



POLICY ON PURPOSE

Episode 23: Former New York City Deputy Mayor Alicia Glen on future-proofing cities

NARRATOR: This is “Policy on Purpose,” a podcast produced by the LBJ School of Public Affairs at The University of Texas at Austin. We take you behind the scenes of policy with the people who help shape it. For more, visit lbj.utexas.edu.

STEVEN PEDIGO: Hello everyone, I'm Steven Pedigo — I'm your special guest host today for the podcast; I direct the LBJ Urban Lab. I'm excited to have our guest with us today, Alicia Glen, the former deputy mayor for housing and economic development for the city of New York. Alicia, great to have you, thanks for joining —

ALICIA GLEN: Thank you for having me.

PEDIGO: Thanks for joining us. Alicia is someone that's worked across all public — all sectors, the public, private and government — the ultimate city builder, as I would say. So, you know, Alicia, let's just jump right in: How did you find yourself as deputy mayor?

GLEN: Wow — well, that's a long story but I'll try to make it a little shorter. I am incredibly lucky that I grew up in a family of parents who had always been involved in the public sector in different ways; they were civil rights lawyers, they were legal services lawyers. My father went to work for the city of New York, my stepmother ran city planning. I mean, I really grew up thinking that, like, what people do in their life is help built cities and serve their cities. So, you know, a lot of people thought you would, like, grow up and be a banker or an astronaut or a doctor. I thought you grow up and you try to make cities better. So, you know, I've had a very long career both as a lawyer, I've been in the public sector and the private sector, but if you're into building cities and making cities the great opportunity places and petri dishes that they are, being the deputy mayor for New York City, it's probably about the best job anybody could have. So I got there and I had the greatest five years of my life.

PEDIGO: That's awesome. So one of the things that's obviously one of the largest accomplishments that you had — and you're an expert in the space — is affordable housing. You helped design and build one of the largest affordable housing programs across the country. How did you do it?

GLEN: Well, I mean, in addition to more iced coffee than I thought was possible to buy, even in hipster coffee bars in New York, you know, we did it by taking a lot of work that had already been done in the city of New York — I always like to be really honest about the fact that, you know, really good city government and city policy builds on the work of your predecessors, you know, unless there's a big revolutionary moment in a city where they had no housing policy. But that wasn't the case in New York — I mean, New York City has always been the leader in recognizing that cities need to take housing as seriously as they do fire, safety, education — the traditional things that people think of as the services that cities provide. And starting about 35 years ago, the city of New York began to put housing front and center, and it was the first jurisdiction to ever go out and actually raise capital specifically for affordable housing. And it was incredibly important that the city do it, particularly at a time when people were talking about New York City as being a shrinking city.

PEDIGO: Yeah.

GLEN: Sort of like the Detroit of today was, you know, New York City in the late '70s and early '80s, when people were talking about a real shrinking city plan. And so at the time, thinking about housing was also about economic development and community reinvestment and saying, "We have a housing crisis, but what we really have is also a neighborhood crisis." And so the city made this decision that a strategy to help the city grow and revitalize was to invest in housing. And so that work was built on for years and decades and when we got there, we said, "Look, we've been doing amazing work," the Koch plan, Dinkins — even Rudy Giuliani, who I worked for, you know, had an interest in housing. And then the Bloomberg administration did a lot of interesting work in housing as well, particularly as the city was beginning to prosper so much and population was returning. We began to see this sort of interesting dynamic, which is, we have an amazing infrastructure for affordable housing, we have great agencies, we have great policy and the market is going crazy. And now we have a different kind of problem, which is there's no more city on property, there's no more vacant blocks and blocks and blocks in the Bronx, right? That's done.

PEDIGO: That's great.

GLEN: We did all of that. And now we have to think about new strategies, because if we want to be a pro-growth city, if we want to continue to be a city that's 8.5 million, 9 million people, 9.5 million people and keep the momentum, we have to build housing for everybody and we have to think about new strategies.

PEDIGO: So how did you get the private sector on board?

GLEN: Well, so the private sector is, you know, in one sense they get on board and in some ways, you push them on board, right?

PEDIGO: That's right.

