

THE DOE FUND

Building Affordable Housing in (and Despite) New York City

BY STEVEN CUTLER

The Doe Fund, established in 1990, is one of the more visible non-profits operating in New York City. Their street-cleaning teams of “men in blue” – formerly homeless graduates of the fund’s Ready, Willing and Able life-retraining program – have become a familiar sight.



A Better Place for formerly homeless men and women living with HIV or AIDS.

The program’s mission is simple, yet profound, as anyone who has talked to one of their eminently approachable workers on the street has probably learned: to empower homeless, incarcerated and drug-addicted citizens to reinvent themselves as self-sufficient contributing members of society.

The Ready, Willing and Able program, which has helped more than 4,500 men and women become drug-free and employed full time, utilizes a multifaceted holistic work and job skills program. The work it pays trainees to do, like cleaning the streets, along with an educational component and support program, prepares them for fulltime employment in the general marketplace.

But from the beginning, Doe Fund Founder and President George McDonald knew an essential element of the program would entail equipping trainees to obtain their own self-supported housing – a potentially steep hurdle in a city with a dearth of affordable housing.

Their solution: build the housing they need.

“Housing has always been a cornerstone of our program,” says McDonald, an ABO member since 1988. The Fund has developed several transitional and permanent residential projects to house trainees at various stages of their progress.

The Doe Fund’s first project was a transitional facility on Gates Avenue in Bedford

Stuyvesant in Brooklyn, which houses 70 program participants. HPD provided funding for the acquisition and renovation of an abandoned building into a single room occupancy facility. The building crew was recruited from hundreds of homeless people who applied for the job. Forty-five applicants became the first trainees working for The Doe Fund, in 1990.

Next, McDonald transformed a city-owned 70,000-square-foot former school in Harlem into a facility to house 200 men. The property was upgraded with \$1.5 million raised through individual donors and improved by the city, which replaced the roof and fixed the façade.

McDonald’s third building, the Peter Jay Sharp Center for Opportunity, a transitional facility in East Williamsburg, is state-of-the-art, he boasts – “the best thing since chopped liver” – thanks in part to the construction by ABO co-chair Jeff Levine’s Douglaston Development, which came in, according to McDonald, intoning that sacrosanct five-word accolade, “on time and under budget.”

A 75,000-square-foot former textile factory converted into a 400 bed transitional residence, The Peter Jay Sharp Center won the Brooklyn Chamber of Commerce “Building Brooklyn” award for its positive impact on

the community, which included remedying several troublesome environmental conditions.

In 1996, The Doe Fund built a 24-bed facility on East 86th Street in Manhattan for A Better Place, its permanent supportive housing program for homeless men and women living with HIV/AIDS. “We oversaw the rehabilitation of the total development, at a cost of \$4.2 million,” recalls McDonald. “Financing was provided by an acquisition and development loan from HPD and a low income housing tax credit.”

Two of McDonald’s permanent housing developments, he says, “are two things that I am just wild for, both dreams of mine.” Stadium Court, named for nearby Yankee Stadium in the Bronx, is a state-of-the-art modular housing complex for low income households, consisting of 60 rental units, an enclosed courtyard and parking lot.

Made in New York — at Last

“What made it different for me,” recalls McDonald, “was that it was modular affordable housing, made in the city of New York for the first time. Heretofore they were going to Pennsylvania to do such things — but it was great to be able to do it in *this* city.”

Finally, “the affordable housing I am the proudest of,” says McDonald, “is the Peter Jay Sharp Residence on East 117th Street.” Built in 1999, the six-story single room occupancy residence “is a model for the future,” he says. Its 74 apartments offer private baths and kitchens and the building contains a host of communal amenities, including a television room, washer/dryer, lounge and gym — “all of the comforts of home,” says McDonald. “It is first-rate housing for the people who service our city.”

McDonald laments the demise of affordable housing in New York City. “We don’t have housing for the working poor people — the cooks, the waiters, the doormen who service the operation of the city. These are people who accept personal responsibility and just really need an affordable place to live.

In the old days we had 150,000 of these rooms in the city, and now we have maybe 30,000 of them left, because they all went to be redeveloped.”

McDonald built the Peter Jay Sharp Residence, the first new SRO built in Manhattan in 50 years, he says, “as an example of what we could have. People come from all over the country to see it.”

There are similarities and differences in building subsidized affordable housing compared with market-rate, says McDonald. “The building of it and the financing of it are almost the same,” he explains, if somewhat more complicated. Unlike cash-rich developers who have clout with banks, nonprofits need to cull funds from myriad sources. “I have to go looking for low income tax credits,” says McDonald, “and any

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Stadium Court modular housing with gated courtyard in the Bronx



Peter Jay Sharp residence on East 117th Street — a model for the future of affordable housing.

combination of different sources of funding.” Dealing with subsidies adds layers of complication. “When you involve the government, things don’t normally go as smoothly as it might for deep-pocketed, for-profit developers.”

Still, says McDonald, “The truth of the matter is, there is money for good projects. You just have to be persistent and patient.” HPD has been especially helpful. “HPD gave the Doe Fund and Ready, Willing and Able its start. We’re not a social program, not funded with grants – we went to work for



The Doe Fund’s Men in blue working in Liberty Park.
Photo credit: Chris Callis

them. We used people who needed a structured opportunity to work and get paid. HPD took a chance on us. Now we are a \$50 million year business and we have earned \$600 million since then.”

Second to the HPD, says McDonald, “our major support came from the real estate industry – even before we were sweeping the streets.” He had major landlord support for his advocacy for affordable housing and the renovation of buildings in the poorer areas of the city. “Lou Rudin [former ABO Chairman], Burt Resnick, Steve Ross, [ABO President] Jerry Belson– the list goes on and on. They were our earliest donors.”

The major difference in developing affordable verses market rate housing, especially transitional, is in the ongoing operation. “We try to build in a little bit of support,” explains McDonald. “Certainly we have 24-hour front desk security. And then we have social workers – but not much.”

In its permanent housing, “people may get a little bit of a tuneup if they need it. If people run into trouble, one of the things we want to make sure of is that one way or another, even if they have to come back to work for us for a while, that they get to pay the rent and stay where they are.”

In their new lives, Doe Fund graduates come to appreciate, as do citizens at every level of life and business, especially the real estate business, that the last test of personal integrity and professional viability is paying the rent. ○

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