

Majora Carter:

Human beings crave beautiful places, they crave having experiences that build community. They want that. And so, when you deny us that, we will seek it out in other ways. I mean, that's why we see that happening in our communities.

Matt Slepín:

Hi, this is Matt Slepín, and welcome to Leading Voices in Real Estate. Today's episode, a bit of a departure from our normal fair is a conversation with Majora Carter, developer, urban revitalization strategist, one of the original Ted talkers, MacArthur fellow, cafe owner and author of the recent book, *Reclaiming Community: You Don't Have to Move Out of Your Neighborhood to Live in a Better Place*. We get to talk about all this and more in our conversation, which took place on May 7th, 2022. The thesis of Majora's book, and much of this conversation is that communities like companies must have a talent retention strategy, particularly what she calls low status communities exemplified by her community, the Bronx. The subtitle of her book makes the point directly, you don't have to move out of your neighborhood to live in a better place. The book in our discussion focuses on how community builders, and civic leaders can improve their neighborhoods to be welcoming places for people to stay rather than leave.

And for communities on the verge of development to embrace their own, to balance out gentrification and not lose their best, and brightest, and role models for the next generation. Interestingly, I heard a recent Ezra Klein podcast with a conservative thinker, Patrick Dene, who comes from a very different perspective than Majora. They talk about exactly the same thing, but from different worlds, essentially white brain drain from low status communities in the south, and Midwest. I invite you to check out that podcast and connect the dots on these two conversations. As a society we're all too familiar with this problem in both the urban, and rural low status communities, we all pay the price with huge negative ripple effects and need strategies, which is a real estate challenge, to turn these back into communities of success and diversity. Majora will be speaking at the upcoming ULI San Francisco housing the bay summit, which I'll also be attending and where I will be interviewing this time on stage our prior leading voices guest, Cedric Bobo of Project Destined.

We live in incredibly complicated times where we're demanded to address in business and in society, ongoing constant change and disruption. The real estate industry is right in the middle of those demands, which we will keep exploring in conversations like this one with Majora. Conversations we've had around carbon and sustainability, conversations around housing affordability, conversations around adaptation in the office business to new realities, and continued exploration in creating great nurturing environments. I hope that these discussions on Leading Voices enables you to enter thoughtfully into some of these more wide ranging topics relevant to the real estate industry. Exploration is what we recruiters get to do as we help find best in class talent for our clients, we look broadly across the industry for great talent. And then, it's easy to jump into an interview just with the goal of determining if a candidate's worthy to present to our client or not.

But, those goals alone are too simple for our deeper task, which since we're in conversation with a candidate is also to honor them enough to try to understand who they are, where they're going, indeed, whether or not they're the right fit for the job, and to establish what might be a long term dialogue. As I like to say, so many things are about the broader view not just the immediate task at hand, themes you'll hear throughout our podcast series, hence it's always thank you to Terra Search. Now, Terra ZRG for supporting the podcast and enabling these conversations. As always, if you're enjoying Leading Voices, and not yet following or subscribing to the show, please do follow us on your favorite

podcast app. If you find meaning or learn something special on this or any of the other episodes from our catalog, please share them with friends, and colleagues.

Indeed, in our e-blasts and in our show notes, I always refer to several similar episodes from the archive that might resonate with the current discussion. And if you have comments, questions, or guest suggestions, please email me at my new ZRG email, which is mslepin@zrgpartners.com. I hope that you enjoy the conversation with Majora. Majora Carter welcome to Leading Voices in Real Estate, I'm thrilled to have you here. We're in Oakland today, and you're speaking at a book festival. And we're going to be together at the Urban Land Institute, San Francisco housing the bay, in a couple few weeks.

Majora Carter:

Yes.

Matt Slepín:

So, it's a preview of that conversation. You have a new book out, and you are an urbanist, I think. So-

Majora Carter:

You call you me that, sure.

Matt Slepín:

Okay. Elevator speech, who are you? Why are we talking?

Majora Carter:

Sure. So, my name's Majora Carter, and I am an urban revitalization strategist, and real estate developer. And I did write this book called, *Reclaiming Your Community: You Don't Have to Move Out of Your Neighborhood to Live in a Better One*, because it is exactly what I believe. It is about a talent retention approach to community development, that we did, we took a page out of a company talent retention manual, basically. Which is understanding that when you hire people for a company, and you pour resources into them, so that they feel like they're connected to the goals of the companies, if they want to stay and pour themselves into it. We don't do that in terms of low status communities, and I define low status communities in my book. I actually put the glossary up front with the words that I use that I want people to know about, low status is one of them that I use throughout.

And I don't use the terms poor or underprivileged or even, under resourced to describe neighborhoods that are poor or underprivileged or anything like that. Because, I feel that status actually implies something much deeper, and something almost immutable. And in the case of low status communities, what it really implies is that inequality in those neighborhoods is assumed both inside by the people living there or people from the outside looking in, like governments or philanthropy or industries. And with that in mind, our approach really has been about how do you create the infrastructure in those communities that help support the people that are already born and raised there, to look back at their neighborhoods and realize that they don't have to measure success by how far they get away from them. That they can use their talents, and actually use their talents to provide a great example and invest emotionally, and socially and just even spiritually, into their own community. So that, the community itself is the first recipients of the benefit of the talent that's born, and raised in their communities.

Matt Slepín:

I'm a headhunter. So, therefore retention of talent actually is against my best interest, but we'll pretend that's not the case. But, for companies of course retaining talent's a huge deal, and it would be the case in a neighborhood.

Majora Carter:

That's right. I'm an entrepreneur myself, and the last thing I want to do is when we do hire people train them up, so the competition can take them away.

Matt Slepín:

Now, when we talk about these low status communities, are there low status communities that get better in terms of services or does the thinking apply to low status communities in transition with some level of, I'm going to use the word gentrification, both can occur?