GLEN: It's a two-way thing, right? So in order to really capture the value that the city had created by the renaissance post-9/11, post-Lehman, and really the economic indicators of the city were so strong, we had to figure out a way to get the private sector to actually start contributing in a way that was not purely voluntary. Right? A lot of people and a lot of jurisdictions around the country use density bonuses or use incentives in order to get the private sector to do the work of the government. And those

programs are important and they're part of a comprehensive plan, but the fundamental game changer was to say, "You know what everybody? The housing market and the real estate market is so strong in New York, we're going to actually capture some of that value creation and put it into permanent affordable housing." And that's what mandatory inclusionary housing really is, which is saying if you're going to be building housing in New York City now, we're going to give you the tools and the density and the jurisdiction to do that, you need to give us something back in return. There has to be more of a real contract with community. And that was a fundamental game changer, it's one of the main pillars of our plan.

So now, when neighborhoods are up zoned or rezoned so that residential development can occur, or when big developers come in and want to take their building from 50 stories to 80 stories into an up zoning, they have to do affordable housing. And that really changes the dynamic both in terms of the conversation with community but also it allows the city to actually capture some of the wealth that's being created in the city. So that's an instance where the private sector isn't exactly voluntarily getting on board except they are because now we have data to suggest that the quid pro quo, the intensity of density, and the additional FAR has not made it impossible to build, right? And that's what all the naysayers always say, if you over-regulate it, you'll ruin the market, nobody will build a building and it'll go back to the way it was. Exactly the opposite. We have more starts and more activity than we ever had before, so we obviously got it right. We're getting that share of the market correct, we get permanent affordable housing and developers get to make money and build great buildings.

PEDIGO: So how do cities like Austin and Denver, these smaller cities, take these ideas and apply them into their communities? I mean, that's an issue that we have here in Austin, particularly, is around affordable housing and getting the private sector. Because some of the ideas around inclusionary zoning — in a sense, we can't do some of those things here in Texas; how do we do it?

GLEN: Well, I mean, some if it is jurisdictional in terms of what you're allowed to do by statute, and I think there are techniques about ways to make these programs constitutional and if you have the right enabling legislation — and my sense is there's a real momentum here in Texas around that. But I think it boils down to what I would call future-proofing your city, right? A lot of people say —

PEDIGO: I love that.

GLEN: A lot of people say we don't want to put too many requirements on developers now, the market is not hot enough. Or we don't want to set aside our city-owned property to have to have affordable housing. We just want development. We want development. And I think that's a really short-sighted view. Because before you know it, you're going to wake up and suddenly you're going to have a real affordable housing crisis on your hands, and you're going to wish maybe some of those sites that you had auctioned off or those sites where you did development agreement where the obligations around affordable housing weren't that enforceable. You're going to really look back and go, "Shit, we blew it," because now we don't have those assets and those resources. And so, what I extol all cities that are either on the verge or already beginning to feel a heated a market [is to] put these tools into place now.

And by the way, you know I think this notion that developers now will never do a deal or never want to big on a city site or never want to build a building if they have to do 10 or 15 percent affordable housing. It's just not true. You have such strong market dynamics in places like Austin and Denver and Portland and Nashville, and these cities are experiencing extraordinarily high-wage job growth. These markets can and should be leveled in such a way that affordable housing becomes baked into the blueprint or

into the ether and zeitgeist of all public policy. Because let me tell you something, it's much harder to retro-fit these problems than get it right going into the wind.

PEDIGO: So, housing's one of the issues obviously since we deal with inequality in our cities. You know, you look at New York, your former mayor, your former boss.

GLEN: He's still the mayor.

PEDIGO: Yeah, he's still the mayor. Mayor de Blasio said that New York was a tale of two cities. We see that playing out in Austin and other places. There was an article in the *Statesman* today about how income in the cities is growing but our poverty numbers are increasing. Housing is one piece of that. What are some other levers that city builders can think of beyond housing to think about how we push up this idea of inclusive growth in our cities?

GLEN: Yeah. I mean, you're right. Housing is, for most people, their largest expense.

PEDIGO: Of course.

