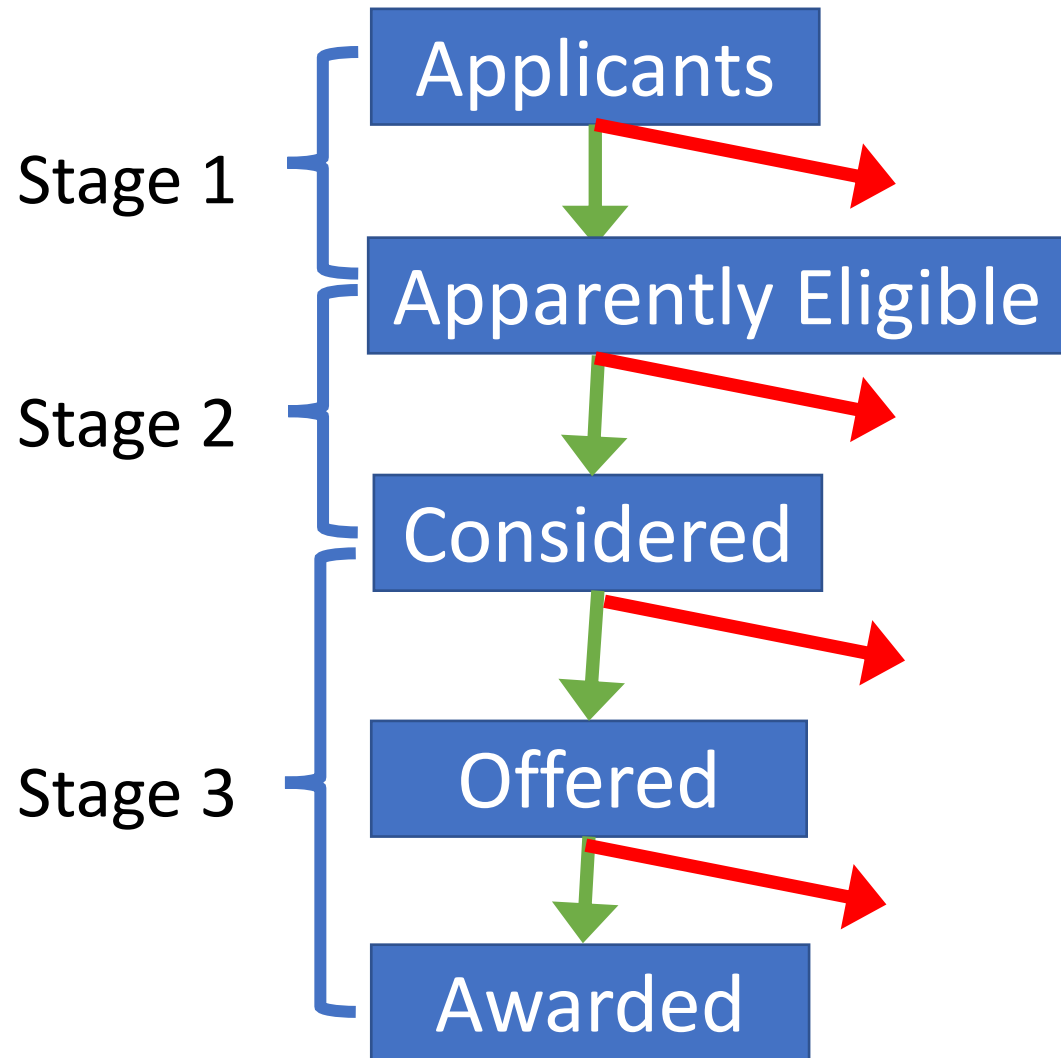
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**Looking at city-wide measures of segregation is not helpful.  
Even extreme discrimination would not move the needle.**