Majora Carter:

That is a great question. And you detailed the answer actually a little bit, because in low status communities there really are only two kinds of real estate development that happens in them. One is the typical model, the gentrification and displacement, where the community is being developed by an outside interest who are basically creating it for somebody else, right? Not for the people that live there, even though it's often considered to get better. And it's not like the people in the neighborhoods don't want the same thing, but it's clearly not designed for them. The other kind is something that we call poverty level economic maintenance, and it's where you see it specifically, I think in terms of the billions of dollars of both philanthropic government and even, business dollars that go into these communities.

And yet they remain economically stagnant, and you'll see it in the type of the architecture of some of these types of projects. Whether it's, for example, the pharmaceutical and healthcare industry, we've got plenty of health clinics and pharmacies in low status communities. It represents a multi-billion dollar economic engine for this country. So, a lot of that comes directly from low status communities, and the lifestyle conditions that are being "Treated" in those places, diabetes, obesity, heart conditions and etc. Those are the type of things that we see happening there, again, those rates aren't going down at all.

Matt Slepín:

So, we're going to talk through the conversation of these kinds of communities in two places. By the end we'll come up with the answer that works between them, because one is a perpetually low status community, the other gentrifying community, something in between works.

Majora Carter:

Right. And that's what we think is their talent retention community development strategy, which really is about nudging the people that are in those communities who are conditioned to think from when they were little. Because, I know for a fact, I mean, as a kid, I was reading at three and I had a big brain, and from a very early age I was taught you're going to grow up and be somebody. And I was conditioned to believe that it meant leaving the neighborhood, period. And it didn't help that my neighborhood was literally burning around me, because of the financial disinvestment, landlords were torching their own buildings. I mean, it was the era of the "Burning Bronx."

Matt Slepín:

And you grew up in the Bronx in what decades?

Majora Carter:

In the 70s.

Matt Slepín:

So, this was the headline of what Americans think of as poverty even today, that is the model?

Majora Carter:

We were the poster child for urban blight literally, and yeah, many people still think of it today regardless of how many presentations that I give. This is what I grew up with, this is where we are now. I think people still believe that is the case.

Matt Slepín:

And it's interesting, I want to use the words, how did you escape that? Right?

Majora Carter:

Of course, you do. Do you see?

Matt Slepín:

Of course, I do, right.

Majora Carter:

Do you see how it's so seductive?

Matt Slepín:

It just boomed into my head.

Majora Carter:

Of course, it does, but that's the narrative, right? That's the whole idea of this romanticism, of you grow up and you get out of these places. As opposed to actually looking back, and looking inward and going, how can we use all of our talent, and recognize that we are the keys to our own economic recovery? But, first we've got to apply those beautiful gifts right where we are. And it's interesting because in low status communities, it's not just, I'm from an inner city and it's mostly black and Latino people there. But, you will also find them in native American reservations, you'll certainly find them in all white communities that have rust belt towns that might have had lots of industry, but don't anymore. So, those are the type of places where you'll still see the manifestation of what it means to be a low status community.

It's the places where you'll see more dollar stores as your main retail opportunity. You won't have diverse options for food or you won't see farmer's markets and good grocery stores. But, you'll certainly see maybe a convenience store or even a dollar store where you get most of the food that you have. But, really the thing that you see most of is things like very highly subsidized or federally subsidized affordable housing, which gets concentrated in those communities. Developers, it's part of the poverty level economic maintenance, because developers get paid plenty of money to build that, but those communities stay in this chronic economic stagnation. And it's mostly because all of those kinds of

developments, concentrate poverty and we know when we concentrate poverty we concentrate all of the social issues associated with it, statistically.

Matt Slepín:

We're going to unpack that in a few minutes. It's interesting, a couple of weeks ago, I was in rural North Carolina and I had not experienced in my life the number of dollar stores before, you've mentioned it, right? And this is not a dense community, there's very little subsidized anything, but there's gas stations, churches, dollar stores. There weren't even convenience stores, there was fast food of course.

Majora Carter:

Yes, of course.

Matt Slepín:

The same things.

Majora Carter:

Of course, this is what I'm saying. It doesn't matter where you are, you know the low status community when you see it.

Matt Slepín:

So, come back to something you've said before and you said this in the first five minutes, and I meant to scream it out. But, you said inequality is assumed, what does that mean for you where you grow up? And I'm wondering what it might mean in Appalachia where these people are?

Majora Carter:

Oh, I think anybody growing up in a low status community I don't care what color they are, they know that if they're going to try to develop their own sense of self, they can't do it there. It is a shame, it is a stigma that's attached to you. And it's really very strange, because it's super problematic, because there's a part where you want your community to do well. Because, I see it all the time when I work around the country, but there's also this pull away from it because you don't want to be associated with it either. And you've been led to believe, "Okay, I'm going to grow up and be cool, and be smart and succeed, which means success doesn't live here."

Matt Slepín:

Success doesn't live here? And talk a little bit more about growing up, and the punchline to your growing up, it's the wrong way to put it, but I see that you went to Wesley, which just symbolizes the opposite effect. So, just talk a little bit about growing up there during that time in that place, the Bronx. And then, getting to Wesleyan and how you got there, and what culture shock was? But, I'm more interested in growing up, I'm sorry it's a long lead.

Majora Carter:

No problem. So, I was born in 66, so my formative years were in the early 70s and 80s. And around the time I was starting around six years old-ish, that's when I started noticing the fires, literally watching the news with my dad and realizing that my neighborhood was burning. And we didn't understand why, but we understood later that it was because of all the years of redlining and financial disinvestment from the

banking, and finance industries. There was no investment happening in those communities and landlords in particular, were literally torching their own buildings. And also, the buildings at that point were so in disrepair, it was easy for them to burn.

Matt Slepín:

Couldn't do anything else.