GLEN: ...So, it hits right at it, but you have to attack it from both ends. And I think there's no one-size-fits-all sort of instant strategy. You have to look at it as a comprehensive approach. So one of the things that we did are short term investments and long-term investments. The greatest long-term investment you might argue is universal pre-K and now universal 3K, beginning to give kids the skills they need to compete in the 21st economy — 21st-century economy. Raising your minimum wage. Thinking about living wage. These are controversial issues, but as the cities themselves become more expensive, you have to rebalance what minimum wage and living wage looks like so that people can income up. Real strategies about how to develop pipes for local people to get the jobs in the innovation economy.

PEDIGO: Tell us more about that because you all spent a lot of that.

GLEN: Yeah, strategic investments. I think a lot of people think of economic development as like a race to the bottom of just incentives to bring companies, bring companies. And you know, for some companies and for some cities it's OK to offer some packages. I'm not saying that that's the world's worst strategy. But if you're going to be doing that kind of incentive-based economic development, you must link it to real investments in what I guess you would think of as 21st-century skills-based training that can be at a high school level. It can be really interesting industry partnerships and apprenticeships.

I mean, what we think of as education now, or you know — you should be investing in community colleges that are providing people with basic digital and, you know, computer engineering skills and saying to companies that are going to be building in cities. You know what newsflash — if you want a tax abatement or you want an incentive, you have to make best efforts or even possibly you must hire 20 percent of your incoming engineering staff from our community college. I mean, there are hooks that you can begin to put with your packages so that you're not being uncompetitive with other regions but you're being very clear that the companies here are not just here for their own, but to engage with the current population and allow the workforce here to represent the diversity of the city. I think that's the connection linking workforce training, workforce development skills training education to what people think of as classic economic development.

PEDIGO: And some of the things that I love about what you all did in the city of New York is you also made a commitment to help maintain that manufacturing was going to be present in the city, not just thinking about those knowledges and those quote-unquote “creative class” jobs or even those pipelines jobs. But you all made a commitment to manufacturing. Is that important for cities to think about that as well?

GLEN: I think it varies by jurisdiction and what's going on in terms of the diversity of your economy, but as much as I am a pro-house and talk about why — you know, we really need to focus on housing. Your point is exactly right, which was for too long it had been housing versus jobs, right? And in many ways that played itself out in New York and in a lot of coastal cities with what we do with our industrialized waterfront right where people are no longer actually using the waterfront to make cars and heavy manufacturing. It's a false dichotomy, if you will, because if you actually do smart densification and smart mixed-use planning, you can also preserve real industrial zones, right? Not necessarily for noxious uses, but manufacturing has changed so much right now.

I mean, think about old-fashioned zoning classifications. You don't have to separate manufacturing from residential or commercial anymore in the way you used to, except for very, very few uses. And so we did. We said, you know, what we're basically going to say these are real no-fly zones for residential developers and just stop the debate and say, it is really important that we have places and spaces in New York City where bakers, furniture makers, the new blue collar [can be]. Not only can [we] have jobs, but [we can] know that they're going to be protected and not be bit up by a condo developer. And places like Austin, where land is less of an issue, I think it's an incredibly smart policy to be very deliberate about areas where you're not going to have the market of residential versus manufacturing competing with each other, because you just take it off the table. And it's really good long-term planning. Again, this is what I call future-proofing. Just zone it for no residential and make smart capital investments in those assets and in the land so that actually modern manufacturing can take root and grow.

PEDIGO: So tomorrow you are participating in a panel about the idea or this question: Are progressives killing our cities? I think the *Tribune* has given it a nicer, more polished name, but the original idea was that have politics in our cities maybe swung a little too far to the left. What's your take on where we are and sort of this idea of anti-growth, anti-development in our cities' perspective on that?

GLEN: Yeah, also I hate this sort of left-versus-nonleft because I grew up I think on a big lefty, but all these lefties think that I'm right at the tail of the hunt. So I think that our nomenclature of left and right is very, very off right now. My biggest thing is that, you know, a progressive is supposed to be pro, right? Think about what the word starts with and what has become — I think the calling card of the progressive left in a lot of cities right now is anti-everything. Right it's anti-growth. It's anti-high-tech jobs. It's anti-density. And what they want — and it's not that there are like very allottable goals. Yes, we all want cities where people don't live on the street, of course. But the notion that in order to attain those goals of a fair or more just — a more inclusive economy is to say we need to beat up on and be against the economic engines that drive the success of cities. To me is so throwing the baby out with the bathwater that I don't understand it.