# Siskin's Third Point: Look at *Considered* Applicants, not Awarded Applicants



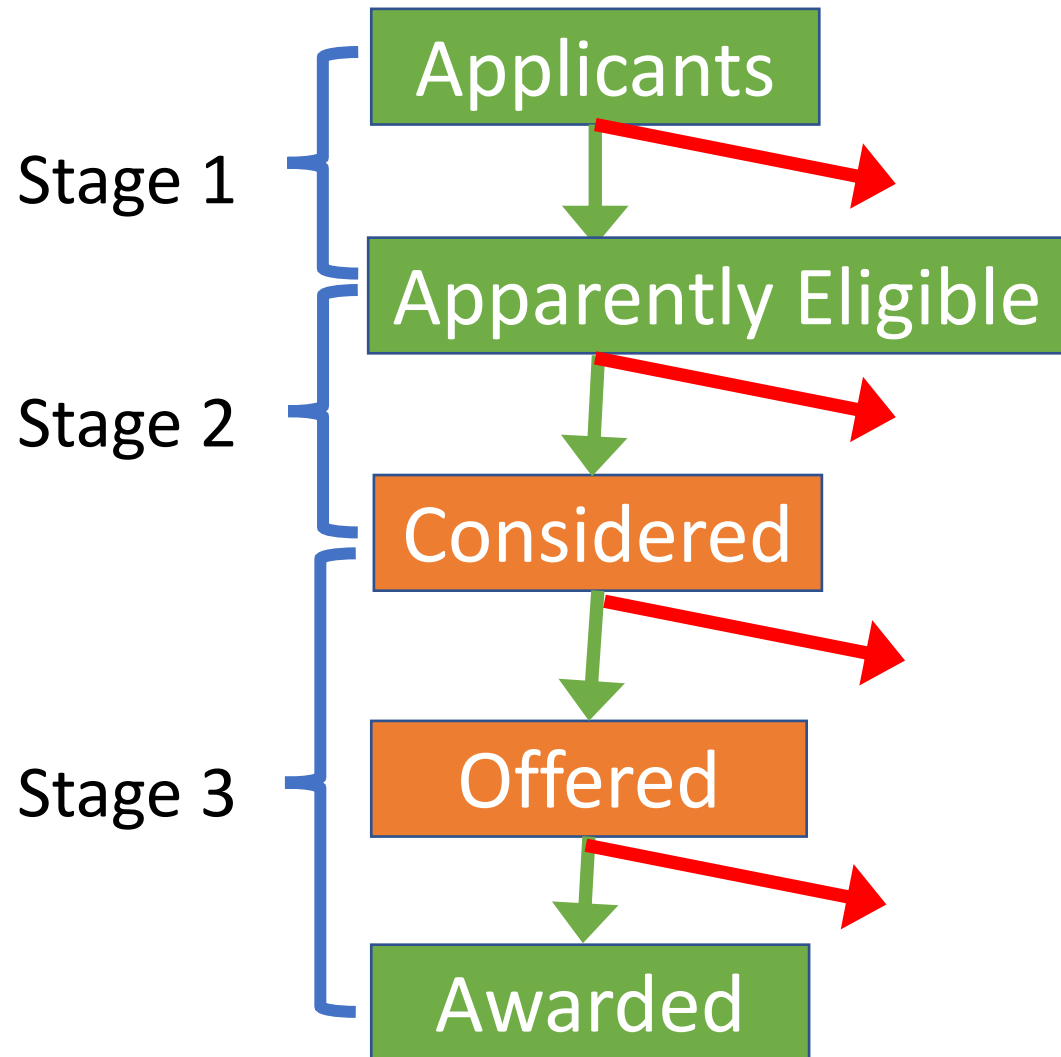
# Siskin's Third Point: Look at *Considered* Applicants, not Awarded Applicants



CP affects who is considered (Stage 2)

Should look at who would be **considered**, with and without CP.

# Siskin's Description



CP affects who is considered (Stage 2)

Should look at who would be **considered**, with and without CP.

## Concerns:

1. We don't observe who was considered.
2. Some apparently *ineligible* households were considered (844 were awarded).
3. Even more difficult to know who would have been considered.

# How to Determine Considered Applicants?

We observe:

1. Who is eligible for community preference
2. Which “apartment types” applicants are eligible for
3. Who was awarded
4. Lottery numbers

**High-Level Idea:** if an apartment I was eligible for was allocated to someone with a worse lottery number, then I was considered.

# Some Suspicious Findings

	<u>Number of Applications</u>	<u>Percent of All Applications</u>	<u>Percent Passing Stage</u>
<u>Stage 1</u>			
Apply	7,245,725	100%	
Found Apparently Eligible	3,124,133	43.12%	42.40%
<u>Stage 2</u>			
Considered	1,059,039	14.62%	33.90%
<u>Stage 3</u>			
Awarded	10,245	0.14%	1.0%

Nevertheless, in simulations, Siskin assumes 100% of considered applicants are awarded!

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I don't believe that 1/3 of applicants are considered, and only 1% of these are eligible and interested.



# Coming Up: Part 3

1. Solving the mystery: what could explain high 'considered' rate?
2. A key missing feature: affordability at different income levels.

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1. Solving the mystery: what could explain high 'considered' rate?
2. A key missing feature: affordability at different income levels.

Lottery closing in 57 days

**425 GRAND CONCOURSE APARTMENTS**

High Bridge and Morrisania | Bronx

248 Units Available

Nearby Transit

3 4 6

Summary Details Map

AMI %	Layout	# Units	Monthly Rent	Household Size	Household Income
				1 person	\$19,303 - \$25,080
30%	1 Bedroom	9 units	\$465	2 people	\$19,303 - \$28,650
				3 people	\$19,303 - \$32,220
				1 person	\$46,732 - \$58,520
70%	1 Bedroom	18 units	\$1,265	2 people	\$46,732 - \$66,850
				3 people	\$46,732 - \$75,180
				1 person	\$69,395 - \$108,680
130%	1 Bedroom	23 units	\$1,926	2 people	\$69,395 - \$124,150
				3 people	\$69,395 - \$139,620