Majora Carter:

Yeah, it was bad. And then, I was watching that and then, I remember the fall I turned seven, the beginning of the summer, both buildings at either end of my block burned down. And at the end of the summer my brother was killed in the drug wars that happened in the neighborhoods. And I just remember thinking, that's when I really started to plan my escape, and I was all of seven. And again, I was a smart kid, so I was reading at three and I was like, "I'm out of here." And literally pretty much every day of my life after that was trying to prepare me to get out. And it all culminated with me going to the Bronx high school of science and then, later on to Wesleyan university. And I had culture shock associated with both of them. I mean, they were both predominantly white institutions.

Matt Slepín:

I'm thinking a couple of things, so we used the word escape before, but also thinking you're planning to escape, you have to dodge at the same time. Because, there's so many things that could take you off track or could kill you, your brother was killed. So, how did you keep the intelligence that you have, and the smile that I see you have?

Majora Carter:

I mean, what's so interesting is that, look, I knew that my neighborhood was not the safest place, but at the same time, I never felt like it was dangerous to me personally or to most of the folks that I knew. I knew if you wanted trouble it would find you, because you were going that way. But, we were still a community. I mean, that's the thing that most people don't ever really want to acknowledge about communities like low status communities, is that there is always a sense of safety and security for most people. We feel that, and people do look out for each other, and I think that's why I never felt unsafe ever.

Matt Slepín:

And is that because they're, I'm thinking of the images I have to get to those places, which are not very [inaudible 00:17:26]. And most are negative, but they're not all, there's romantic, they're all kinds of different images that we talked about. One's the wire. So I'm a wire fanatic, which is, I don't know.

Majora Carter:

I've actually never seen it, I know.

Matt Slepín:

It's a Shakespearean way of looking at this from a social ... You know the whole story.

Majora Carter:

I know the story, I probably should watch it.

Matt Slepín:

Okay. So that said, at that time in your neighborhood there is the highly functional community alongside the dysfunctional community? And those people are living their lives and providing role models, so that you never felt unsafe?

Majora Carter:

Yes, absolutely. I talk about some of them in my book, one of them was the daughter of one of my mom's friends, who was getting some advanced degree and knew that I was interested in writing. And so, she literally would critique my writing, I had a weekly appointment with her. And my mommy would walk me around the corner, and she'd gossip with Ms. Flanagan. And I would talk to her daughter Gail, and I would give her my little wire bound notebook with the stories that I'd written. And I was all of seven or eight, something like that, and that was just as normal, as was hearing about people who had OD'd.

Matt Slepín:

Alongside each other?

Majora Carter:

Mm-hmm.

Matt Slepín:

It's an N not an or. So, talk about your book, and actually you said before that you put definitions up front. And the whole book was in the definitions for me. So, for each of the definitions my jaw was dropping, in three pages and then, the book explained how you got there. So, I'm going to call out the words and then, we could discuss some of them. But, it's interesting you have a fan club and you say, "You're haters and if no one's hating you, you're probably not being disruptive." Talk about that.

Majora Carter:

I mean, look, no one's ever done something major where people haven't looked at it and been like, "That's just crazy, blah, blah, blah." And I think it's the same way, especially, if you're working in a space where it's just so normalized to do things the same way. So, I'm going to answer and go forward on some of these questions of the non-profit industrial complex-

Matt Slepín:

That's the next one. Okay, talk about that.

Majora Carter:

So, I looked at the fact that the billions of dollars that get spent, philanthropically and by association, government along the same path that spent to address social issues in low status communities. But, they all stay the same, they're not getting any better and we've seen that, that philanthropic spending does not add up to real change. It just doesn't, because if it did, then we would've seen a bigger dent, but we don't. But, I've noticed that philanthropy still do really well, there's plenty of money that's being put into organizations. But again, if the bottom line is, how much better are these problems getting? No, is it not getting any better? Then, why do we keep doing it the same way?

Matt Slepín:

And so, let's drill down on that, and one of the things we're going to talk about is subsidized housing. And I'm an advocate of subsidized housing, subsidies are good things, but if they're maybe in the wrong place. So, let's talk about the concentration of the use of subsidized housing and then, the last preface to this is I think of generations of philanthropy. What was done in the last generation? What was the belief system that used philanthropic dollars all meant in a good way? And government dollars meant in a good way, but we might have made some mistakes? Which, we've done plenty of. And then, how do we do it in the future wisely? Or the people in the country have said, "I'm not going to start giving money to a philanthropy, I'm not giving money to the government because they misuse it." Talk about those things.

Majora Carter:

So, if you look at some of the roots of federal subsidies, I think some of them absolutely address the fact that in areas of concentrated poverty, you did need to de concentrate that poverty. As a matter of fact, those subsidies were actually meant to be used not in those areas, but in what they called high opportunity areas, where the schools were better, where there was less environmental burdens, blah, blah, blah. Better opportunities for housing, but instead, they built them because in those high opportunity areas unfortunately, there were just people who were like, "We don't want those poor people."

Matt Slepín:

No way, you're not going to build there.

Majora Carter:

Yes, you're not going to do it. So then, where did they put them? They concentrated them in places where there was already high rates of poverty. And just statistically, if we look at the concentration of poverty, what does it do? It'll either generally attract other industries that are designed to be supported by that poverty or benefit from it. Maybe they're not designed to be supported by it, but that's what happens. I.e. subsidized health clinics where they were working to support poor people in those communities. Pharmaceutical industries, again, a good portion of their balance sheet comes from the lifestyle related illnesses. I mean, diabetes is a huge business in this country. So, those type of things, when you add them all together, you are in essence, exacerbating low educational attainment, lower health outcomes.

There's even studies that show when you add all these things together, it actually adds to the precedent of bad policing in those communities. It's all connected. And these are stats that I didn't make up, there's a center at Yale university that looks at the roots of bad policing. And a lot of it has to do with how the economics of a community work. And so, if we don't acknowledge that and then, we keep using our federal dollars to support the concentration of poverty and everything associated with it, which of course we still pay for as taxpayers. We should question that, but instead we don't.