PEDIGO: So how do we elevate the conversation? How do we get that narrative that you just described into our neighborhoods, into our community board meetings, etc., where we're sort of seeing this pushback?

GLEN: Well, I think it goes to the old adage, which is, you know, don't tell me, show me, right? There's a lot of talk, but at the end of the day, you know, doing the kinds of projects where there are seniors, there are cops and teachers, there are the missing middle. There are actually, God forbid, tech bros. But you know what, not all tech bros are the worst. And tech bros pay taxes so that your kids can go to universal pre-K, right?

PEDIGO: I live next door to a tech bro.

GLEN: So there it is. You seem like you survive. They're not all so terrible.

PEDIGO: They're great neighbors, actually.

GLEN: And I think part of the challenge here is that people are being vilified for what they do, and the bottom line is that communities do have a legitimate fear of change and displacement. But if you have smart preservation strategies, if you are building new projects that include housing for everybody and making investments for things like education and the pipes of how people can get jobs. These are not like — you're not going to see this in six months. And this urgency I understand, but by the same token the urgency is making the politics so toxic that you're undermining the long-term strategies that will actually allow cities to grow equitably. And this is what freaks me out. It makes me really worried about how things are going.

Beating up on Amazon because Amazon somehow is in the ether being the bad guy is really a misplaced approach. Amazon, whether they're in New York City or they're in Omaha or whether they're in Atlanta, their union politics are their union politics, right? I mean, by kicking them out of New York you didn't really didn't do anything about the issue if your issue is about labor. All you've done is now forgone an opportunity to have a major corporation that was going to make huge, huge investments in New York City and commit to things that would actually, in the long run, help build a more inclusive city. You've now run them out of town. So who have you helped? I mean, it was a great sound bite, but what was the strategy of what to do after you got rid of them, right? The strategy appears to maintain the status quo. The one thing we know for sure is that the status quo does not help inequality, right? You have to have interventions because left to its own devices, the market is going to continue to support very high-wage job growth and low-wage workers and so it requires interventions and smart strategies. I think the notion that keeping things the way they are is better than doing something about it is really misplaced.

PEDIGO: So you are at a public policy school today. You're visiting LBJ School and we're excited to have you. And you're going to have a room full of policy students and future policymakers to come. What advice would you have for them to say, you know, you're at a policy school, gain these skills, these experiences. You know what would you like to have known maybe earlier in your career perhaps?

GLEN: Oh God, there's always that great question of like if you could do it all over again or what would you have done if you knew then or — I really wish I had gotten better sleep patterns, because it's exhausting work to be in the middle of that battle. But it's incredibly exhilarating. What I say to students is, you know, a lot of people think you have to be ideologically pure or you have to be pure in your own

career about how I will only do public health or I will only do affordable housing. I think that the really best policymakers, politicians and doers are people who love the space, are absolutely committed to the work but are not so impractical that they can't understand the other side's point of view. And I know that sounds almost too trite to say, but I was a much much better deputy mayor and got way more done for the public because I had spent time at Goldman Sachs, because I know exactly how those guys think. I know how capital markets work. I understand the give-and-take. And so, I had found in my own career and I always tell kids this: For me, it's been about housing and city building and how you make cities great and fair. But you can have different seats at that table. Pick your table, but either take different seats or at least have some sympathy and understanding and appreciation for the other people that are sitting at the table. Strict adherence to doctrine, basically, is a bad strategy. I'm glad some of those folks are out there, and they should be academics and they should protest, and that's great. But if you really want to be a changemaker, you have to have an appreciation for the other side's point of view and understand the balance between the public and private sectors. When you get that balance right, you're actually able to create so much more impact than if you had just stood on your soapbox and yelled at everybody.

PEDIGO: That's great. We'll leave it there. Thanks for joining us.

GLEN: Thank you.

PEDIGO: Cheers.

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