Matt Slepín:

So, how do you take the Bronx, which is historically a low status community, maybe gentrifying, we'll think about that in a few minutes. But, can subsidized housing stabilize those communities done right? So, what's done right, and what's not done right, cause we can go elsewhere too?

Majora Carter:

I mean, I feel like there's not enough ... For example, one of the things I actually mentioned in the book, is that our local councilman famously said that he would veto any project that was up for city funding that wasn't a 100% affordable for the lowest income bans in the community, in the borough, which for us, it's very, very low. And which means that the only projects that are going to get built there are going to be incredibly low income projects or homeless shelters. And because of that, we see the same type of concentration, period. And so. what I think we need to be thinking about is how do you create more economic diversity in those communities? And I think frankly, some of the easiest hanging fruit, is if you just look at quite frankly, the home ownership rate that has dropped over the past 20 years, which is mostly because families will sell the predatory speculators because they often are not aware of the value of their homes.

And if we looked at low income homeowners in low status communities, as basically the people that are actually supporting affordable housing in their own community. And protected them from the very seductive ways that predatory speculators work, keeping them in their home would actually help alleviate a lot of the burden that I think we're seeing on a housing front. Because, people who are owner occupied in their own communities and especially, if they've got attendant units that they can rent out, are generally doing affordable housing. But, we're not even talking about that, almost nobody does.

Matt Slepín:

So, there are lots of things to unpack, and talk about in that conversation. Home ownership rates within those communities, increasing and stabilizing those home ownership rates, if someone drops in a tax credit property in a low status community in and of itself is not bad, unless everything else there is and another low income housing tax credit property?

Majora Carter:

Right, which is basically what happens.

Matt Slepín:

And does the low income housing project or a workforce housing project, using more lingo, having mixed income, does that have a demonstrably better outcome for the health of the community?

Majora Carter:

Well, having more economic diversity always has a better outcome. Especially, if you're creating opportunities for people that are already there, many of them can't even live in neighborhoods that they want to live in. Right. When we did market surveys in my neighborhood, when we first started thinking about being a developer. We asked people, "So why are you moving out?" And a lot of them were just like, "I got a good job, and do you know what I'd like to stay, but quite frankly, nobody's building housing for me." And I was like, "We're not wealthy, but we're not destitute." And workforce housing I think is something we absolutely need more of, and nobody's really building that.

Matt Slepín:

It does not pencil.

Majora Carter:

It does not pencil. Well, I'm not even sure if that's entirely a 100% true, because I do think you can stagger, different various capital stack and add in market rate, which will pay for itself. As long as you

build in the right type of economic developments that could be used to attract them, keep them there. And then, you layer the rest of it in terms of the different types of subsidies that you can get for various income levels. And I just think people just aren't trying to be creative, because quite frankly, I think the affordable housing, the market is so deeply entrenched. And if you're going to do it, do it and make some money, not to say that it's easy, I know it's not. But, I think it's really interesting that, that's the story that we keep telling ourselves.

Matt Slepín:

It doesn't pencil new, although it's beginning to, so people are really working it. It does pencil for preservation though, except the world of advocates don't care about preserving for workforce as much as they care about preserving for low income people. And it's really the workforce that stabilizes the neighborhood that should be preserved, but there's no economic model, there's a few of them. And there's one in California that you'll hear about in housing the bay, but it's happening. But, it's not deep and there's not enough of it, because it's either preservation of workforce or gentrifying value add housing, those are the economic models.

Majora Carter:

Well, see, I do believe that is the effectiveness of the nonprofit industrial complex at play.

Matt Slepín:

It's not only the nonprofit industrial complex, because the users of the low income housing nonprofits are a quarter of those folks.

Majora Carter:

I think there's the advocate side on one end, that's just like, "We only need to be concerned about the poorest of poor people and anything else is not particularly authentic," that missing middle is not considered that important.

Matt Slepín:

Let me keep pushing on the string here, because it's really interesting. So, I worked at the Resolution Trust Corporation during the RTC days, in the affordable housing program. The biggest debate among me and my colleagues was if this stuff's going to be for free get it to the lowest income people possible, that word's not me. And I'm like, "No, don't overburden low income people, particularly for home ownership because they were going to fail. And then, you could all laugh with them for having failed."

Majora Carter:

And then, and even worse than that, to say, "Look, we tried, so we shouldn't do it again."

Matt Slepín:

Exactly. And then, the other thing is a highly targeted low income community of a 100 units. If in a community that has diversity in it, is not in and of itself a bad thing, because you're describing it if it's building after building, after building, out of context. But in context, onesie, it's okay.

Majora Carter:

Yeah. And the example of that one building is something that people can wrap their minds around as well. And I think that's the importance of having this talent retention approach that I talk about. Because, these are people in your neighborhood who are building businesses, who are refinancing their homes and not selling it to a predatory speculator. Who are thinking about getting their credit good enough so that they could at some point purchase their own home down the line.

Matt Slepín:

But, don't those people then want to go to a "Better neighborhood," with a better school and better opportunities, and a better coffee shop, and a nicer grocery store?

Majora Carter:

You will not find a better coffee shop than the one I built in my neighborhood.

Matt Slepín:

We're going to get to your coffee shop.

Majora Carter:

I'm sorry. We just won best in New York via Timeout New York. But to your point, it's those type of things that we know people are leaving the community to experience. We call it lifestyle infrastructure, and it's because when we ask people, "So why are you leaving the neighborhood? Or what are your hopes, and dreams, and aspirations for your own future?" And they would name things like cafes, bars, restaurants, cool cafes and just bookstores, places that they wanted to see and be seen in. And see other cool people in, literally that's what it was. And so, we were like, "How about we try building some of that in our own community and see what happens?" And then, we realized that it did become this magnet for folks, that even though I knew there was cool people in my neighborhood, I don't think I understood how many there were. I truly didn't, because we didn't have literally walls to come and gather in, there was no place like that.

Matt Slepín:

Okay. We're going to come back to home ownership and gentrification in a few minutes, but I'm going to talk about your coffee shop and cool people. So, talk about how you developed the coffee shop, why it's so wonderful and what's a cool person versus a non-cool person who might be sitting in a healthcare waiting room in your neighborhood?

Majora Carter:

I mean, they're fine when you want to be in there, or when you need to be there, but if that's the biggest part of public real estate right in your neighborhood, you're not going to go and party there, right? No, so that's my point. So, we started the coffee shop, again, it was to test that model.

Matt Slepín:

What's it called?

Majora Carter:

Well, it started out as a joint venture with a company called, Birch Coffee and they had a great roast house, and just really exquisite specialty coffee shops downtown. They had a dozen or so. And so, we

were their Bronx outpost, so we learned everything about specialty coffee, but then, we realized that we needed to decouple. And then, we ended up adding our own spin on the experience. And we renamed ourselves, The Boogie Down Grind, because Boogie Down's a name for the Bronx, the birthplace of hip hop. And it was a way for us to showcase that part of our culture, which we totally embrace and love. And we just put it on the walls, in terms of the seminal hip hop albums, early hip hop albums. We did something that we called, urban archeology, we found old signs that were literally on walls at the time.

Matt Slepín:

I love that. .

Majora Carter:

When hip hop was being birthed, and we just put them all up, and our baristas are all DJs in their own right. And they just make their own playlist, it's really cute, but that's the kind of stuff they do. And we just really open the space up for, whether it was art exhibits and open mics, and spoken word nights, and all sorts of cool stuff like that. Fashion shows, credit repair workshops, I mean, we just created the space.

Matt Slepín:

A community space.

Majora Carter:

For people to fill, with the kind of programming that they wanted to see.

Matt Slepín:

And does this not otherwise exist in your neighborhood, in the Bronx, in different forms of different restaurants or meeting places or?

Majora Carter:

In my neighborhood, this was the first cafe that we've had in the neighborhood since I was in high school in the 80s.

Matt Slepín:

Did this spawn other development nearby? So, is that creating a corner, and a space, and a street scape that becomes infectious?

Majora Carter:

It was, that was the whole point, but it hasn't gone into that levels just yet. I can't wait till we become more of a district, where there's more than just our one cafe. I mean, I am building an event hall down the street, but I definitely want to see much more of that type of public lifestyle infrastructure happening, in terms of commercial spaces. We don't want to be the only one obviously.

Matt Slepín:

Yeah, of course. And you say in your book, I'm going to quote you in your book. "It's never lost on me that a coffee shop operating in an American low income neighborhood is considered synonymous with

gentrification. It symbolizes that the neighborhood is changing, but not for the benefit of the residents already there." So, is this for the residents already there?

Majora Carter:

Yes, it is a 100% locally owned cafe, period. And that's when you see it, as most of the people that you'll find there are people from our neighborhoods. And that was the whole point, we want nice things too. But not necessarily, of course, because there are some folks who will preach up and down that all we really need is affordable housing, and that's pretty much it. And I'm like, "Human beings crave beautiful places, they crave having experiences that build community, they want that. And so, when you deny us that, we will seek it out in other ways." I mean, that's why we see that happening in our communities. It's almost as if poverty is a cultural attribute in our community and when you act like that, then, well, you don't need a nice place to hang out, you just need a health clinic.

Matt Slepín:

Right.

Majora Carter:

And I'm like, "You wouldn't want that for your kids. I mean, why would we want it for ours?" And then, you see it, that's one of the reasons why there is an exodus, in our communities. Because, people will leave as soon as they're able to find places that actually speak to their spirit as a human being.

Matt Slepín:

And there is no capital, no money, no self generated money within that neighborhood to create other places like your coffee shop?

Majora Carter:

We used our community as an R and D lab, because no, there wasn't anybody trying to come and build a cafe there.

Matt Slepín:

It's interesting. I just watched the Magic Johnson documentary, did you see this on apple TV? It was really good. And there were two parts that got to real estate in the last episode after the component about aids. Magic Johnson enterprises was building neighborhood theaters and then, they had a joint venture with Starbucks, and they built Starbucks. Did that happen in your neighborhood at all, and if it did, did it persist or not persist?

Majora Carter:

No, I actually tried to get Starbucks to come, they wouldn't even return a call. Because, to them and I explained in the book that I'd met the head of New York city real estate at one point, and told him all about my neighborhood, da, da, da. And he was just like point blank, "Oh, it's just too emerging a market." And then, I found out from the same person after we'd opened up the Boogie Down Grind, and we were doing okay. He was just like, "Oh yeah, now we're looking at that neighborhood." We literally set the table for them to want to come.

Matt Slepín:

It's interesting, I haven't been to the Boogie Down Grind Cafe, I will come.

Majora Carter:

You should.

Matt Slepín:

But, in any neighborhood I go to it's the parallel to the Boogie Down Grind Cafe, where I find myself walking into versus the Starbucks, because it gives me a feeling of specialness and neatness, and it's of its place. And Starbucks, which is just fine, is not of its place. It's just everywhere, and if it was there it would still give people a place to sit, talk and hang out, so that's a good thing. But, it's the local places that have that power to them if they're done right. Now, I want to talk about other developments that you've done, you've done a waterfront park. So, tell me the story of both of those.

Majora Carter:

Well, I spearheaded the development of the first waterfront park that my neighborhood had in more than 60 or 70 years, I can't remember, it was a long time, many, many decades. And it also came out of this notion that our community deserved better, we were fighting against the siting of a huge waste facility and our waterfront. I thought that it might make sense as part of our advocacy to give our community something to fight for rather than just against. And it was the redevelopment of a map city street that had been used as a dump for decades, that dead ended at the Bronx river, because we'd heard about this grant program that the US forest service was putting out to protect American threatened urban rivers of which the Bronx river was certainly one of them.

It was lined with the industry, and all sorts of stuff like that. And through that process, I didn't even realize we had a ... I mean, I knew we had a Bronx river because there's a parkway named after it, thank you Robert Moses. And then, I saw it on a subway map, but that was it. And had I not had a crazy dog that pulled me into it, but I just knew it was just another dump nearby. And I realized that it actually dead ended at this beautiful expansive river that I'd never seen before in my life, even though I'd been there at that point for 30 years.

Matt Slepín:

So, you're a mile away from this?

Majora Carter:

Not even.

Matt Slepín:

Not even.

Majora Carter:

Just miles away.

Matt Slepín:

But, there's a dump there.

Majora Carter:

It cut me off, you couldn't see it. It was just piles of garbage over my head, because you could see from the street. It was like, why would I ever go there? Never. But, for some reason Xena pulled me into it and it was good, because to me that was literally the start of my thinking about being a community developer. And it started out with that restoration project, which is now a national award-winning park.

Matt Slepín:

Congratulations on that.

Majora Carter:

Thank you.

Matt Slepín:

It's interesting, there's so many urban waterfronts that had been hidden in so many places. There's a place in Philly where I grew up, in the suburbs of lower Marion, and they have reclaimed a spot right on the water that'd been industrial. And now, it's a walkway and a bike path, and you get ice cream.

Majora Carter:

We have this crazy history in America turning our backs on the river, first destroying them. And then, turning our backs and then being like, "Oh yeah, water, people like it." And I'm always very delighted when I hear stories like that.

Matt Slepín:

What was its effect on the neighborhood? Did it open up people's heart to that place?

Majora Carter:

Oh my gosh, well, first of all, people didn't even know what was there. And some of my peers in the nonprofit world just this thought I was the biggest dilatant ever, because there I was thinking, "We've got to give people something to dream on," as Jimi Hendrix would say. And they were like, "Yeah, but we got real problems, the schools suck." And I'm like, "They do, I'm not saying they don't ... it's not either or." But, they left me alone, they didn't bother me. They let me do my stuff. My favorite, and I don't think I even put this story in the book, but one of my favorite stories, the park had only been around for a year or two at this point. And I was actually coming out west at the time, and I was in a cab, I think coming out of SFO.

And I saw an email that the park had been vandalized really badly. And I'm working with clients, I couldn't stop anything literally. And I'm 3000 miles away. And by the time I got back, four days later, the park was completely back to normal. There was a news story about how badly it was vandalized. And there were these people from the neighborhood, none of which I knew, actually they were all just like, "How dare somebody come here and do this to our park?" And there was enough of ground swell of support to make sure it got cleaned up appropriately, that it was cleaned up appropriately within four days.

Matt Slepín:

Wow. So, let me ask a gross question. So, in the Bronx, you open up the river, you put a park there. Here's the gross question, how did you keep it safe?

Majora Carter:

We made sure it was maintained properly. And so, it always looked like it was a well used wonderful place. Because, maintenance to me is a huge, huge indication of whether or not somebody cares, and therefore reflective of safety. Maintenance can be used almost as a crime deterrent, because the more people want to use a clean park, they won't use a park that's really gross. And that means it becomes a magnet for everything else that's bad, that's associated with it. So, not to say that nothing bad happens down there, but for the most part, it doesn't. Because, it's maintained as this vibrant space that people actively use for good uses. And that is the tenor of what goes on down there.

Matt Slepín:

And go back to the neighborhood that we've talked about before, where you were dodging bullets, but felt safe. So, how do those bullets not find their way to that park at night, especially?

Majora Carter:

Maybe they do, I have no way there. I mean, I've actually seen crime stats, it's just not that big a deal. I don't know. I mean, all I could say is that when people talk about the reasons why they want to leave our communities is not because of crime. It's usually because there's just nothing to do.

Matt Slepín:

There's enough coffee shops.

Majora Carter:

Yeah.

Matt Slepín:

Parks on the water.

Majora Carter:

Well now, there're parks in which they love. But, if things aren't programmed all the time or if there's no place for people to develop their own programming within a community, people will find other communities that have it.

Matt Slepín:

Yeah, I also wonder about clean, bright, spaces that are well maintained versus those that aren't? And since you have a percentage in that neighborhood that is devolved, that percentage stays in the other kind of places and don't want to come to the bright, shiny, well, maintained places also ruin it for the others.

Majora Carter:

No, I don't know if they ruin it for the others, but the other ones are there for them. And that's the really interesting thing, if you don't create options for people to see they will never know ever. And so, that's

why it's important for us to create those different options in neighborhoods, and help people see that there are different ways of being.

Matt Slepín:

So, I still want to ask about Spofford, but before that, talk about the MacArthur genius award, you're our second MacArthur genius that I've talked to in two months. So, Roseanne Haggerty, who you might know-

Majora Carter:

Oh, I do know Roseanne, of course.

Matt Slepín:

And what an amazing conversation, but anyhow, talk about, did that come from the waterfront park, if there was an inspiration for that and then, how did that change your pathway once you had that?

Majora Carter:

I mean, I think it came from my entire body of work. I mean, the name urban revitalization strategist actually, The MacArthur Foundation named me that, because our work spanned. Whether it was green workforce development, park advocacy, local economic development in areas that nobody expected the kind that we were doing, things like that. So, there's an umbrella term.

Matt Slepín:

Okay, cool. Well, congratulations.

Majora Carter:

Thank you.

Matt Slepín:

And after you had that award, did that open different doors and different opportunities to make a difference in another way?

Majora Carter:

It closed a bunch of doors.

Matt Slepín:

Wow. So, talk about what closed versus open? I'm surprised by that.

Majora Carter:

I mean, mostly because philanthropy is, I mean, if you just look statistically at how they fund women and in particular women of color, the funds just do not go to us. And the more my star rose the less funding I got, and I would literally hear things from folks like, "Oh, you know you're doing good, we need to support somebody else." And I was just like, "I know some of these organizations you're supporting, you do shoot a dead horse after a while. I'm sorry." But, to them, they loved the underdog story and I was not an underdog. I wanted to win for my communities. I still do, I'm not trying to do a feel good story

about anything. I'm like, "Look, we are struggling, we have talent. There're opportunities for us to grow and really do well. But, that's what we want to try to work on, I'm not trying to do anything else."

Matt Slepín:

So, have you played the game elsewhere? Talk about success, what's worked and project that you're proud of?

Majora Carter:

So, we took the same exact model that we wanted to do in my neighborhood, and we're in pre-development now for a similar project in Indianapolis, Indiana. So, I'm excited about that. And that'll include about 150 units of mixed income housing, including about 50% should be home ownership. And actually one of the companies that I'd hoped to attract to New York, and New York city didn't seem interested in working to bring them here, Revolution Foods. And so, they prepared school lunches, and they were excited about going to Indianapolis. And they're going to build a 200,000 square foot facility, 200 jobs in addition to that project, we'll have another local food hub for restaurant tours, and small lot food manufacturers. So, it's actually helping create more local opportunities.

Matt Slepín:

And talk about the structure of home ownership in these properties. And often when home ownership is done, there is some subsidy and there're strings attached to how those subsidies work for home ownership.

Majora Carter:

Yeah, depending on what kind, I mean, there's limited equity co-ops. I mean, there's some that do have covenants in their design specifically, so that people can have some generational wealth, but they can't sell it for much more. And I think it's designed for low income people so that they can actually participate in an ownership, have an ownership stake in equity in a property, but they buy it for a set price. And then, the deal is that the permanent affordability section goes so that when they decide to move out, they can sell it, they'll definitely get their money back, plus some extra. But, it's not going to be, you can't just sell it for whatever the market is, because the whole point is that it goes to the same type of people in terms of affordability.

Matt Slepín:

Does this create a sense of ownership that helps communities? Or does it create a sense of rentership that looks like ownership?

Majora Carter:

No, I mean, if you have a home you are putting equity in it, that's what you're paying down and that's your equity. Then, you could borrow against it, you can do all sorts of stuff with that. And I think that's why we've got such a crazy wealth gap, right? It's because we don't own anything. So, even if it's ownership with caveats, because not everybody's going to be an owner. And I know some people won't ever make the kind of money where they're going to be able to buy the kind of home that a lot of people might want, and that's okay. That's just why I think we need more models that allow ownership.

Matt Slepín:

But, on a different level?

Majora Carter:

Yeah.

Matt Slepín:

It's interesting, there a couple of comments on this one. My wife grew up in a limit equity co-op in Brooklyn, and her parents called it the rent.

Majora Carter:

Because, that's probably what they were used to.

Matt Slepín:

Yeah, and they weren't used it, this was the first place they lived, these were immigrants and they had nothing. My wife grew up in a one bedroom apartment with her parents, so this is ...

Majora Carter:

I hear that a lot.

Matt Slepín:

But, they never felt more than rent, they never felt that sense of ownership.

Majora Carter:

I believe.

Matt Slepín:

And when I started my career I was in the co-op housing movement, it was a movement, not a thing. Limit equity co-ops were really cool, but long term, they don't necessarily create that sense of ownership.

Majora Carter:

Then, I would actually say that part of it's the branding of it. We don't place an emphasis on financial literacy in many of the low status communities. We just don't, and it's really hard, I think, to break the habits that we have, unless there's a sustained effort to educate people about what that means. And as far as I can tell, there's not a whole lot of support to do that.

Matt Slepín:

It's interesting, one of the books that's resonated the most with me, and I want to have him on the podcast, is Richard Rothstein, he wrote The Color of Law.

Majora Carter:

He's amazing.

Matt Slepín:

An amazing, eye opening, jaw dropping, sad as shit book, excuse me. Because, at the time that the government programs were being created, that created the suburbs, it created a whole generation of wealth for white people's specifically not for black people.

Majora Carter:

Yes, exactly. So, I mean, listen, I think, capitalism is such an interesting thing, because the principles of it created things like slavery. But, it also created the development of things like black wall streets, wealth capitalism it's just like, what's the difference. But, the outcomes absolutely depend on, how is it being applied? But, part of me is just like, "Since it's here, how about we just figure out ways to create some value for the people that have not been included in the benefits of it?"

Matt Slepín:

So, I want to think of two things before we end. One is I want to talk about home ownership in these communities, and how that can stabilize communities? How people won't take the brass ring of, "Hey, let me buy you out?" And so, what maintains people in their homes in these neighborhoods so that ownership can work. And be stable?

Majora Carter:

I'd like to pause at, I don't think gentrification, the typical kind, where properties are acquired, longstanding owners in the community. You start to see gentrification when you start to see things like coffee shops, and doggy day cares, and places where you haven't. It starts to happen when people don't see value in their own community, because that's when they sell early, and cheap. And so, the opposite of that is making sure that people see value in their communities. Because then, it would be very easy for them to see that someone else sees value, that they see the value that someone else is seeing and being like, "Well, I understand that. So no, I'm going to hold onto it for myself."

But, I think a huge piece of it is helping people in our own communities see the value there. And that a lot of that has to do from where we're standing, with creating the sense of value in the community through lifestyle infrastructure, that makes people go, "Yeah, this is my neighborhood, and I'm proud of being here." There are cool places to be, there are cool people here. And so, why would I sell my community? Why would I sell my neighborhood? Why would I sell my house? If I feel that this is something that's going to accrue in value, that has value for me right now. And then, by association for my family going forward.

Matt Slepín:

Let me ask you question, as the neighborhood densifies, that person should sell their house and then, get the top floor condo for free that's being built there, have the equity in the condo. Now, it's a dense neighborhood, and that's okay and that's cool, but they're not losing their equity. And you should be making that.

Majora Carter:

No, what I tell them is you become the developer, and you build that yourself.

Matt Slepín:

That's even better.

Majora Carter:

That's what I tell them. I never would ever tell people in low status communities to sell. I am absolutely-

Matt Slepín:

Don't sell, don't leave, because there's nowhere to go.

Majora Carter:

Don't sell, and use and build the value in your own property.

Matt Slepín:

So, is that happening?

Majora Carter:

Sometimes it is, yeah, definitely. And not as quickly as much as I'd like, because the speed at which predatory speculators go after folks that don't understand the value of their home is incredible. One thing that has been happening and it makes me super proud, is that, I will give you a perfect example, so I met woman actually before my book came out. And told her about my book, got a copy. And she had actually just sold her home, she lives in a low status community, had sold her home to a group of investors that's a code for predatory speculators, holding companies that buy houses very quickly. And so, she was in that three day waiting period, before you could either cancel the sale or keep it. And so, she had just decided to sell, she had already sold the house went into contract the whole shebang and then, saw my book sitting around, and decided to read it. And read it in one sitting and then, the next call was she picked up the phone, called her broker and said, "Cancel the sale, I'm not selling my child's inheritance."

Matt Slepín:

Wow.

Majora Carter:

And I was like, "Okay, all right." And I'm getting those kind of stories often.

Matt Slepín:

I want to take exception with predatory speculators, that's a bad, bad word.

Majora Carter:

Yes, it is.

Matt Slepín:

The next bad word is developer, and I'm trying to reclaim the word developer.

Majora Carter:

No, I have no problems with developer. I think developers are great.

Matt Slepín:

Because, those people should joint venture with those developers on the redevelopment of their home-

Majora Carter:

But, they won't, I've tried. So, they'll call me up, because I own a few properties in my neighborhood. And they'll just say, "Hey, I'm working with a group of investors and your neighborhood's really hot right now. And we'd love to acquire your property." And I was like, "Do you know what, that's great. How about since I've got the asset, I join your group of investors? And I've got other people who'd be interested in doing that." And there's silence at the other end of the phone. And they're not interested in working with people in our communities, they're just not.

Matt Slepín:

Okay. We're going to work on that, because this podcast is going to help that. So, if there's a lesson from everything we've talked about, that could happen. Not that we'd love to happen, it's just not going to happen. So, we're going to be off. But, what could happen somewhere in the middle that helps this to occur more often what we just discussed?

Majora Carter:

I mean just people in low status communities holding on to their properties, and thinking that the value that could accrue could actually become part of their generational wealth for their families. To consider people, the talented ones in our communities, really giving our communities a second look and deciding that they want to stay, and invest emotionally, and socially. And of course, financially. And I do think that it would be super cool if we had something like a real estate public defender, the same way that there's a public defender if you were accused of committing a crime, you have legal counsel to help you go through that process. People every day are literally shedding any hope of future generational wealth potential, because nobody, whether it's various departments of finance and different municipalities, they watch those deals go across the table in a heartbeat. And nobody stops to look at the family who's just sold their house often for pennies on a dollar.

Matt Slepín:

Two things I want to say, so one is my daughter in DC runs a tenant purchase program, but it's all for rental, I think. And it's not a way for existing homeowners to get their piece of the world. And I'm also thinking I'm in a house, it's rundown, stuff's building up around me, what am I going to do? I don't have money to make the house better.

Majora Carter:

I'm sure you do. If you've got equity in your house, if everything's building up around you've got plenty of it.

Matt Slepín:

I can't pay off the loan for that equity. So, how do I capture that value into the house that I have in a neighborhood that's we're developing, and let me be part ... Again, I'm back to that, I want to be part of that redevelopment in a way that's going to work for me, and that needs a translator.

Majora Carter:

Right, they all need translators. Absolutely.

Matt Slepín:

It's not just legal counsel to stop it, it's a translator to make what should happen in the right way happen for those people.

Majora Carter:

It could happen. And it's true. And that should be a part of it, because again, people can't even get to the point where they know that there's value in there, in their land, by just holding onto it. You think there're going to know that there might be ways to finance it in a different way that they could pull some equity out? No, they're not going to know that either. So, you're right and there are two very different things. So, both of those I think are part and parcel, ways to help people get across to another part of what could be the beginning of their future.

Matt Slepín:

That's totally true. It's someone to trust, it's a business person to trust. It's beyond financial literacy, that's a hard one because you just ...

Majora Carter:

I mean, look and there's been literally 100s of years of people in low status communities not being given that kind of opportunities. And even when we try, I mean, there's still black people's homes that are being appraised at less than white people. I mean, it's just disgusting. And so, this stuff should be criminal, but it's not.

Matt Slepín:

So, the last question on Leading Voices is always if you have advice for a young person getting into the real estate business? So, you have advice for a young black person in a low status community who says, "How am I going to get in the real estate world?" How do you help them think about that?

Majora Carter:

The horrible thing is my advice would be different for a black person than it would be for anybody else. But, actually the big piece would be learn as much about the industry as you can, if you're going to school get a degree in it. Because, that's where I was utterly deficient, I had no idea of any of the things I'm doing. I just didn't understand it, because that wasn't my world. And so, I think that will absolutely help, get an MBA and then, at least some concentration in real estate and finance in particular, so that you understand where you're playing. But, it would be the same because the networking is really going to be what's happening and then, buy whatever property you can. I don't care where it is, if you have to eat oatmeal for a year do it, and don't sell your family's house.

Matt Slepín:

That's totally true. Majora, thank you very much. I really appreciate your time, and this conversation.

Majora Carter:

Its my pleasure.

Matt Slepín:

And good luck with the book.

Majora Carter:

Thank you.

Matt Slepín:

Take care. Thank you for listening into Leading Voices, and I hope that you enjoyed today's episode. I have a request, if you enjoyed the episode and found it to be valuable, please share it with a friend or two. If their podcast wavy, take their smartphone in your hand and subscribe for them, and teach them to listen. You'll change their life. Seriously, thanks for listening and keep in touch. You know you can reach me at matt@terrasearchpartners.com. See you next time.